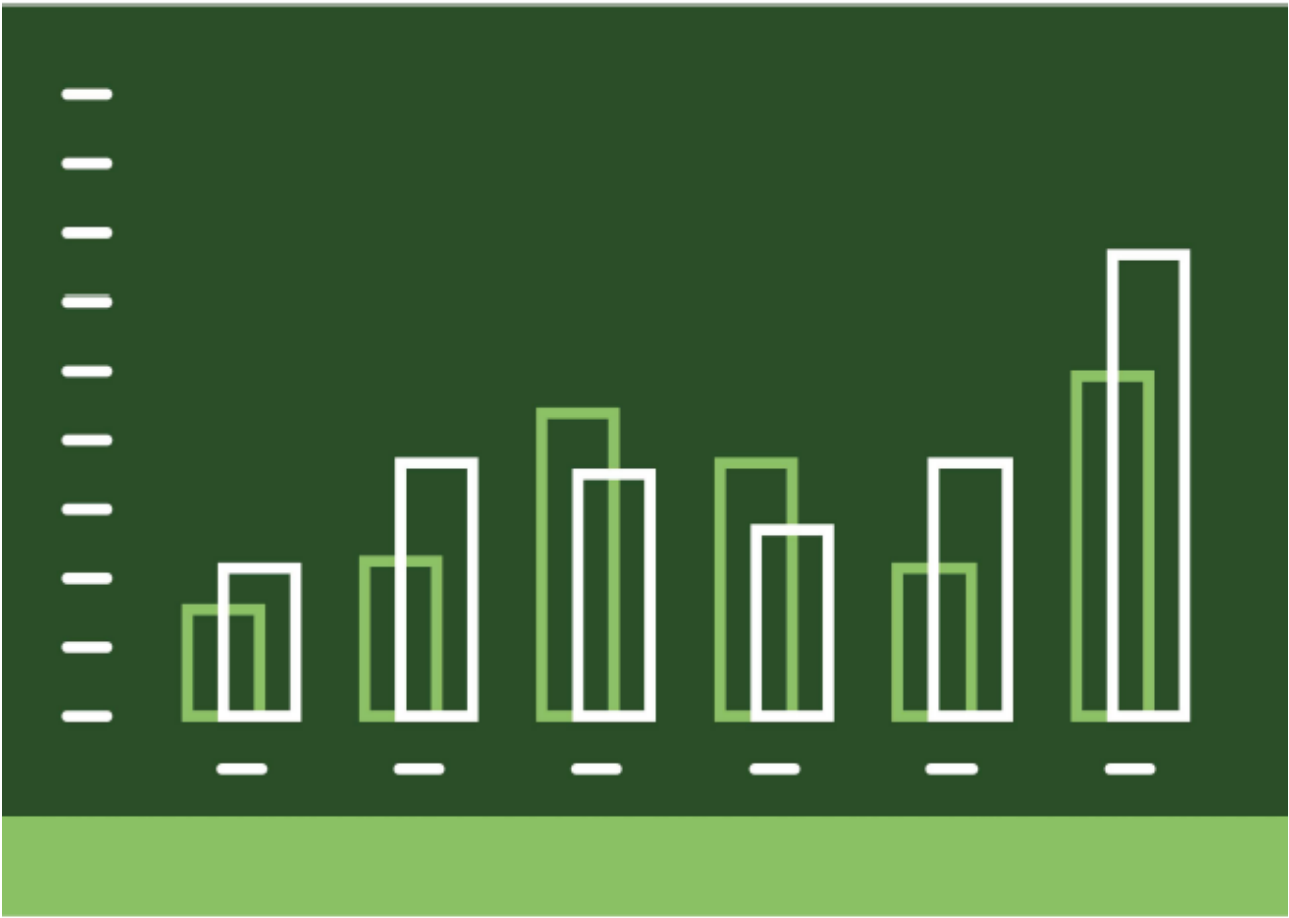


Annual Report 2024

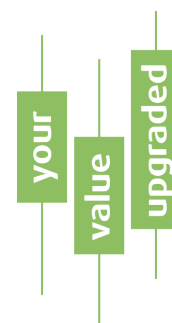
Bittnet Group

Universal Registration Document



Annual Report for FY2024

Financial year	01.01.2024 – 31.12.2024
Company name	BITTNET SYSTEMS S.A.
Headquarters	Bucharest, Sector 5, Serg. Ion Nuțu Street, no. 44, One Cotroceni Park, Building A and Building B, Floor 4
Legal address	Bucharest, Sector 5, Serg. Ion Nuțu Street, no. 44, One Cotroceni Park, Building A and Building B, Floor 4, 050691
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 market on which the issued securities are traded	Bucharest Stock Exchange, Main Segment, 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 a face value of RON 0.10 per share
Trading Symbol	BNET – shares BNET26E, BNET27A, BNET28, BNET28A – bonds
ISIN code for shares	ROBNETACNOR1
Contact	investors@bittnet.ro



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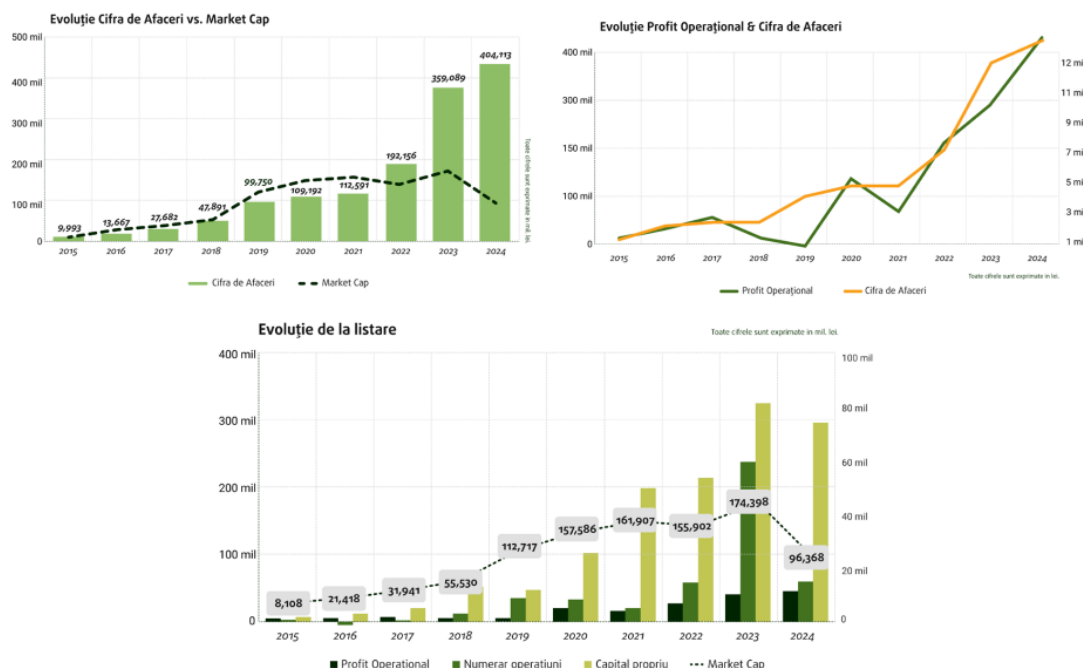
Key Information

Key results, historical, thousands ron

Year	Revenue	Operational Profit ^[1]	Net profit	CashFlow from Operations	Assets	Cash	Capital	Market Cap.	ROE Op.Profit	ROE Net Profit
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	186%	102%
2016	13,667	1,929	870	-1,768	10,446	2,355	3,100	21,418	100%	45%
2017	27,682	2,743	1,206	373	30,898	11,060	5,961	31,941	88%	39%
2018	47,891	1,319	4,408	3,397	59,069	13,048	14,001	55,530	22%	74%
2019	99,750	838	-4,458	8,502	88,462	20,824	12,372	112,717	6%	-32%
2020	109,192	5,930	1,025	8,120	102,353	24,873	27,646	157,586	48%	8%
2021	112,591	3,879	13,021	4,242	133,961	23,405	55,249	161,907	14%	47%
2022	192,156	8,372	-2,192	17,995	220,596	42,300	57,494	155,902	15%	-4%
2023*	359,089	12,772	823	60,766	293,881	73,013	81,292	174,398	21%	1%
2024*	404,113	12,684	9,118	21,999	335,160	73,355	77,195	96,368	19%	10%
CAGR	48%	39%	55%	50%	51%	57%	57%	28%	52%	11%
Yoy	13%	19%	1008%	-69%	14%	1%	-5%	-45%		
Main Market	270%	155%	790%	171%	227%	195%	179%	-38%		

*At the request of the Group's auditor, KPMG Audit, the financial results of the Cybersecurity pillar (companies: FORT SA, GRX-Advisory SRL and ISEC Associates SRL), a business pillar sold in December 2024, were removed from the consolidated financial statements for FY2024 and FY2023. For yoy comparability, the results of the Cybersecurity pillar were also removed from the results FY2023.

As every year, in the attached table we summarize the essence of our operating model that we have followed so far and our investment thesis proposal. The table presents the evolution of consolidated revenues, assets, operating profit and market cap, providing a visual perspective on our performance and strategic direction.



NOTE TO INVESTORS

According to EU Regulation 1129/2017, Article 9, paragraph (12): The Universal Registration Document ("Document") filed with or approved by the competent authority is made public no later than four months after the end of the financial year and contains the information to be disclosed in the annual financial report referred to in Article 4 of Directive 2004/109/EC, the issuer have fulfilled its obligation to publish the annual report provided for in that Article, if:

- a) include in the universal registration document a cross-reference list indicating where the universal registration document for each item required to be included in the annual and semi-annual financial reports can be found;
- b) lodge the universal registration document in accordance with Article 19(1) of Directive 2004/109/EC and make it available to the designated official mechanism referred to in Article 21(2) of that Directive;
- c) include in the universal registration document a statement of responsibility under the conditions set out in Article 4(2)(c): statements by the responsible persons within the issuer, clearly identified by name and function, confirming that, in their opinion, the financial statements drawn up in accordance with the applicable body of accounting standards give a fair view of the assets and liabilities, the financial position and the financial result of the issuer and the undertakings involved in the consolidation, and that the management report presents a true and fair view of the development and results of the undertaking and of the situation of the issuer and the undertakings involved in the consolidation, as well as a description of the main risks and uncertainties facing them.

This Document has been prepared to serve both as an Annual Report for the financial year 2024 in accordance with the above points, as well as as a reference source regarding the Issuer and the group to which it belongs, providing investors and analysts with the minimum information necessary to make an informed decision regarding the activity, financial position, earnings and prospects, governance and shareholder structure of the Company as of the date of its preparation. This Document has also been prepared for its use for the purpose of future public offers of securities, regardless of their type or class, which may take place on a regulated market if completed with the amendments, as applicable, as well as with a securities note and a summary approved in accordance with Regulation (EU) 2017/1129. By submitting for approval and publishing this Document, Bittnet Systems SA aims to maintain the status of Frequent Issuer of securities in accordance with Regulation (EU) No. 2017/1129.

The information contained in this Universal Registration Document presents the situation of the Issuer and the group to which it belongs, as of the date of the Document within the limits of the documents and information selected, except where another date or source is expressly mentioned.

The information contained in this Document is provided by the Issuer or comes from public sources, as indicated in the Registration Document. No other natural or legal person, other than the Issuer, has been authorized to provide information or documents.

The information in this Document is for informational purposes only and shall not be considered as legal, financial or tax advice. Nothing in this Registration Document shall be construed as a recommendation to invest or an opinion on the situation of the Issuer or the group to which it belongs, or as legal, tax, financial or professional business advice. Potential investors should be aware of the risk factors to which the Issuer is subject, both in terms of the industry in which it operates and the individual risks specific to the Issuer. The risks identified by the Issuer are presented in this Document: **Section 3 - Risk Factors**.

Regulation (EU) 2019/980 on the prospectus has created the framework for a new document, known as the 'Universal Registration Document', designed to speed up the prospectus approval process for frequent issuers of financial instruments. Under the EU Regulation, frequent issuers are encouraged to draw up their

prospectuses as separate documents, as this reduces the cost of compliance and allows them to react quickly to market opportunities. Therefore, issuers whose financial instruments are admitted to trading on regulated markets or on the SMT markets have the possibility to draw up and publish, in each financial year, a universal registration document containing legal, commercial, financial, accounting and shareholder information and providing a description of the issuer for that financial year. The preparation of a Universal Registration Document allows the issuer to update information and prepare a prospectus when market conditions become favorable for a public offer of financial instruments or an admission to trading on a regulated market, by adding a note on the presentation of the instruments (shares / bonds) and a summary. The Universal Registration Document is used as a reference source on the Issuer, providing investors and analysts with the minimum information necessary to make an informed decision on the company's business, financial situation, earnings and prospects, governance and shareholder structure.

Statement on the Perspectives

This Document contains forward-looking statements within the meaning of the laws governing financial instruments (securities) in certain jurisdictions. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including statements preceded by, followed by or including the words "may", "will", "would", "should", "expects", "intends", "estimates", "anticipates", "projects", "believes", "attempts", "plans", "foresees", "continues", "commits", "obligates", "expected", or, in each case, negative forms thereof or other variations or similar terminology or discussions of future strategies, plans, objectives, policies, goals, events and intentions. These forward-looking statements appear in several places throughout this document.

Forward-looking statements include statements of current intentions, beliefs or expectations regarding, among other things, the results of operations, vision, growth, dividend strategy and policy or the industry in which the Issuer and the group of which it is a part operate. The forward-looking statements contained in this document speak as of the date of this document. The Company undertakes no obligation to release any updates or revisions to any such forward-looking statements contained in this Document to reflect any change in the Company's expectations therewith or any change in the events, conditions or circumstances on which any such statements are based, except as required by applicable law.

Forward-looking statements involve known and unknown risks, uncertainties and other important factors that are beyond the Company's control and that could cause its actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Company's current and future business strategies and the environment in which it will operate in the future.

Important factors that could cause the Company's actual results or performance to differ materially from those expressed in these forward-looking statements include the factors described in the "Risk Factors" section of the Universal Registration Document, as well as in other sections of this Document. These factors include, but are not limited to, fluctuations in interest rates; delays in deliveries by manufacturers or distributors caused by various overlapping global crises, the economic and social situation in Romania, affected by corruption and money laundering. These risks and the remaining information described in the "Risk Factors" section are not exhaustive. Other sections of this Document describe other factors that could adversely affect the Company's results of operations, financial position and the development of the industry in which the Company operates. From time to time, new risks may arise that affect the Group's operations and business, and it is not possible for the Company to foresee all of these risks, nor can it assess the impact of all of these risks or the extent to which any such risks, or a combination of these risks and other factors, could cause actual results to differ materially from those contained in any forward-looking statements.

When reading forward-looking statements, investors should carefully consider the above factors and other uncertainties or events, particularly in light of the political, economic, social and legal environment in which the Company operates.

Given these risks and uncertainties, investors should not rely on forward-looking statements as a prediction or a guarantee of actual results.

Annex 1: Cross-references - Annual Report according to Regulation no. 5/2018 vs. Universal Registration Document

The requirement of Regulation No. 5/2018	This document
The report includes the administrators' report, as well as, where applicable, the consolidated administrators' report, prepared in accordance with the applicable accounting regulations, and includes, in the case of the regulated market, also:	
II. Corporate governance statement, as well as, where applicable,	Section 14.4
III. Non-financial statement regarding environmental, social and personnel aspects, respect for human rights and combating corruption and bribery.	it is not the case
1. Analysis of the issuer's activity	
a) Description of the issuer's core business	Point 5.1.1
b) Specifying the date of establishment of the issuer	Point 4.3
c) Description of any significant merger or reorganization of the issuer, its subsidiaries or controlled companies, during the financial year	Point 6.2
d) Description of asset acquisitions and/or disposals	Point 5.7
e) Description of the main results of the assessment of the issuer's activity:	
1.1.1. General evaluation elements:	
a) profit;	Point 5.3
b) revenue;	Point 5.3
c) export;	Point 5.2 and 5.3
d) costs;	Point 5.3
e) % of market held;	Point 5.2
f) liquidity (available in the account, etc.).	Point 7.1
1.1.2. Evaluation of the issuer's technical level	
Description of the main products manufactured and/or services provided, specifying:	
a) the main markets for each product or service and the distribution methods;	Point 5.2
b) the share of each category of products or services in the issuer's revenues and total revenue for the last 3 years;	Point 5.2
c) the new products envisaged for which a substantial volume of assets will be allocated in the next financial year, as well as the stage of development of these products.	Point 5.7.1.D
1.1.3. Evaluation of technical and material supply activity (indigenous sources, imported sources)	
Specifying information on the security of supply sources and prices of raw materials and the size of stocks of raw materials and materials	Point 5.8
1.1.4. Evaluation of sales activity	
a) Description of the evolution of sales sequentially on the domestic and/or foreign market and of the medium and long-term sales prospects	Point 5.2 and 5.3
b) Description of the competitive situation in the issuer's field of activity, the market share of the issuer's products or services and the main competitors	Section 5.2
c) Description of any significant dependence of the issuer on a single customer or group of customers whose loss would have a negative impact on the issuer's company's revenues	Section 5.9
1.1.5. Assessment of issues related to the issuer's employees/personnel	
a) Specifying the number and level of training of the issuer's employees, as well as the degree of unionization of the workforce	Section 15.1
b) Description of the relationships between the manager and employees, as well as any conflicting elements that characterize these relationships	

1.1.6. Evaluation of aspects related to the impact of the issuer's core activity on the environment A brief description of the impact of the issuer's core activities on the environment, as well as any existing or anticipated litigation regarding the violation of environmental protection legislation	Point 5.7.4
1.1.7. Evaluation of research and development activity Specifying the expenses in the financial year, as well as those anticipated in the following financial year for research and development activity	Section 7.3
1.1.8. Evaluation of the issuer's risk management activity. Description of the issuer's exposure to price, credit, liquidity and cash flow risk Description of the issuer's risk management policies and objectives	Section 3
1.1.9. Perspective elements regarding the issuer's activity	
a) Presentation and analysis of trends, elements, events or uncertainty factors that affect or could affect the issuer's liquidity compared to the same period of the previous year	Point 5.3, Section 10
b) Presentation and analysis of the effects of capital expenditures, current or anticipated, on the issuer's financial situation compared to the same period last year	Point 5.3, Section 10
c) Presentation and analysis of events, transactions and economic changes that significantly affect revenues from the core activity	Point 5.3, Section 10
2. The issuer's tangible assets	
2.1. Specification of the location and characteristics of the main production capacities owned by the issuer	Point 5.7.1. B
2.2. Description and analysis of the degree of wear and tear of the issuer's properties	Point 5.7.1. C
2.3. Specification of potential issues related to ownership of the issuer's tangible assets	Point 5.7.1.C
3. Market for securities issued by the issuer	
3.1. Specification of the markets in Romania and other countries on which the issued securities are traded	Point 9.2
3.2. Description of the issuer's dividend policy. Specification of dividends due/paid/accumulated in the last 3 years and, if applicable, the reasons for any decrease in dividends during the last 3 years	Point 9.3, Point 9.4, Point 18.5
3.3. Description of any activities of the issuer to acquire its own shares	Point 9.5
3.4. If the issuer has subsidiaries, specifying the number and nominal value of shares issued by the parent company held by the subsidiaries	Point 9.6
3.5. If the issuer has issued bonds and/or other debt securities, a description of how the issuer pays its obligations to the holders of such securities	Point 9.7
4. Issuer management	
4.1. Presentation of the list of the issuer's administrators and the following information for each administrator: a) CV (surname, first name, age, qualification, professional experience, position and length of service); b) any agreement, understanding or family relationship between the respective administrator and another person due to which the respective person was appointed administrator; c) the administrator's participation in the issuer's capital; d) list of persons affiliated with the issuer.	Section 12
4.2. Presentation of the list of members of the issuer's executive management For each, the following information must be presented: a) the term for which the person is part of the executive management; b) any agreement, understanding or family relationship between the person concerned and another person due to which the person concerned was appointed as a member of the executive management; c) the participation of the respective person in the issuer's capital.	Section 12, Point 14.1
4.3. For all persons presented in points 4.1 and 4.2, specification of any litigation or administrative procedures in which they have been involved, in the last 5 years, relating to their	Section 12

activity within the issuer, as well as those concerning the capacity of the respective person to perform their duties within the issuer.	
5. Financial and accounting situation	
Presentation of an analysis of the current economic and financial situation compared to the last 3 years, with reference to at least:	Section 7, Point 8.2
a) balance sheet items: assets representing at least 10% of total assets; cash and	
b) other liquid assets; reinvested profits; total current assets; total current liabilities;	
c) profit and loss account: net sales; gross income; cost and expense items with a share of at least 20% in net sales or gross income;	
d) risk provisions and for various expenses; reference to any sale or cessation of a segment of activity carried out in the last year or to be carried out in the following year;	
e) dividends declared and paid;	
f) Cash flow: all changes in the cash level within the core activity, investments and financial activity, the cash level at the beginning and end of the period.	
The annual report shall be accompanied by copies of the following documents:	
a) the constituent documents of the issuer, if they have been amended in the year for which the report is made;	Point 19.2
b) resignation/dismissal documents, if there were such situations among members of the administration, executive management, censors;	Point 14.1
c) list of the issuer's subsidiaries and entities controlled or controlling the issuer.	Section 6

DEFINITIONS

In this Universal Registration Document, unless otherwise expressly provided, the following capitalized terms shall have the following meanings, applicable to both the singular and plural forms:

"The Constitutive Act"	The Articles of Association of the Issuer, in force and applicable as of the date of this Universal Registration Document
"Shares", "Existing Shares" or "Company Shares"	All shares issued by the Company on the date of approval of this Document
"AGM"	General Meeting of Shareholders of the Company
"AGEA"	Extraordinary General Meeting of Shareholders of the Company
"AGOA"	Ordinary General Meeting of Shareholders of the Company
"ASF"	Financial Supervisory Authority
"NACE"	Classification of Activities in the National Economy
"Company" and/or "Issuer" and/or "Company" and/or "Bittnet SA" and/or "Bittnet", "BNET"	Bittnet Systems SA, the issuer of the Shares presented in this Registration Document
"Board of Directors" / "Board of Directors"	On 29.01.2020, the General Meeting of Shareholders approved the amendment of the Company's articles of incorporation in order to manage it by a Board of Directors consisting of 3 members. On 27.04.2023, the General Meeting approved the expansion of the Board of Directors to 5 members, given the current size of the issuer and the group to which it belongs, and elected the two new members whose mandates were aligned with the existing members on the date of the Meeting, respectively until 29.01.2024. On 25.01.2024, the General Meeting elected the new composition of the Board of Directors, for a 4-year mandate, starting with 30.01.2024.
"Central Depository"	Depozitarul Central SA, headquartered at Bulevardul Carol I no. 34 - 36, floors 3, 8 and 9, sector 2, postal code 020922, Bucharest, Romania, is the institution that provides services for the storage, registry, clearing and settlement of transactions with financial instruments, as well as other operations related to them as defined in the Capital Market Law.
"Investors"	Persons interested in the shares/bonds of the Issuer.
"Law 24/2017" "Issuers Law"	Law No. 24/2017 on issuers of financial instruments and market operations, published in the Official Gazette Part I No. 213 of 29 March 2017
"Companies Law"	Companies Law no. 31/1990, republished in the Official Gazette no. 1066 of 17.11.2004, with subsequent amendments and supplements
"Leu"/"Lei" or "Ron" or "RON"	The official currency of Romania
"SMT Market"	The multilateral trading system (MTS) operated by the Bucharest Stock Exchange, the MTS market, known as the AeRO-SMT market.
"Regulated Market"	The regulated market administered by the Bucharest Stock Exchange. The market on which the issuer's shares and bonds are traded.
"Universal Registration Document"/ Registration Document / "the document"	This Universal Registration Document of Bittnet Systems SA
"Trade Register"	Database containing registers and registration of traders and other entities provided for by law (ONRC – Oficiul Național al Registrului Comerțului)

"Regulation 5/2018"	ASF Regulation No. 5/2018 on issuers and transactions with securities, as subsequently amended and supplemented
"Regulation 1129/2017"	REGULATION (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
"Delegated Regulation (EU) 2019/979"	Delegated Regulation (EU) 2019/979 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of the prospectus, publication and classification of prospectuses, securities marketing communications, prospectus supplements and the notification portal and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301.
"Delegated Regulation (EU) 2019/980"	Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to the format, content, verification and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Commission Regulation (EC) No 809/2004
"Working day"	Any day on which both the Romanian interbank market and the trading systems of the Bucharest Stock Exchange and the clearing-settlement systems of the Central Depository are open for business

The information used in the preparation of this Universal Registration Document regarding the Issuer and its activity was provided by BITTNET SYSTEMS SA, a company with its registered office in Bucharest, Sector 5, Strada Serg. Ion Nuțu, no. 44, One Cotroceni Park, Building A and Building B, Floor 4, telephone 021.527.16.00, fax 021.527.16.98, website <http://investors.bittnet.ro/>, unique registration code: RO21181848, registration number at the Trade Register J40/3752/2007 (the "Issuer" / the "Company" or "the Group").

The persons responsible for the information contained in this Document, on behalf of the Issuer:

Mihai Logofătu – General Manager;

Statements of responsible persons:

The Issuer's Representative declares that, after taking all reasonable measures in this regard, the information regarding the Issuer included in this Universal Registration Document is, to the best of his knowledge, in accordance with reality and does not contain omissions likely to significantly affect its content.

Section 1: Responsible persons, third party information, expert reports and competent authority approval

1.1– 1.2 RESPONSIBLE PERSONS AND STATEMENT OF RESPONSIBLE PERSONS

1.1. All persons responsible for the information or certain parts thereof included in the document shall be identified, indicating, in the latter case, the parties concerned. Where the persons responsible are natural persons, including members of the administrative, management or supervisory bodies of the issuer, their names and positions shall be indicated; in the case of legal persons, their name and registered office shall be indicated.

The information used in this Universal Registration Document regarding the Issuer and its activity was provided by BITTNET SYSTEMS S.A., a company with its registered office in Bucharest, Sector 5, Strada Serg. Ion Nuțu, no. 44, One Cotroceni Park, Building A and Building B, Floor 4, telephone 021.527.16.00, fax 021.527.16.98, website <http://investors.bittnet.ro/>, unique registration code RO 21181848, registration number with the Trade Register J40/3752/2007 ("Issuer"), represented by Mihai Logofătu – General Manager.

1.2. A declaration by the persons responsible for the document stating that the information included in the document is, to the best of their knowledge, in accordance with reality and that the registration document does not contain any omissions likely to affect its significance.

Bittnet Systems SA, company with registered office in Bucharest, Sector 5, Serg. Ion Nuțu Street, no. 44, One Cotroceni Park, Building A and Building B, Floor 4, telephone 021.527.16.00, fax 021.527.16.98, website <http://www.bittnet.ro/>, unique registration code RO 21181848, registration number with the Trade Register J40/3752/2007, as Issuer of the Shares, declares that after carrying out all reasonable checks to ensure that this statement is correct, all information included in this Universal Registration Document is, to the best of its knowledge, in accordance with reality and the Document does not contain omissions likely to affect its significance.

To the best of the Issuer's knowledge, the information contained in the Universal Registration Document is correct as of the date of preparation of the Document, as stated on the first page, unless otherwise expressly stated in this Document. The Issuer's business and financial situation and the information contained in the Document may change after this date. Except as expressly stated in the applicable legal framework, the Issuer undertakes no obligation to update or revise the information contained in this Document.

1.3. Where the document contains a statement or report attributed to a person acting as an expert, the following details of the person concerned shall be indicated: (a) name; (b) work address; (c) qualifications; (d) where applicable, significant interest in the issuing company.

This is not the case, the universal registration document does not contain statements or reports attributed to a person acting as an expert.

1.4. Where the information originates from a third party, a confirmation shall be provided that the information in question has been reproduced accurately and that, to the best of the issuer's knowledge and to the extent that it can confirm having regard to the data published by the third party in question, no facts have been omitted which would render the information reproduced incorrect or misleading. The source(s) of the information in question shall also be stated.

Not applicable, not applicable. The information contained in this document does not come from a third party.

1.5. A statement that: (a) the document has been approved by the Financial Supervisory Authority, as the competent authority under Regulation (EU) 2017/1129; (b) the Financial Supervisory Authority approves this document only in terms of meeting the standards of completeness, comprehensibility and consistency required by Regulation (EU) 2017/1129; (c) such approval should not be considered as an approval of the issuer that is the subject of this document.

Given that the Financial Supervisory Authority (ASF) approved for two consecutive financial years, the Universal Registration Document of the Issuer, by Decisions no. 867 of 15.07.2020 and no. 591 of 06.05.2021, starting with 2022, a prior approval of the Document by the ASF was no longer required, in accordance with Article 9, paragraph (2) of Regulation EU2017/1129. Thus, the Issuer published on the BVB and submitted to the ASF, in May 2022, the Universal Registration Document in order to maintain the status of frequent issuer. The Document was amended in December 2022, by an Amendment, given that it intended to use it as part of a Prospectus for a capital increase with new cash contributions, an operation carried out in Q1 2023.

In April 2023, the Issuer published on the BVB news feeds and on its own website and submitted to the ASF the Universal Registration Document for the extension of the status of frequent issuer of financial instruments. Based on this document, the Issuer prepared a presentation note and a summary, submitting the Prospectus consisting of separate documents prepared for the conduct of a corporate bond offering conducted in May-June 2023 under the issue symbol BNET27A.

In November 2023, the Issuer prepared and published an Amendment to the Universal Registration Document together with its consolidated form with updated information in order to be able to use it within a Prospectus of a new corporate bond offering conducted in December under the issue symbol BNET28. In the spring of 2024, the Issuer conducted a new corporate bond offering – based on an offering prospectus consisting of separate documents, approved by the ASF. The broadcast symbol was BNET28A.

In April 2024, the Issuer published on the BVB news feeds, on its own website and submitted to ASF – the updated Universal Registration Document, for the maintenance and extension of the status of frequent issuer of financial instruments.

Therefore, the Issuer will not submit this document for approval in 2025 either – unless it will be part of a Prospectus for a public offering of financial instruments. In this case, the Issuer will submit the Prospectus for approval to the ASF as part of a public offering, and if this Prospectus receives the approval visa from the ASF, the following statements also apply to this document:

(a) The document has been approved by the Financial Supervisory Authority (FSA), as the competent authority under Regulation (EU) 2017/1129;

(b) The Financial Supervisory Authority approves this Registration Document only from the point of view of meeting the standards of completeness, intelligibility and coherence imposed by Regulation (EU) 2017/1129;

(c) Such approval should not be considered as an approval of the issuer that is the subject of this Document;

To the best of the Issuer's knowledge and applicable at the date of drafting this document, Bittnet Systems is the first and only issuer listed on the Bucharest Stock Exchange that publishes annually, starting with 2020, the Universal Registration Document, thus obtaining and maintaining the status of frequent issuer of financial instruments.

1.5.1. A statement that the universal registration document may be used for the purposes of a public offer of securities or the admission of securities to trading on a regulated market if supplemented with amendments, as applicable, as well as a securities note and a summary approved in accordance with Regulation (EU) 2017/1129.

The Issuer declares that this Universal Registration Document may be used for the purpose of a future public offer of financial instruments (securities), regardless of their type or class, which may take place on a regulated market if it is supplemented with amendments, as applicable, as well as with a securities note and a summary approved in accordance with Regulation (EU) 2017/1129.

At the date of drafting this document, the Issuer does not consider to issue new securities.

Section 2: Statutory Auditors

2.1. The names and addresses of the issuer's auditors for the period covered by the historical financial information (together with details of their membership of a professional body).

For the year 2024, the Issuer's financial auditor is KPMG AUDIT SRL, headquartered in Bucharest, Bucharest - Ploiești Road no. 89A, Sector 1, registered with the Bucharest Trade Register under no. J40/4439/2000, with CUI 12997279, a company authorized by the Chamber of Financial Auditors of Romania with authorization no. 9/2001, opinion issued by ASF no. 48/11.02.2016.

On December 16, 2024, the issuer's shareholders voted to revoke the mandate of the auditor LIONLINK AUDIT SRL, given the expiration of the audit contract and the appointment of the auditor KPMG AUDIT SRL to audit the individual financial statements of the Issuer and the consolidated financial statements of the group of which it is a part, for the year 2024. The GMS also approved the election of KPMG Audit to audit the individual and consolidated financial statements for the fiscal years 2025 and 2026.

The most recent financial audit report was prepared in March 2025 and is based on the financial statements for 2024 and was published on the issuer's website as a supporting document to the agenda of the General Meeting of 28.04.2025.

For the year 2023, the Issuer's financial auditor was LIONLINK AUDIT SRL, headquartered in Cluj Napoca Municipality, Avram Iancu Square no. 15, Cluj County, registered with the Bucharest Trade Register under no. J12/1894/2009, with CUI 26097382, a company authorized by the Chamber of Financial Auditors of Romania with authorization no. 944/04.12.2009, ASPAAS authorization no. FA944.

On October 30, 2023, the issuer's shareholders voted to revoke the mandate of the auditor BDO Audit and appoint the auditor Lionlink Audit to audit the individual financial statements of the Issuer and the consolidated financial statements of the group of which it is a part, for the year 2023.

The opinion of the Group's auditor - LionLink Audit - regarding the consolidated financial statements for the financial year ended 31.12.2023 contains a reservation, strictly referring to the comparative figures for the financial year ended 31 December 2022. The audit opinion expressed on the consolidated financial statements of the Group for the financial year ended 31 December 2022 (from which the corresponding amounts of the financial year 2022 were derived and are included in the consolidated financial statements of the Group for the financial year ended 31 December 2023), was maintained in the audit report for the financial year ended 31 December 2023 due to the impact on the comparative figures, respectively the impact on the figures for the financial year ended 31 December 2022.

The auditors' opinion on the Issuer's individual financial statements in 2022 and 2023 is unqualified.

For the financial years ended 2020, 2021 and 2022, the Issuer's financial auditor was BDO AUDIT SRL, headquartered in Bucharest, Str. Învingătorilor no. 24, et. 1-4, Sector 3, registered with the Bucharest Trade Register under no. J40/22485/1994, with CUI 6546223, a company authorized by the Chamber of Financial Auditors of Romania with authorization no. 18/2001.

The Group's financial statements for the year ended December 31, 2022 were audited by BDO Audit, which expressed a modified opinion on these statements on March 27, 2023. BDO Audit's opinion was modified due to the auditor's inability to determine whether adjustments were necessary to the income and expenses in the consolidated financial statements for the financial year ended December 31, 2022, in accordance with the provisions of International Financial Reporting Standard 15, "Contracts with Customers", regarding the revenue recognition policy in transactions in which the Group acts on its own behalf (Eng. "principal") or acts as an intermediary (Eng. "agent") in the case of the resale of software licenses, as these accounting policies are

described in Note 7 Revenue from contracts with customers and Note 29 Significant accounting policies in the Group's consolidated financial statements.

The BDO Audit reservation for the Group's financial statements for the year ended December 31, 2022 had no impact on the profit and net accounting assets (equity), but referred to the presentation of income from the perspective of IFRS15 (Principal vs Agent), as we detailed and explained at the time. The management position regarding the auditor's opinion with reservations for the year 2022 was published as early as 27.03.2023 as a supporting document for the agenda of the Ordinary General Meeting of Shareholders, on the Issuer's website dedicated to the AGM of 27.04.2023, respectively at the following link: <https://investors.bittnet.ro/intalniri-ale-actionarilor/aga-27-aprilie-2023/>

Up to and including the financial statements for 2019, the auditor was ACE CONSULT SRL, headquartered in Sibiu, Sos. Constantin Noica, no. 3, registration number with the Trade Register J32/159/2002, CUI RO14469555.

2.2. If the financial auditors have resigned, been dismissed or not been re-elected during the period covered by the historical financial information, detailed information about these situations shall be provided, if the information in question is material.

At the General Meeting of Shareholders on December 16th , 2024, also taking into account the expiration of the previous audit contract, the shareholders voted to dismiss the previous auditor and appoint the new auditor, according to article 2.1 above.

Section 3: Risk factors

A description of the material risks that are specific to the issuer, in a limited number of categories, in a section entitled 'Risk factors'. Within each category, the most material risks in the assessment made by the issuer, the offeror or the person asking for admission to trading on a regulated market shall be identified first, taking into account the adverse impact on the issuer and the likelihood of their occurrence. The risks shall be corroborated according to the content of the registration document.

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

Risks related to the Issuer's activity and the industry in which it operates:

The risk associated with implementing the business development plans

The company's strategic objective is to continuously develop customer relationships. It cannot be ruled out that the Bittnet group will not be able to expand its current customer base or that the relationship with existing customers will deteriorate. There is also a risk that the company will not be able to fulfill 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, consolidating its leading position on the IT Training market in Romania, expanding the customer base in the country and abroad and providing training to a larger number of potential customers, and the development and creation of 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 offer of products and services and improve marketing activities as much as possible.

The risk associated with M&A transactions

Most studies and articles dedicated to the subject of M&A (acquisitions and mergers of other companies/businesses) show an unpromising statistic for acquiring companies: overwhelmingly M&A processes destroy value for both companies (especially for the acquirers). This element takes on an even more negative dimension when, within the framework of acquisitions, companies pay with shares of the acquiring company, as is the case with our group. There is a significant risk that the processes we carry out will have the same negative consequences in the long term. Management tries 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 mergers and acquisitions processes will be profitable for our group.

The risk associated with making financial forecasts

The Company's financial forecasts assume the successful implementation of the growth strategy based on existing resources and business units. However, there is risk associated with the achievement of financial forecasts. The forecasts have been created with diligence, but they are forecasts. Actual data reported in future periodic reports may differ from the forecasted values as a result of factors that were not foreseen in the Company's environment.

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

On the other hand, what we track and measure in relation to the sales team and any partner is the commercial GROSS MARGIN and not the amount of sales. Thus, every year, when publishing the BVC, management must answer the question "if we have a reasonable confidence that we will be able to generate 100 ron of gross margin, from how many ron of sales will we obtain this margin?" It must be borne in mind that sales achievements are measured and appreciated EXCLUSIVELY according to the volume of gross margin generated. In other words, 100 eur of margin generated from sales of 200 eur of courses is equally valuable to the company and is, therefore, rewarded in the same way as 100 eur of margin generated from sales of 500 eur of communications solutions.

In order to answer the question "how many ron of sales are needed to produce the committed margin of 100 ron", we must, therefore, answer the question "what will be the average gross margin percentage recorded by the company?" According to the principle of prudence, 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 cautious estimates is that if we apply a lower margin percentage, then we are actually assuming that we will have to "work" more for the same ron of gross margin, so the forecasts (the BVC) related to the company's revenues are HIGHER.

However, the company only tracks gross margin and not sales volume, so during the budget exercise it is much more likely that revenue (revenue) forecasts will be wrong, and that the company's profitability forecasts will be more accurate. In other words, management does not target, track, or reward the achievement of any revenue targets, and, consequently, investors should not track and evaluate the company's achievement of revenue (revenue) indicators, but profitability indicators.

Delivery capacity risk

The Company's success depends to a certain extent on its ability to continue to attract, retain and motivate qualified personnel. The Bittnet Group's business relies on highly qualified and commensurately compensated engineers, who are in short supply and may receive offers from competitors. If the Company fails to optimally manage its personnel needs, this may have a material adverse effect on its business, financial conditions, operating results or prospects. The Company offers attractive compensation packages and dynamic career development paths to attract, retain and motivate experienced and potential personnel. This risk continues to be one of the most important risks 'threatening' our company and, accordingly, management will continue to attach particular importance to this aspect.

In 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023, the General Assembly approved a share-based incentive plan for key individuals, with the aim of better aligning their interests with the long-term interests of the Company. On the other hand, taking into account the overheating of the labor market and the greater entry into the workforce of the "Millennials" generation, we consider that this risk - related to the ability to deliver on promises to customers - is a significant one for the company, accompanied by the continuous increase in the financial demands of team members and collaborators (a continuous increase in fixed costs).

Perhaps the biggest risk in this regard, however, is posed by the company's shareholders, whose continued vote is needed to continue the existence of long-term incentive plans. Although these plans have always been built in such a way as to reward employees only and only if the shareholders have earned money during the analyzed period, when the debt to key individuals is settled, messages of dissatisfaction appear from some shareholders, complaining that 'employees receive cheaper shares', or that 'this gives them the chance to sell in the market and make a profit'.

This approach, in our opinion, is the biggest risk to society 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

– listing on the stock exchange, and the mechanisms for sharing the value thus generated, the only alternative will be for us to enter a global battle for human resources, having nothing to offer but money.

Legislative/regulatory risk

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

Given that the legislation increasingly leaves the interpretation of the application of tax rules to the discretion of the tax authority, combined with the lack of funds in 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 preventive, real and constructive manner.

The risk of business commoditization – loss of technological relevance of sold IT solutions

A special case related to the rapid evolution of the IT industry is the trend for 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 "reseller" companies is very small, so such a scenario leads to a decrease in commercial margins for the business lines that are affected by commoditization. All technologies face this risk, as their degree of adoption increases. The most eloquent example is the Microsoft licensing business, where most projects are invoiced to customers with very small commercial margins: 0-2%. As other technologies gain the same spread and adoption, their resale also becomes unprofitable.

The company aims to position itself as a value consultant, not as a reseller of commodity "boxes". Following technological trends and positioning itself as a 'first mover' helps the company to offer added value through the services provided (consulting, building technical solutions, installation and implementation, optimizations, maintenance).

The risk of unfair competition

Commoditized businesses with low margins are prone to unfair competition, especially through dumping prices. In particular, in Dendrio's activity, this risk materializes when competitors often offer customers sales prices that are substantially below the purchase price of the respective licenses. This type of business approach is very difficult and expensive to demonstrate, but can create prejudice to the Issuer by losing contracts or reducing profitability. The Issuer has not identified any solution to prevent this risk. The Issuer aims to address new types of customers, 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 less added value that can be offered by an integration partner.

The Issuer is in constant competition with other participants in the IT market, competition that is expected to intensify. High competition may encourage current and potential customers to use the services and products of the Issuer's competitors and, therefore, 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 Issuer's ability to increase or maintain its profitability. The Issuer's competitiveness in the current competitive environment depends largely on its ability to adapt quickly to new developments and market trends. To the extent that the Issuer will not be able to compete effectively with its competitors, whether it is a local or international group, this may have a negative effect on the Issuer's business, financial condition, results of operations and prospects.

Risk of reputation

Reputational risk is inherent in the Issuer's business. The ability to retain and attract new customers depends in part on the Issuer's brand recognition and its reputation for quality services. Negative public opinion about the Issuer could result from actual or perceived practices in the IT market in general, such as negligence in the provision of products or services or even from the way in which the Issuer conducts or is perceived to conduct its business.

Although the Issuer makes every effort to comply with applicable regulations and to enhance the positive perception of customers and potential customers regarding its services, negative publicity and negative public opinion could affect the Issuer's ability to retain and attract customers.

Litigation risk

In the context of day-to-day operations, the Company and the Group of which it is a part are subject to litigation risk, among others, as a result of changes and developments in legislation. In addition, the Group may be affected by other contractual claims, complaints and litigation, including from counterparties with which it has contractual relationships, customers, competitors or regulatory authorities, as well as any negative publicity it may attract. The Group's management believes that these litigations will not have a significant impact on the Group's operations and financial position.

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

During 2021, the Group became aware of the existence of file 30598/3/2021 on the docket of the Bucharest Court, in conflict with the owner of the former office space - București Mall Development and Management SRL ("Anchor" or "Owner").

During February 2022, the Group (or "Tenant") took note of the content of this file and the value of the claims, as follows:

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

The court ruled on 04.08.2023. The solution in short: "Partly admits the request, as specified. Obliges the defendant to pay the plaintiff the amount of 102,627.51 ron, as late payment penalties. Rejects the other claims as unfounded. Partially compensates the legal costs due to each party and, consequently, Obliges the defendant to pay the plaintiff the amount of 3,203.92 ron, as legal costs. With appeal within 30 days from notification. The appeal is filed with the Bucharest Court - 6th Civil Section."

On 04.11.2024, the decision was communicated to the parties, with the right to appeal within 30 days of communication. The plaintiff filed an appeal request registered on 09.12.2024, which is the subject of file no. 30598/3/2021 (250/2025) pending before the Bucharest Court of Appeal, Fifth Civil Section. The appeal request was communicated on 24.02.2025 and the Group responded in favor on 10.03.2025. The Court is to set the first trial date.

The Group recorded a provision of 105,831.42 ron in the financial statements as of 31.12.2023, this being the best estimate of a cash outflow following this dispute.

File 665/88/2020 – Fraher Distribution litigation

By the application registered on the docket of the Tulcea Court - Civil Section, for administrative and fiscal litigation on June 04, 2020 under no. 665/88/2020, the plaintiff FRAHER DISTRIBUTION SRL, in contradiction with the defendant ELIAN SOLUTIONS SRL, requested that the termination of Contract no. 201/29.12.2017 be declared, with the consequence of restoring the parties to the previous situation, by the defendant returning

the amount of 541,490.08 ron; to be declared the termination of Contract no. 202/29.12.2017, with the consequence of restoring the parties to the previous situation, by the defendant returning the amount of 344,886 ron and obliging the defendant to pay the contractual penalties for delay, as well as the amount of 129,103.38 ron as damages; to declare the termination of Contract No. 240/21.03.2019 and to order the defendant to pay the amount of 33,868.59 ron, as damages; to order the defendant to pay the court costs.

On 14.02.2024, the Bucharest Court of Appeal by Decision No. 251/2024 admitted the appeal as follows:

- It partially changes the appealed sentence in the sense that it orders the partial termination of contract no. 201/29.12.2017 and obliges the respondent to pay the amount of 186,137 ron in favor of the appellant plaintiff.
- It upholds the remaining provisions of the appealed judgment.
- Admits the request of the judicial expert and orders the increase of his fee by the amount of 5,000 ron. Establishes the obligation of the appellant plaintiff to pay the expert fee in the amount of 5,000 ron.
- It obliges the respondent to pay the amount of 15,925 ron as legal costs in favor of the appellant-plaintiff, of which the amount of 5,000 ron under the condition that the appellant-plaintiff proves the payment of the increased fee of the judicial expert.
- Orders the appellant plaintiff to pay the amount of 5,672 ron as legal costs in favor of the respondent defendant. Partially compensates the legal costs up to the amount of 5,672 ron.
- With appeal within 30 days from the communication. The request for exercising the appeal is submitted to the Bucharest Court of Appeal, 6th Civil Section.

On 10.03.2025, the sentence was communicated to the parties, with a term of 30 days from the communication for the parties to appeal.

The Group recorded a provision of 186,137 ron in the financial statements as of 31.12.2023, this being the best estimate of a cash outflow following this dispute.

File 19985/3/2024 – litigation General Inspectorate of Border Police

During June 2024, the Group became aware of the existence of file 19985/3/2024 pending before the Bucharest Court, Administrative and Fiscal Litigation Section, in conflict with the General Inspectorate of Border Police ("IGPF"), as follows:

Subject: litigation regarding public procurement.

Complainant: General Inspectorate of Border Police ("IGPF")

Defendant: The association formed by Dataware Consulting SRL - leader ("Dataware") and Idemia Identity & Security France ("Idemia").

Details of the action are presented below:

The court action was filed regarding Public Procurement Contract No. 281/2021, for:

- i) payment of penalties in the amount of 4,296,351.84 ron; and
- ii) repair of the alleged damage in the amount of 4,844,605 ron, consisting of the loss of non-reimbursable external funding as a result of the non-delivery of 409 mobile EES control devices;

At the first deadline of 21.08.2024 in file 19985/3/2024 (subject payment of penalties in the amount of 4,296,351.84 ron and reparation of the alleged damage in the amount of 4,844,605 ron), to which file 22473/3/2024 was also connected (subject annulment of the termination of contract no. 281/2021 with IGPF), the court postponed the case at the request of Idemia, who requested the introduction into the case and the communication of the IGPF action, in order to file a response. The next deadline set was 04.10.2024, when the court postponed the trial in order to take note of the documents submitted to the file. On the deadlines of

15.11.2024 and 21.11.2024, the court postponed the ruling. On the deadline of 29.11.2024, the court admitted the exception of the lateness of the counterclaim filed by IGPF in the related file (no. 22473/3/2024) and found that IGPF is deprived of the right to file the counterclaim; also, the court rejected the exception of the substantive right to action invoked by IGPF by responding to the related claim (appeal together with the merits). On the deadlines of 06.12.2024 and 07.02.2025, the case was postponed due to the lack of an expert report. The next trial date is 11.04.2025.

Given the current status of the proceedings at the date of this report (March 2025) and the complexity of the evidence, the Group's Management does not consider that a cash outflow is likely as a result of this dispute and as such no provision was recorded in the financial statements for 2024.

Competition Council investigation into the Romanian IT market

On 05.06.2024 Bittnet Systems SA informed investors about the initiation of an investigation by the Competition Council regarding possible anti-competitive practices committed by participants in the Romanian IT market. The investigation also involves the companies Dendrio Solutions SRL (Dendrio) and Dataware Consulting SRL - currently called Dendrio Innovations SRL (Dataware) - companies part of the Bittnet group.

Following the unannounced inspection carried out between July 4-5, 2024 at the headquarters of Dendrio and Dataware, each of the companies submitted its point of view regarding the confidential information contained in the documents seized by the competition inspectors, and this point of view represents a standard stage in the investigation procedure.

Thus, up to the date of this report, no investigation report or official position of the Competition Council has been communicated to Dendrio or Dataware, the competition authority being still in an early stage of analyzing the information selected during the unannounced inspections. In the absence of an official position issued by the competition authority in the form of an investigation report, there is no presumption regarding a potential violation of competition rules.

Usually, the Competition Council's investigations are of longer duration (on average between 2 and 4 years, depending on the number of parties involved and the volume of information that needs to be processed by the investigation team), so the investigation team's analysis is not expected to be completed earlier than the end of 2025.

The litigation situation is detailed in the notes to the consolidated financial statements, namely in Note 31 – "Contingent liabilities".

Credit risk

Credit risk is the risk that the company's debtors will not be able to honor their obligations when they fall due, due to the deterioration of their financial situation. The Company and the Group of which it is a part are less exposed to this risk, due to the specific nature of the products and services sold, which are aimed at companies of certain sizes, with a particular financial situation.

The management of the Company and the Group of which it is a part analyzes new customers using specialized tools (sites specifically for analyzing customer creditworthiness) and has a strict procedure regarding the documentation of orders and the 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 carefully monitors "soft-collection" processes and decides relatively quickly to switch to hard-collection procedures, which has brought us historical success in debt recovery.

Automated IT systems alert both the sales team and managers to customers with outstanding payments, which are “tracked” by the sales team for 1 month, so that we prioritize maintaining a good commercial relationship. Instead, after 1 month of failed efforts, we move on to involving an experienced lawyer (and a positive “track record”) in debt recovery.

Counterparty risk

The failure by third parties to fulfill their obligations to the Issuer, including in connection with the implementation of certain investment projects contemplated by the Issuer, or the risk of insolvency in connection with them, may affect the achievement of the Issuer's business objectives or its activity or financial situation and, implicitly, its ability to fulfill its obligations in connection with the Bonds.

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

Interest rate risk

The company is exposed to the risk of interest rate increases, having contracted credits 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 forecast the risk associated with the interest rate and maintains contact with as many credit institutions as possible in order to ensure an “arbitrage” between their offers. Bank financing has entirely variable interest rates, such as “ROBOR+a fixed margin”, which additionally exposes us to the risk of interest rate fluctuations. Currently, the companies in the Bittnet group have contracted various types of credit products from Banca Transilvania, ProCredit Bank, BRD, ING Bank and Unicredit Bank.

In addition to investment loans or loans for financing current activity contracted from bank creditors, Bittnet has 4 active corporate bond issues, offered for subscription to investors through capital market mechanisms and which are tradable on the regulated market, the segment dedicated to bonds, under the symbols: BNET26E, BNET27A, BNET28, BNET28A.

During 2022, the Issuer carried out a bond issue (BVB trading symbol: BNET26E), denominated in euro, with a cost of over 10% - higher than the cost of the bonds previously issued in the period 2016 - 2019 (which carried a fixed interest of 9% for issues in ron). The BNET26E issue has a total nominal value of 2,059,600 eur and a fixed interest of 9% per annum, maturing in June 2026. The interest is paid quarterly.

In the first semester of 2023, the issuer carried out a public offering of corporate bonds through which it raised committed financing of 5,000,000 ron (BVB trading symbol: BNET27A), with a fixed interest of 10% per annum payable quarterly and maturing in June 2027.

In December 2023, the issuer conducted a new public offering of corporate bonds through which it raised from BVB investors the amount of 10,000,000 ron (BVB trading symbol: BNET28) at an interest rate of 9.6% per annum and maturity of 4.5 years.

In April 2024, Bittnet launched a new corporate bond offering, conducted through capital market mechanisms, through which it raised a committed financing from BVB investors of 6,624,900 ron. The offering was sold at a price of 96 ron/instrument, respectively at 96% of the nominal value. The BNET28A bonds carry a fixed interest of 9% per annum, payable quarterly through the Central Depository, similar to all bond issues issued by the issuer.

As of the date of this document, the issuer is current with all coupon payments for bondholders.

The risk associated with the war in Ukraine

The Russian Federation's invasion of Ukraine and the subsequent global response to these military actions could have a significant impact on some companies, particularly those with physical operations in Ukraine, Russia and Belarus, as well as entities with indirect interests (e.g., suppliers and customers, investors and creditors with operations in these countries). Sanctions imposed on the Russian government, Russian entities and individuals with Russian citizenship in many jurisdictions could also affect companies, such as through loss of access to financial resources and trade, as well as through the collateral effects of sanctions on global prices (e.g., oil, natural gas and other petroleum products). The effects of the conflict are widespread and rapidly evolving.

Companies that do not have operations in Russia and Ukraine, such as the companies in the Bittnet group and the Issuer, could still be affected by the conflict, the effects of which include, but are not limited to:

- Destruction, confiscation or abandonment of tangible and intangible assets;
- Sanctions imposed on a company that may affect its ability to operate (e.g., access to funds, banking systems, etc.);
- Sanctions imposed on a company's customers, which may affect its ability to sell goods and services and collect debts;
- Sanctions imposed on a company's suppliers, which may affect its ability to obtain raw materials, goods and services, or which may indirectly increase the costs of obtaining these elements from alternative sources;
- Sanctions imposed on an entity's creditors and/or banks, which may limit its ability to access funds and credit;
- Changes in customer and consumer attitudes towards companies with ties to Russia, Belarus or other jurisdictions related to the Russian Federation, which could reduce demand for the products of those companies;
- Changes in risk appetite that may lead to creditors and investors withdrawing their financial support for companies with ties to Russia, resulting in increased liquidity risk and/or doubts about the continuity of the activities of those companies;
- Volatility of prices of financial instruments and assets, including oil, natural gas, other petroleum products and minerals, as well as volatility of foreign exchange rates.

Based on the information available to date, the Company's Management has not identified any potential concrete risks related to the Russia-Ukraine conflict and thus, at this time, no significant, direct impact is expected in terms of current operations. There is no direct exposure of the Company or the companies part of the Bittnet group to third parties affected by the sanctions imposed since the conflict began (customers, suppliers, banking institutions with which the Company collaborates, which were directly affected by the sanctions).

Indirect exposure (customers, suppliers with whom the Company collaborates, with links to third parties affected by sanctions, as well as risks related to future volatility of commodity prices or foreign exchange rates) is unquantifiable, as the Company's Management has not received any indication of any significant impact on the Company's activity to date.

Environmental, social, governance (ESG) risk

The term ESG refers to the analysis of a company's environmental, social and governance practices, their impact and the company's progress against benchmarks (not universal, but industry-specific) and is a form of risk management. The environmental component refers to the reduction of carbon emissions and other greenhouse gas emissions or, in general, protecting the environment. Social criteria analyze how the company

interacts with its stakeholders: employees, customers, the community where it operates, while governance refers to the way in which the company is organized and how it respects the principles of diversity, from the company's employees to the management team, including the fair remuneration part. ESG ratings are built on the basis of comparative rankings, at the industry level, and not on the basis of universal standards.

The pressure from European supervisory institutions to integrate ESG risks into companies' internal processes has increased exponentially in recent months/years. Bittnet Group is preparing to report under ESG standards, starting with the 2025 financial year, with publication in early 2026, this declaration being mandatory for companies listed on a capital market within the European Union.

Risk related to business seasonality

The Issuer's operating results may vary significantly from one reporting period to another and may be unpredictable, which could cause the market price of the shares to experience increased volatility. Even though revenues, gross margin, operating profit and operating expenses have historically increased from one year to another, they may vary as a result of a number of factors, many of which are beyond the Issuer's control and may be related to: the national, regional and global economic environment, seasonality and budget execution of customers, the profile of customers, their sector of activity, etc.

Risks specific to financial instruments:

The risk associated with a direct investment in financial instruments

Investors should be aware of the risk associated with a direct investment in shares or bonds, a much higher risk than that associated with an investment in government securities or participations in investment funds, mainly due to the volatility and unpredictable evolution of both the instrument and the business of the company issuing it, their prices, both in the short and long term, but also their liquidity once they are listed on the main market of the Bucharest Stock Exchange. The price of shares and bonds and the liquidity of transactions depend on the number and size of purchase and sale orders placed by investors. There can be no guarantee on the price and no guarantee on their liquidity in the absence of a market maker. It cannot be guaranteed that an investor who buys the financial instruments issued by the Company will be able to sell them at any time at a satisfactory price.

Specific bonds risks

While the nominal interest rate of the Bonds is fixed for the duration of the issue of the respective bonds, the current interest rate on the capital market for issuers with the same maturity (the market interest rate) typically changes daily. As the market interest rate changes, the price of the bonds also changes, in the opposite direction. If the market interest rate increases, the price of the Fixed Interest Bonds typically decreases until their yield is approximately equal to the market interest rate. If the market interest rate decreases, the price of the Fixed Interest Bonds typically increases until their yield is approximately equal to the market interest rate. If the holder of the Fixed Interest Bonds holds the respective Bonds until maturity, changes in the market interest rate are not relevant to such holder, since the bonds will be redeemed at their nominal value.

Solvency risk

Solvency refers to the risk of loss due to the Issuer's inability to meet its payment obligations. The bonds issued are subject to the Issuer's credit risk, and the credit spread may adversely affect the market value of the bonds issued. Investors are dependent on the Issuer's ability to pay the amounts due under the bonds issued and, therefore, investors are subject to the Issuer's credit risk and changes in market perception of the Issuer's

creditworthiness. The bonds issued constitute general and unsecured contractual obligations of the Issuer and only of the Issuer and rank pari passu with all other unsubordinated and unsecured obligations of the Issuer. They are subordinate to senior obligations, including those arising as a consequence of the application of laws. Furthermore, the Issuer is not rated by any rating agency. Any potential investor must form his or her own opinion regarding the Issuer's ability to meet its obligations in connection with the bonds issued.

Section 4: Information about the Issuer

4.1. Legal name and trade name of the issuer:

BITTNET SYSTEMS SA(Company, Society and/or Issuer)

4.2. Place of registration of the issuer, its registration number and legal entity identifier (RON).

The Issuer is registered as a commercial company at the Trade Register attached to the Bucharest Court of Justice with number J40/3752/2007, unique identification code: 21181848, LEIcode: 315700VUUQHM9VEDRO36

4.3. Date of establishment and duration of existence of the issuer, unless the period is indefinite.

The issuer's establishment date is 22.02.2007.

4.4. The registered office and legal form of the issuer, the legislation under which the issuer operates, the country of registration, the address, telephone number of the registered office (or of the principal office, if different from the registered office) and the issuer's website, if applicable, together with a disclaimer stating that the information on the website is not part of the document, unless such information is incorporated by reference into the document.

The Issuer is a joint-stock company duly established and validly operating in accordance with the laws of Romania, with its registered office in Bucharest, Sector 5, Strada Serg. Ion Nuțu, no. 44, One Cotroceni Park, Corp A and Corp B, Floor 4, registered with the Trade Register attached to the Bucharest Court under number J40/3752/2007, unique identification code: 21181848. The issuer's office is located in Bucharest, Sector 5, Strada Serg. Ion Nuțu, no. 44, One Cotroceni Park, Corp A and Corp B, Floor 4, 050691 Telephone: (+40 21) 527 16 00 Fax: (+40 21) 527 16 98. The issuer's website: www.bittnet.ro and <https://investors.bittnet.ro>

The Issuer declares that the information on the website is not part of the document, unless such information is incorporated by reference into the document.

Section 5: Overview of activities

5.1. Main activities

5.1.1. A description of the nature of the operations carried out by the issuer and its principal activities, including the key factors relating thereto, with an indication of the principal categories of products sold and/or services provided in each financial year of the period covered by the historical financial information;

The Issuer operates on the Information Technology market, with the segments of Network Infrastructure and IT Systems, Cybersecurity, IT Training/Education and ERP Product Implementation having the highest share in consolidated revenue.

In 2017, the first mergers and acquisitions transaction took place through the full purchase of GecadNET SRL (later rebranded as: Dendrio Solutions), followed in 2018 by the joining of the newly formed group of the companies, Elian Solutions (through a direct investment in the acquisition of 51.02%), Equatorial Gaming (through the takeover of 99%) and the completion in December 2018 of the negotiations for the transfer of the IT&C integration business from Crescendo International to Dendrio Solutions. Thus, Dendrio became, as of 2018, one of the most important IT systems integrators on the Romanian IT market and the only company in the field with multi-cloud capabilities.

In 2021, the Issuer diversified its IT services area through M&A investments (mergers and acquisitions of new companies) in the cybersecurity area, by acquiring majority stakes in Fort SA (formerly known: Global Resolutions Experts. Together with the subsidiary GRX Advisory) and ISEC Associates SRL, thus creating a cybersecurity competence center within the Group's technology division. The Issuer also expanded its investments in the software development area in 2021 by acquiring a 61% stake in Nenos Software and 60% in Nonlinear SRL. Along with the 2 areas – cybersecurity and software development – the Issuer also completed in 2021 the acquisition of a 50.2% stake in the IT managed services company – ITPrepared SRL (rebranded in the meantime under the name: Optimizor). Also in 2021, the issuer purchased 100% of the shares of a competitor in the IT education area: Computer Learning Center SRL – focused on cybersecurity training.

In Semester 2, 2022, the Issuer completed the 2 new M&A transactions that involved the takeover of TopTech SRL and 2NET Computer SRL, two IT product and solution integrators with businesses predominantly in the Transylvania region. Thus, the Bittnet group strongly diversified its businesses in the central and western areas of the country.

During 2023, the group abandoned the organization structure into two divisions (Education and Technology) and moved to a group structure with four pillars (business units): Digital & Cloud Infrastructure, Education, Cybersecurity, Platforms/Business Applications & software.

In 2023, Bittnet Group fully acquired, within the Digital Infrastructure pillar, the Dataware Consulting SRL company, and within the Platforms & Software pillar, the Kepler Management Systems SRL company. At the end of 2023, Bittnet Group reached a number of 16 companies, organized into 9 commercial brands and 4 business pillars.

Throughout 2024, the Bittnet group went through a process of integration and simplification of both the group structure and the internal teams within the companies and business pillars, as well as through two merger processes. Following the merger processes, the companies in the Education pillar area, Computer Learning Center and Equatorial Training were absorbed into Equatorial Gaming, and the company 2Net Computer was absorbed into TopTech. Also within the declared strategy of simplification and re-organization of the group of companies, but also of recognition and strengthening of commercial brands, the companies TopTech and

Dataware were rebranded into Dendrio Technology, respectively Dendrio Innovations and fully owned by Dendrio Solutions. The 3 companies were thus organized under a common management, with common teams and procedures, the Dendrio sub-group becoming one of the largest integrators of IT products, solutions, services and systems in Romania.

Following the integration strategy accommodated at the group level, Kepler Management Systems was rebranded Elian Development Systems and fully integrated under the Elian Solutions company, resulting in one of the most important partners for implementing the Microsoft Dynamics 365 ERP solution in Romania.

Also in 2024, in December, the Bittnet group gave up one of its 4 business pillars, by selling Fort SA (together with its subsidiaries GRX Advisory and ISEC Associates) – the cybersecurity pillar of the group to alternative investment funds: Agista Investments and Impetum Investments. In May 2024 – Fort SA began its journey as a public company, listed on the AeRO-SMT market managed by the Bucharest Stock Exchange.

At the date of writing this document, the Bittnet Group comprises 10 companies, divided into 5 commercial brands and organized, starting with the end of 2024, into 3 pillars of activity (business units):

1. **Digital Infrastructure – organized around Dendrio**, remains focused on IT integration services and solutions for complex IT infrastructures and IT systems. This activity has a shared portfolio of products, services and solutions and an extended team that allows for a larger volume of work, both from a technical and sales point of view. This business unit offers complex IT solutions to clients in the corporate, large corporate, enterprise and public sector segments throughout the country but also abroad (especially CEE and the USA). The solutions offered start from 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 of data center/hybrid or cloud type, enterprise networking, cyber security platforms and the implementation of related software platforms, including collaboration platforms (modern workplace type). The services offered are both in a classic regime (project-based) and in a "managed services" format, the managed ones being delivered mainly to clients in mature markets, Europe and the United States. It is the largest pillar of the group, with over 85% of consolidated revenues resulting from projects implemented by the companies within this pillar.
 2. **Education:** This pillar consists of the IT training segment, organized under the Bittnet Training brand, which is the market leader, as well as in the soft skills/human skills training area. This business unit offers training to adults in two areas: IT/Technical Skills and Human Skills both in classic, face-to-face, Virtual Remote, as well as instructor-led or eLearning formats. The trainings offered allow experts access 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 service management, business intelligence, CRM, ERP, Agile, etc.
 3. **Platforms/Business Applications & software:** Companies in this pillar focus on 2 activities: implementation, development and support of the ERP (enterprise resource planning) solution Microsoft Dynamics 365 Business Central through which clients coordinate their entire operational and financial business flow; and solutions custom software development, with a focus on Artificial Intelligence and Machine Learning (AI/ML).
- **Cybersecurity:** provides cybersecurity services to corporate, large corporate, enterprise and public sector clients from all over the country and abroad. The pillar was organized around FORT SA (together with its wholly-owned subsidiaries: GRX Advisory and ISEC Associates) and was sold at the end of 2024. Fort SA together with its subsidiaries were deconsolidated from the group's results in December

2024, according to IFRS15. For comparability, also the results of the cybersecurity pillar in 2023 were deconsolidated.

bittnet
groupBusiness Pillars
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Digital Infrastructure

Dendrio Solutions
dendrio.com

dendrio®

Optimizer
optimizer.comOptimizer
Enhanced IT Services

Education

Bittnet Training
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Your skills. Upgraded.

Digital Platforms

Elian Solutions
elian-solutions.roELIAN
a bittnet companyNenos Software
nenos-software.ronenos
software

The Group currently has approximately 297 employees and collaborators, who work for one of the companies within the consolidation perimeter (holdings over 50% of the share capital and voting rights). The Group is made up of 10 companies organized under 5 commercial brands and in 3 business units.

Digital Infrastructure Pillar:

- **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: zNet 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. Optimizor's client portfolio is primarily based on US companies, but also contains a number of local clients.

As in previous years, in 2024, the Digital Infrastructure business unit (Cloud & Infrastructure) generates over 85% of the group's consolidated revenues.

Education Pillar:

- **Bittnet Systems SA**(CUI 21181848): the parent company of the group, listed on the Regulated Market of the Bucharest Stock Exchange. It carries out the holding activity for the entire group of companies plus the IT Training activity, being the undisputed leader of this market in Romania.
- **Bittnet Training SRL (formerly 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.

At the end of 2024, the merger process was completed, whereby the companies Computer Learning Center and Equatorial Training were fully absorbed into Equatorial Gaming. In March 2025, as part of the group-wide simplification process, Equatorial Gaming's name was changed in the Trade Register to Bittnet Training. The rest of the identification data remained unchanged.

Platforms/Business Applications & software development:

- **Business solutions (ERP)**
 - **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.
- **Software development**
 - **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.

Cybersecurity – pillar sold at the end of 2024.

▪ Cyber Security

- **FORT SA**(formerly Global Resolution Experts SA) (CUI 34836770), 58.86% owned by Bittnet, is a professional services company in the cybersecurity area, offering penetration testing, as well as design, implementation and maintenance of cybersecurity solutions.
- **GRX Advisory SRL**(CUI 43813325) wholly owned by FORT SA, offers professional services in the cybersecurity area, offering penetration tests, as well as design, implementation and maintenance of cybersecurity solutions.
- **ISEC Associates SRL**(CUI: 23037351), wholly owned by FORT SA, is a company that provides professional services in the area of cybersecurity, offering audit, consultancy and testing (penetration testing) services in classic and "managed services". The company holds numerous certifications (ASF, NBR, CISA, CISM, CEH, CISSP, OSCP, CDPSE, ISO 27701, etc.).

5.1.2. All significant new products and/or services launched on the market and, to the extent that the development of new products or services has been made public, their stage of development shall be indicated.

The Issuer continuously develops products and services in each of its lines of activity, in line with customer requirements. This is "regular business" and does not represent significant efforts, significant resources allocated, but only a decision to pay attention to customer needs.

5.2. Main markets

A description of the principal markets in which the issuer competes, including a breakdown of total revenues by business segment and geographic market, for each financial year of the period covered by the historical financial information.

The group operates mainly in the IT&C integration services market (consulting and trade services regarding technological solutions / IT systems) and in the adult education market, especially with a focus on IT training. The division of revenues between the areas of activity is strongly influenced by the higher size of the IT&C market, taking into account that on the one hand it is populated by more clients, with larger budgets, and on the other hand it also contains trade in goods that represent technological solutions (hardware and software), not only the own services provided by the market players. Historically, the division of revenues between the two divisions of the group is as follows:

*YEAR	2018	2019	2020	2021	2022	2023	2024
IT&C integration/systems	83%	87%	88%	87%	90%	86%	87%
Cybersec, training, erp & software	17%	13%	12%	13%	10%	14%	13%

*an annual breakdown of income.

The main market for the products and services offered by the companies in the Bittnet group is, as in previous years, thefrom Romania. Exports represent less than 10% of total revenue. Even so, in 2024 the Bittnet group delivered projects in approx. 30 countries: in the European Union, Great Britain, Singapore, the Republic of Moldova, Israel and the United States.

Market share

Due to the lack of independent reports on the IT training market in Romania, the Company relies on its own estimates regarding its market share. The Company has the widest, but also the most in-depth coverage of the training market, by having unique expert-level human resources. Bittnet positions itself as a market leader in the IT training area, justifying this by the following:

Focusing on the IT&C integration market (IT professional services) – the wide range of services offered by the companies in the Bittnet group makes it impossible to establish the percentage of market share held. According to the independent study “Software and IT Services in Romania” conducted by Pierre Audoin Consultants at the request of ANIS - the Employers' Association of the Software and Services Industry, the Romanian IT market had a value of 3.08 billion eur in 2015 (21% more than in 2014), this being estimated in the respective study for 2016 at 3.6 billion eur (a 17% increase compared to 2015):

Based on the estimate of the total IT&C market, the market share in the area of IT solution integration (hardware, software and services) is insignificant, registering a value of less than 1% of the market.

However, it must be taken into account in this market analysis that estimates for the total IT market also include purchases of equipment such as PCs, mobile phones, tablets, printers, etc., by both the population and companies.

Analyzing the company's competitive position, it must be broken down by business lines. Thus, Bittnet positions itself as a market leader in the IT training area, justifying this by the following:

- It operates in most segments of the IT training market (vendors, technologies, level of depth, national coverage, etc.);
- It does not compete with the same competitors in more than 2 market segments, being either the market leader or the second largest supplier in each market segment. For example:
 - for official Oracle trainings, there are 3 authorized providers for Romania (Bittnet, Eta2U, Jademy)
 - For official Microsoft trainings there are 5-6 authorized providers
- There are market segments for which Bittnet has no competitors (example: sole training partner for Amazon Web Services, Cisco, Citrix, etc.).

The addition of Equatorial Gaming and The eLearning Company to this landscape improves the competitive position of our group, essentially having a broader product offering for our customers.

Focusing on the integration market (IT professional services), the wide range of services offered by companies in the Digital Infrastructure pillar makes it impossible to establish the percentage of market share held. In the IT solutions and systems integration market, there are hundreds of competitors of various sizes, focused on market niches, customer segments, technologies, etc.

Within the activities carried out by the Digital Infrastructure business unit, the competitive landscape is very fragmented, with no significant concentration on activity segments. We affirm that Dendrio is the first multi-cloud solutions provider in Romania (integrating both the Amazon Web Services offer, as well as Microsoft Azure and Google Apps) - a very advantageous competitive position that aims to bring to fruition the same 'value proposition' for customers as the one highly appreciated in the training business: "one stop shop" for IT infrastructure needs. Also, at its current size, Dendrio is in the top 3 integrators of IT solutions and services in Romania.

5.3. Important events in the evolution of the issuer's activities

Digital Infrastructure (Cloud & Infrastructure)

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 the European Union and the USA).

The solutions offered start from 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, cybersecurity 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 zNet Computer. The decision was made considering the profile of the two companies and the geography in which they operate.
- **Optimizor –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. Optimizor's client portfolio is primarily based on US companies, but also contains a number of local clients.

Digital Infrastructure	December 31, 2024	December 31, 2023	Evolution
Revenue from contracts with customers	365,377,443	323,154,211	13.1%
Service provision	57,278,630	57,519,297	-0.4%
Sale of goods	308,098,813	265,634,914	16.1%
Cost of sales	305,196,693	273,751,861	11.5%
Goods/materials	264,428,421	236,849,695	11.6%
Services	20,762,969	19,466,316	6.7%
man-hours	20,005,303	17,435,850	14.7%

Gross margin	60,180,750	49,402,350	21.8%
Other income	2,180,246	1,509,928	44.4%
Selling/distribution expenses	14,980,333	11,343,858	32.1%
man-hours	13,074,453	9,939,070	31.5%
Advertising and other sales expenses	1,905,879	1,404,788	35.7%
Administrative expenses, of which:	32,948,458	23,533,786	40.0%
man-hours	16,098,871	10,904,729	47.6%
amortization	6,892,531	5,721,166	20.5%
Other third-party services	4,044,698	3,898,655	3.7%
miscellaneous	5,912,359	3,009,236	96.5%
Operating profit (excluding one-offs)	14,432,205	16,034,635	-10%
EBIT	14,432,205	16,034,635	-10%
EBITDA	21,324,735	21,755,801	-2%

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 revenue 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.

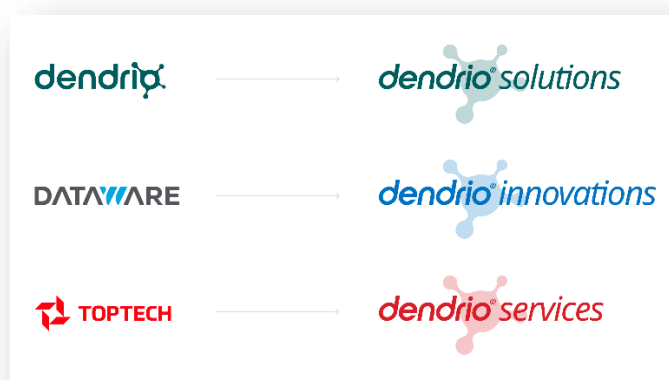
Organizational structure

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.

Common brand structure

The brand structure at the pillar level has been significantly simplified. In this sense, the cluster has moved from a 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.

IT Education/Training

This business pillar contains 2 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.
- **Bittnet Training SRL (formerly 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. In March 2025, the name change was carried out at the Trade Register, waiving the Equatorial brand.

The eLearning company SA – ELC –(CUI 30760571), 23% owned by Bittnet, is an entrepreneurial company that offers eLearning courses for companies. ELC is not within the financial consolidation perimeter except for minority interests.

The results of the Education pillar in 2024 were as follows:

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%
Selling/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	314,313	(206,339)	252.3%
Operating profit (excluding one-offs)	(1,521,503)	(5,169,314)	-70.6%
EBIT	(1,521,503)	(5,169,314)	-70.6%
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 eur 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 eur to 2,900 eur, which means we work almost twice as hard to close the same 1,000 eur and have more open opportunities won, with lower value.

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, such 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 eur. At the same time, regional partnerships with LLPA contributed 150,000 eur 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 eur (+10% compared to 2023), 264K eur earned from generated SQL (+33% compared to 2023), the largest active pipeline in history, approximately 500K eur (+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 revenue 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 eur. 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.

Platforms & Software Development

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

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

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 revenue 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).

Nenos & 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.

Results for 2024, at pillar level:

Digital platforms & Software development	December 31, 2024	December 31, 2023	Evolution
Revenue from contracts with customers	28,197,937	22,322,883	26.3%
Service provision	21,381,148	15,252,331	40.2%
Sale of goods	6,816,789	7,070,552	-3.6%
Cost of sales	19,698,648	15,166,994	29.9%
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%
Gross margin	8,499,289	7,155,889	18.8%
Other income	95,999	29,672	223.5%
Selling/distribution expenses	1,305,215	1,188,173	9.9%
man-hours	871,729	734,998	18.6%
Advertising and other sales expenses	433,486	453,175	-4.3%
Administrative expenses, of which:	5,062,849	4,090,285	23.8%
man-hours	3,198,253	1,580,082	102.4%
amortization	1,023,266	673,233	52.0%
Other third-party services	139,494	665,516	-79%
miscellaneous	701,835	1,171,454	-40%
Operating profit (excluding one-offs)	2,227,224	1,907,103	16.8%
EBIT	2,227,224	1,907,103	16.8%
EBITDA	3,250,491	2,580,336	26%

Cybersecurity - FORT

All 3 companies that constituted the Cybersecurity pillar (Fort SA, GRX-Advisory SRL and ISEC Associates SRL) were deconsolidated at the balance sheet level on 31.12.2024, and at the profit and loss account level in 2023 and 2024, following the full sale of the Group's participation to the alternative investment funds Agista Investmens and Impetum Investments.

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	December 31, 2023	Evolution
Revenue from contracts with customers	14,497,445	16,442,991	-11.8%
Service provision	11,187,524	11,923,496	-6.2%
Sale of goods	3,309,921	4,519,495	-26.8%
Cost of sales	9,374,620	13,313,054	-13.9%
Cost of goods sold	2,827,966	4,311,584	-33.4%
Services	1,733,018	1,658,987	4.5%
man-hours	4,813,636	7,342,483	-2.1%
Gross margin	5,122,825	3,129,937	-7.8%
Other income	92,832	3,206,770	-91.7%
Selling/distribution expenses	914,800	810,266	13.3%
man-hours	447,925	356,302	25.7%
Advertising and other sales expenses	466,875	453,964	3.5%
Administrative expenses, of which:	3,299,823	2,868,087	25.5%
man-hours	1,438,639	1,125,734	42.1%
amortization	474,498	418,717	30.8%
Other third-party services	1,048,839	911,049	24.5%
miscellaneous	337,847	412,587	-17.7%
Operating profit (excluding one-offs)	1,001,034	2,658,354	-69.1%
EBIT	1,001,034	2,658,354	-69.1%
EBITDA	1,475,532	3,077,071	-59.1%

*deconsolidated from the Group's financial statements

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 BVB systems.

Costs allocated to the group	December 31, 2024	December 31, 2023	Evolution
Income	-	-	-
Service provision	-	-	-
Sale of goods	-	-	-
Cost of sales	-	-	-
Cost of goods sold	-	-	-
Services	-	-	-
man-hours	-	-	-
Gross margin	-	-	-
Other income	-	-	-
Selling/distribution expenses	-	-	-
man-hours	-	-	-
Advertising and other sales expenses	-	-	-
Administrative expenses, of which:	2,453,987	3,212,111	-23.6%
man-hours	8,027	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%
Operating profit (excluding one-offs)	(2,453,987)	(3,212,111)	-23.6%
EBIT	(2,453,987)	(3,212,111)	-23.6%
EBITDA	(1,761,513)	(2,676,055)	-34.2%

5.4. Strategy and objectives

A description of the issuer's business strategy and objectives, both financial and non-financial (if any). This description takes into account the issuer's future challenges and prospects.

According to the National Institute of Statistics, in 2024, compared to the previous year, the revenue from market services provided mainly to companies, in gross series, decreased as a result of the decrease recorded in the activities of [computer services and information technology by -4.1%](#). INS specifies that net revenue (excluding VAT) was calculated by summing up invoiced revenues resulting from sales of goods, sales of merchandise, execution of works and provision of services, less rebates, discounts and other discounts granted to customers. Therefore, in the context of a general contraction of the IT market in which we also operate, in 2024 the Bittnet group recorded an increase in revenues by 11%, compared to the previous year, the 17th year of continuous growth, and for 2025 it aims to maintain the growth of 11% yoy even in the conditions in which it has alienated one of the business verticals, the Cybersecurity pillar. The strategy of the company and the group of which it is part is to continue the organic growth of the business.

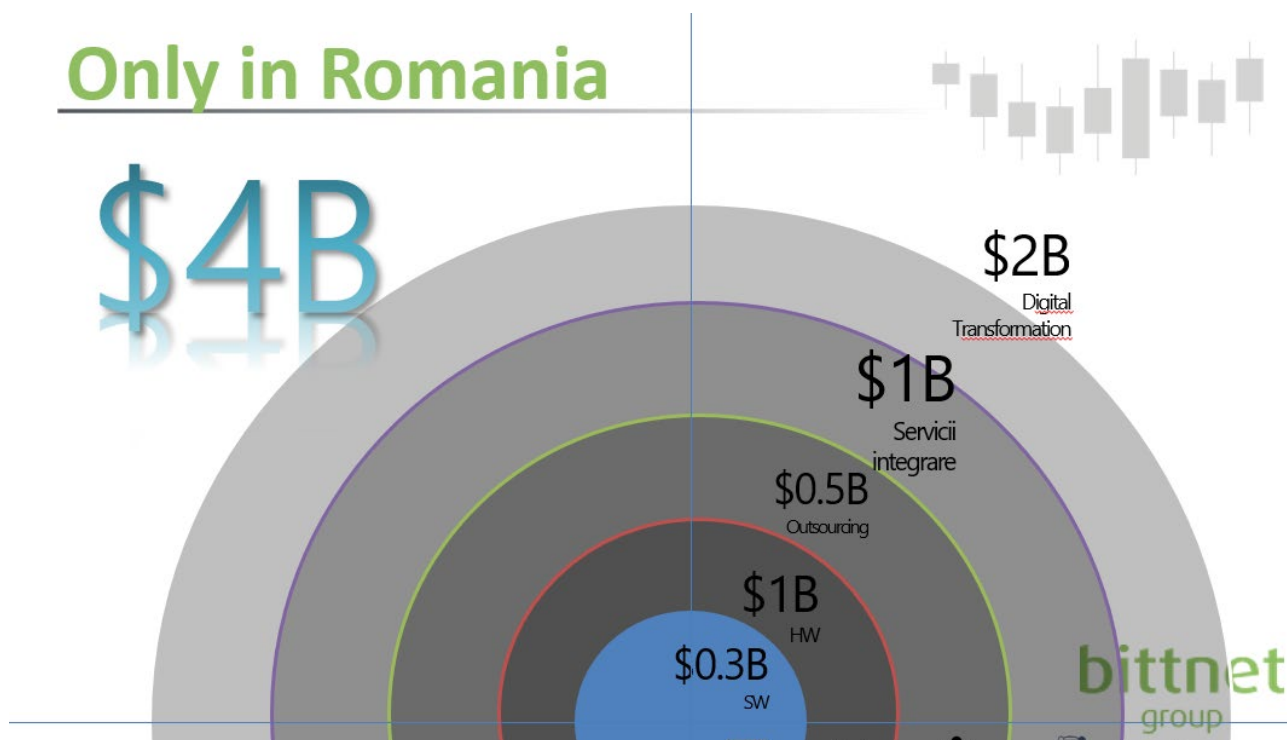
On the other hand, Gartner & IDC (one of the largest IT industry research and analysis companies in the world) assessed the Romanian IT market at over 4 billion USD in 2020, divided according to the graph below. The

Digital Infrastructure pillar, which contributes the most to the group's consolidated revenue – up to 86% in 2024 – is present in all the main 'branches'/areas of the IT industry (less in Outsourcing Services). Moreover, the National Institute of Statistics (INS) estimates that the share of the IT industry increased spectacularly in 2021, [reaching 6.7% of gross domestic product by the end of the year](#) of Romania, (meaning EUR 14.6 billion).

According to multiple media sources, Romania has come to have the third largest base of IT&C specialists in Central and Eastern Europe, but specialists in Romania represented less than 3% of the total number of employees at the national level in 2022, placing our country in the penultimate place in the EU in this regard. However, Romania ranks 5th in the EU in terms of the share of university graduates and IT training courses. On the other hand, our country has the lowest density of software and IT services companies in Central and Eastern Europe and has a rather low performance in terms of innovation, having the lowest share of research and development spending in the EU GDP.

The Romanian IT industry is one of the largest contributors to GDP growth in the last 20 years and a central element in economic growth. Data from ANIS (the employers' association of the Romanian software and IT services industry) shows that in 2022, for example, of the 4.8 percent GDP growth, approximately 1.3% was contributed by the IT industry. It is estimated that in 2023, the IT industry represented almost 8% of the national GDP and the potential is still significant, with forecasts of 10% of GDP by the end of 2025.

Starting with 2023, the IT industry in Romania was also affected by the wave of layoffs that began in the United States and Europe. At the level of our Group, this was felt especially in the software development area but also in the Education business unit where cutting training budgets by clients had a negative impact on the recorded performances.



We continue to believe that the acceleration of the digitalization of states and entrepreneurial companies is the engine of economic development in Central and Eastern Europe and we want to have a decisive role in this process. That is why the Bittnet group's strategy is to become a professional services platform in the field of technology and education, starting from our traditional, core competencies, where we have competitive advantages, combining access to human resources with access to customers and access to financing through capital market mechanisms.

This business strategy is based on the following directions:

1. Continuous development of the portfolio of products and services offered, in line with global technological and socio-economic trends. We pursue this approach both at the level of individual companies, by continuously adapting the services offered to market requirements (adding new products and services, eliminating products or services that are no longer of interest to customers, adding new ways to consume our products and services) and at the group level, through national and regional expansion, based on mergers and acquisitions (M&A) activities.
2. Continuous strengthening of the financial position, both through the organic development of the group companies, with the capitalization of profits, and through the expansion of borrowed capital, in order to have a more solid financial base available, which positions the issuer and the Group as a main alternative both for clients and for other companies in the field, who wish to join a representative IT platform for Romania, CEE or (in the more distant future) Europe.
3. Developing strategic partnerships. This takes the form of participating in associations of companies with common interests and activities, searching for partners to distribute our products and services to their customers, searching for partners from whom to purchase 'in bulk' products and services to resell to our customers and partners, searching for investment partners with whom to increase the capacity to carry out M&A projects.

Looking ahead, we believe that there will be a period of several years with unprecedented acceleration of digital processes across the economy and we are confident that we will continue to record significant increases in revenues. In recent years, the importance of the IT industry has grown in all directions and its contribution to GDP formation has exceeded the 7% threshold and is set to reach 10% by the end of 2025.

According to the DESI index, which measures the degree of digitalization among EU countries, Romania ranks last both in the chapter that measures the level of digital maturity among private and public companies and in the pillar that measures the level of basic and advanced digital skills among employees in companies.

The IT market has officially passed the 240,000 threshold, according to press sources citing several studies, a number double that of 10 years ago; the industry's perspective is that in the next 10 years the need for labor in these areas will lead to a doubling of the number of specialists.

Both areas detailed above give us confidence that we are "operating in the right industry", and indicate the market potential for the four pillars of the Bittnet group for the coming period:

- **for the Education pillar**, as employees, in order to better meet market needs, are in a continuous process of professional reconversion and the need for IT specialists is still urgent on the labor market.
- **for the Digital Infrastructure pillar**, because organizations (both public and private) continue their path towards digitalization, forced by adaptation to the new context with funding coming either from their own resources or from accessing government programs supported by EU funds.
- **for the Platforms/Business Applications & software pillar**: The digitalization process involves more and more developments that simplify and automate processes in companies and society.

We continue to aim for profitable, sustainable and accelerated growth and this can be achieved by focusing on customer segments where we already have a high win rate, correlated with a higher profitability percentage and with a permanent focus on delivering a higher share of services, not just on implementing hardware and software solutions. In 2024, revenues from IT services amounted to 89 million ron at the consolidated group level, approximately 22% of revenues from customer contracts at the consolidated level.

Growth through mergers and acquisitions (M&A) projects

Throughout our history as an issuer listed on the Bucharest Stock Exchange, we have always successfully turned to capital market mechanisms to finance our organic growth but, mainly, for accelerated development through mergers and acquisitions (M&A) projects.

In 2024 - but also forecast for 2025 - we focused on integrating the companies acquired in the 2022-2023 period, their restructuring, rebranding under the group's flagship companies, reorganizing the group structure, establishing a strategy regarding business plans and business development through cross-selling between companies within business verticals and delivering complex joint projects involving 2 or even 3 of the group's companies.

Starting in 2024, Bittnet has made public the management's new strategy to simplify the group structure along with current operations, through merger projects of existing companies within the consolidation perimeter, or through the sale of subsidiaries (companies) and/or business pillars (business verticals).

At the same time, the Bittnet group's strategy is to consolidate operations and businesses around the IT&C solutions and services integrator Dendrio Solutions SRL, given the profile of this type of integrator of complex, multi-vendor and multi-cloud IT projects. In this regard, Bittnet took several actions in 2024, organizing the entire Digital Infrastructure pillar around Dendrio Solutions both in terms of the pillar's management and the structure of the Dendrio subgroup: Bittnet transferred its holdings in Dataware and Top Tech to Dendrio Solutions - which ended up owning, at the end of April 2024, 100% of the companies with a similar profile to Dendrio, part of the Digital Infrastructure pillar: Dataware, Top Tech. And 2Net Computer was merged in 2024 into Top Tech.

Following the consolidation process, both in terms of branding and legal entities at the Dendrio sub-group level, in September it was decided that Dataware Consulting and Top Tech would change their names to Dendrio Innovation and Dendrio Technology, respectively. The changes were also implemented at the Trade Register level, so the two companies now operate under the Dendrio name and brand.

Equally, Bittnet's ambition is to make Dendrio a regional/European player capable of delivering digitalization projects and focused on complex multi-vendor IT infrastructures – accompanied by services with a high degree of expertise from the technical teams. In this regard, Bittnet's intention is to list the Dendrio sub-group (Digital Infrastructure pillar) on the Swedish capital market, through a reverse listing procedure by taking over an already listed Swedish issuer (reverse-listing). The initial capitalization targeted for the Dendrio listing is between 37.5 million eur and 40 million eur.

Compared to 2024, in which we did not sign any new M&A projects and the group's management focused on integration and simplification, 2023 was an active year from the perspective of M&A projects, just like the previous years 2021-2022. We completed 2 investments, a significant one that strengthened and consolidated the Digital Infrastructure pillar (by joining the Dataware Consulting company) and a strategic one for the Platforms & software pillar (the acquisition under Elian Solutions of the company with a similar field of activity Kepler Management, rebranded in 2024 under Elian).

In recent years, we have learned a lot from the difficult and intense process of consolidation through acquisitions and organic growth of the Bittnet Group in a highly fragmented IT&C market and we are aware of the opportunity we currently have by diversifying the geographical presence and the areas in which we operate, while increasing the revenue generation power at the group level and optimizing costs. The increase achieved in 2024 of 11.5% in revenues from customer contracts, which comes after a doubling in the previous year (2023, which comes after another doubling in 2022) including through acquisitions of the total annual revenue generation power at the size of our group, represents an answer to the strategic questions that constantly concern us.

Our focus remains on generating consistent and sustainable long-term value added, year after year, for shareholders. It is important to remember that generating consistent positive results for any acquired company (in any field, not just within our group) involves a period of approximately 18-24 months necessary for integration, optimization, leveraging synergies and scaling the business. We believe we are on the right track.

After the largest acquisitions we closed in 2022 and 2023 through an extensive M&A investment program, for the next period we aim to consolidate the current portfolio of solutions and services but also expand to CEE markets and to areas such as software development, AI and managed services.

5.5. To the extent that they have a significant influence on the issuer's business or profitability, summary information on the extent to which the issuer is dependent on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes.

Not applicable. The issuer is not dependent on patents or licenses, industrial, commercial or financial contracts, new manufacturing processes such that they have a significant impact on the commercial activities or profitability of the issuer or the group to which it belongs.

The Issuer delivers technology solutions (IT&C) but also training courses based, in general, on partnerships with major IT&C technology manufacturers, such as Microsoft, Cisco, Amazon Web Services, Oracle, etc. Each of these manufacturers maintains specific partner authorization and certification policies – the “partner channel” (both for IT&C solution integration activities and for IT training). If such a manufacturer were to decide that the entities in the Bittnet group no longer have the right to continue to resell part of the solutions of that manufacturer, this would have a significant influence on the group’s revenues. We believe that the certifications that the companies in the group have from manufacturers are useful to us by increasing our ability to attract customers and record profitability (including through rebates from manufacturers). Similarly, losing the relationship with a manufacturer (losing the right to market certain solutions (especially from major partners such as Cisco or Microsoft) would generate a problem for the Issuer.

In the case of Nenos & Nonlinear, there is no patent dependency. In the case of e-Learning Company (“ELC”), a company in which the group has a minority stake of 23%, the majority of its revenues derive from its relationship with the global eLearning course manufacturer Skillsoft. The loss of this partnership would have a significant negative impact on ELC’s revenues. ELC is not within the scope of financial consolidation.

In the case of ISEC and FORT, companies that are in the cybersecurity pillar sold at the end of 2024, but which were part of the consolidation perimeter in 2024, there is no patent dependency, as they are two companies that offer professional services in the area of cybersecurity. The services provided are in the form of audit, consultancy and penetration testing services, both in the classic regime and in “managed services”. The two companies hold certifications in the field (ASF, NBR, CISA, CISM, CEH, CISSP, OSCP, CDPSE, ISO 27701, etc.).

5.6. The elements on which any statement by the issuer regarding its competitive position is based.

The Issuer bases its statements regarding the competitive position on its own estimates, constructed either by analyzing the data available from the Ministry of Public Finance (regarding the businesses of companies considered competitors), or on the feedback received by the sales team from interactions with existing and potential customers.

5.7. Investments

5.7.1. A description of the issuer's significant investments (including their value) for each financial year of the period covered by the historical financial information, up to the date of the document.

Since the date of publication of the last financial statements, the Issuer has not initiated or carried out any significant investment program. At the end of the financial year, the consolidated statement of fixed assets was as follows:

	Year	2019	2020	2021	2022	2023	2024	Explanation Variation
(1)	Goodwill	17,701,643	21,082,977	40,771,174	57,528,189	79,079,083	67,950,004	Goodwill acquisition M&A transactions
(2)	Other intangible assets	6,425,725	8,820,959	9,219,368	9,077,001	9,653,554	8,661,920	Intangible assets include mainly the Bittnet brand
(3)	Tangible assets	6,742,571	5,444,104	2,352,513	27,808,467	32,699,563	29,470,909	Registration as ONE office asset – according to IFRS16, layout, technical installations and equipment
(4)	Equivalent securities	1,236,738	8,527,500	1,999,840	2,918,940	2,797,885	1,271,853	the holding portion (23%) of the net loss realized by E-Learning Company
(5)	Other financial assets (securities) at fair value	1,107,049	7,483	2,041,467	2,426,167	11,356,744	5,710,669	Softbinator Technologies Holding Evaluation

The decrease in goodwill, at the level of 2024, is due to the fact that the part of the goodwill acquired from the acquisition of Fort SA, GRX-Advisory and ISEC was derecognized, following the sale of the Cybersecurity pillar, as well as the part of the goodwill related to Dataware Consulting, corrected on the opening balance sheet (details in Note 35 to the consolidated financial statements - attached to this report).

For more details, please refer to Note 16 – Goodwill – of the 2024 consolidated financial statements.

5.7.1.B Specify the location and characteristics of the main production capacities owned by the company.

The specifics of the Company's activity do not require the possession of significant tangible assets. The Company owns computing equipment (laptops, servers, mobile phones), office furniture, multifunction printers and networking equipment organized in the form of lecture laboratories and demonstration laboratories for technological solutions.

Most of the company's tangible assets are located at its headquarters in Bucharest, the ONE Cotroceni Park office building. In addition to the headquarters in One Cotroceni, the group companies have various offices and presence in cities across the country:

- Dendrio Technology – 5 work points, one in each of the cities of Sibiu, Timișoara, Cluj-Napoca, Deva and Alba Iulia
- Nenos Software – a work point in Galați municipality
- Dataware Consulting – a work point in Galați, next to the one in Bucharest.

5.7.1.C Description and analysis of the degree of wear and tear of the company's properties.

The IT equipment owned by the company has a degree of physical wear and tear specific to office activity – low. With the move to the new headquarters in 2022, but also with the expansion of the group, the company gradually began to renew the IT equipment used by employees and students, opting for a 'pay as you use' approach - renting equipment and not directly investing in tangible assets - according to the mandate granted in the AGM. In addition to IT equipment, Dendrio Technology, part of the Bittnet group, also owns a car fleet, with an average age of 7 years, with various degrees of natural wear and tear. We consider these assets as non-core, and as they are taken out of use, they will be replaced with rental contracts (operational leasing).

5.7.1.C. Specifying potential issues related to ownership of the company's tangible assets.

The fixed assets recognized under IFRS 16 are not owned by the Issuer, but are leased by it from their owners. This is not a “problem” but a “feature” of contracts of this type (operating lease or long-term rental).

5.7.1. New products considered for which a substantial volume of assets will be allocated in the next financial year as well as the stage of development of these products.

The development plan of the company and the group of which it is a part includes main pillars, which have as a component the addition of new products and services. Each new product or service that is added to the Bittnet group's offer at a given time starts from a specific demand, in volume, in the market, among our customers. Thus, there are no new products for the development of which substantial resources will be allocated, each addition being made under "breakeven" conditions. For the year 2025, in terms of CAPEX (investment in product development), the maximum proposed budget (which we do not intend to consume) is a maximum of 10,000,000 ron.

In the Digital Infrastructure pillar, we mainly aim to develop existing products and services, as well as optimize workflows. We will focus on increasing the volume of recurring projects, cloud and security solutions, and managed services. For this purpose, we will use existing platforms (CRM, Project Planning, and integrations with large platforms Cisco, Microsoft AWS), without the need for investment in new platforms.

During 2017-2023, our investments in the IT field took the form of M&A – partially or fully buying companies with products and services in the main areas of interest. We believe that in the future this type of investment will also be the one that will consume more significant capital resources, compared to launching new products and services 'in house'. In the September 2021 the GMS, shareholders approved an M&A investment budget of RON 200 million for the coming years. This does not mean that we will spend this money on M&A projects in a certain period of time, but represents a maximum ceiling for this type of investment. As of 2024, no M&A project was signed, the acquisition of the 11.7% stake in Dendrio, not being considered a new project, but being part of the declared strategy to strengthen the Digital Infrastructure pillar around Dendrio.

5.7.2. A description of the issuer's significant investments in progress or for which firm commitments have already been made, including information on the geographical distribution of these investments (nationally and abroad) and their sources of financing (domestic or external).

The Issuer continuously invests in the development of IT systems, technological platforms for information access, internal management, but also in IT applications that can be offered to customers. None of these

investments exceed the limit of 20% of total fixed assets, imposed by law, and they fall within the investment budget approved by the AGM each year. The sources of financing for investments in the development of internal IT systems and technological platforms are internal. In the AGM of September 2021, shareholders approved an M&A investment budget of RON 200 million for the following years.

5.7.3. Information on joint ventures and undertakings in which the issuer holds a proportion of the share capital likely to have a significant impact on the valuation of the issuer's assets and liabilities, financial position or profits and losses.

The continuous evolution process of the group, both through the marketing of new products and services and through continuous acquisitions, has led to the current situation in which the activity is organized in centers ("cells") as independent as possible, in areas of interest ("development pillars") or ("business groups"), 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 Group/Business unit) will be able to have direct and independent financing from the capital market, cooperating with the other companies in the group to offer greater added value to both our clients and employees/partners. The group was composed at the time of writing of this document, of 10 companies divided into 5 commercial brands and organized into 3 pillars:

Digital Infrastructure:

- **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.
- **Optimizador – 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. Optimizador's client portfolio is primarily based on US companies, but also contains a number of local clients.

Education:

- **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.
- **Bittnet Training SRL (formerly 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.

Platforms/Business Applications & software

- **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 Elian. Elian is a Gold certified partner by Microsoft for ERP solutions.
- **Eliat Development Systems SRL (formerly Kepler Management Systems)**(CUI: 21562125) is a company with a similar field of activity and business to Elian, which joined the Bittnet group at the end of 2023. It is 100% owned by Elian Solutions.
- **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.

Investments in listed companies

In addition to the companies listed above, in which we have significant positions, which are accounted for under IFRS consolidation rules, our group owns and holds investments in listed companies, based on the philosophy of "buy stock in businesses that you would like to own yourself". We believe that it is more useful to own a smaller portion of a company that we like than to own nothing.

Instead, IFRS consolidation standards require us to account for these holdings through the income statement, as if we were actually buying the shares at the beginning of each quarter and selling them on the last day of the quarter, repeatedly, every quarter. In other words, these fluctuations are recorded in our accounting "benefiting" from the capital market-specific multipliers. Sometimes these fluctuations will increase the gross result and sometimes they will decrease it from the quarterly revaluation of these mark to market holdings. What is important to keep in mind is that our ability to stay with the companies in which we have invested for the long term will provide us with more opportunities to actually mark profit from these investments than losses over this long term. At the level of 2025, the company has a single mark to market investment in the company Softbinator Technologies SA (trading symbol CODE). On 31.12.2024, the investment in CODE shares was revalued using the weighted average trading price on the AeRO-SMT market, the market on which CODE shares are listed, price from the last trading day of the year. At the level of 2024, the Bittnet group recorded a non-cash loss from the mark-to-market revaluation of approx. 4 million ron.

5.7.4. A description of any environmental issues that may affect the issuer's use of its tangible assets.

Not applicable. Not applicable.

5.8 Specifying information regarding the security of supply sources and the prices of raw materials and the size of stocks of raw materials and materials.

Within the Digital Infrastructure pillar, for the “IT solutions integration” business line, the company “procures” IT equipment and licenses (hardware and software) - which are resold as goods to customers. The supply of goods is made from importers / distributors - companies with a presence in Romania. For none of the types of equipment or licenses sold, there are no 'sole importer' situations, so the security of supply does not depend on the relationship with a specific supplier. The Issuer maintains commercial relations with several distributors, having significant revenue with each of them.

For the “Education” business line, the group “sourcing” course manuals and access to official virtual laboratories from multiple global external partners or directly from manufacturers, but also with subcontracted services from partners: either companies or independent subcontractors (freelancers). In this field too, there are no 'single supplier' situations, Bittnet maintaining relationships with several partners in each area of activity.

All the previously described relationships are created based on partnerships with IT manufacturers (Cisco, Microsoft, Oracle, Amazon Web Services, ITIL, VMware, Dell, HP, etc.). These partnerships provide Bittnet with access to the manufacturers' bidding and discount systems, and distributors/importers 'transfer' the price conditions obtained from the manufacturers. Relationships with IT solution manufacturers are maintained by periodically renewing our company's competencies and certifications. Each of these relationships is important for Bittnet and every year we carry out the necessary activities to maintain the "status" in the relationship with these vendors.

The vast majority of products and services delivered by Bittnet that require sourcing from manufacturers are not subject to price risk, as the price lists of major manufacturers are published for a year in advance, and these companies have the size and processes necessary to support prices during the fiscal year. At the same time, Bittnet places orders with suppliers only based on customer orders, so the period of time in which the price could fluctuate is very short (maximum 1 week). In conjunction with the previous explanation, we consider that price fluctuations in raw materials and supplies are not a risk factor for the company.

As a basic rule, the Issuer does not operate with inventories, sending orders to suppliers based on firm orders from customers.

5.9 Description of any significant dependence of the company on a single customer or group of customers whose loss would have a negative impact on the company's revenues.

In describing the sales structure, the concentration of revenue and the risk of losing significant customers, several considerations must be taken into account, applicable to the vast majority of revenue (over 70%)

- The company does not have contracts with multiple, recurring deliveries. The type of products and services delivered are more suitable for the “framework contract with one-off orders” approach.
- Customer recurrence, the fact that they return and buy again from the companies in the Bittnet group is the result of the combination of two factors: our technical capacity to deliver products and services with a high degree of specialization and the demonstrated quality level at which we provide these services.

Due to these factors, over time, the relationships with our “reseller” partners, but also with our customers, are solidifying, Bittnet gaining more and more trust in their eyes, which leads them to involve us in more and larger projects. On the other hand, as we have increased both the number of customers served and the type of products, their concentration has decreased significantly compared to the first years as a listed company. All the more so by expanding the number of companies in the group, the dependence at the group level on a single customer can be considered insignificant today. Even if in any of the companies we will be able to identify 1 or 2 customers who have a higher share than the rest of the customers of that company, we believe

that the value given by the consolidated size of the group is also found in the fact that the Group itself will not experience problems if one of the companies loses one of the customers with a higher share of deliveries within the sales of that company.

Section 6: Structure

6.1. If the issuer is part of a group, a brief description of the group and the issuer's position within it. This may take the form of an organisational chart or may be accompanied by such an organisational chart, where this helps to clarify the structure.

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 have direct and independent financing from the capital market, cooperating with the other companies in the group to offer greater added value to both our customers and employees / partners.

bittnet
groupBusiness Pillars
Jan 2025Your Value.
Upgraded.

Digital Infrastructure

Dendrio Solutions
dendrio.com

dendrio®

Optimizer
optimizer.comOptimizer
Enhanced IT Services

Education

Bittnet Training
bittnet.robittnet
Your skills. Upgraded.

Digital Platforms

Elian Solutions
elian-solutions.roELIAN
a bittnet companyNenos Software
nenos-software.ronenos
software

6.2. A list of the issuer's significant subsidiaries, including their name, their country of incorporation, their share of equity and, if different, the percentage of voting rights held by the issuer.

At the date of writing this document, Bittnet Systems SA holds stakes in the share capital of other companies as follows:

- **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 TopTech 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.
- **Optimizor –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. Optimizor's client portfolio is primarily based on US companies, but also contains a number of local clients.
- **Bittnet Training SRL (formerly 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.
- **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 digitization and automation of processes within small and medium-sized companies using low code/no code and machine learning technologies

In terms of the group structure, at the date of writing this document, the structure is with three divisions: Digital Infrastructure, Education, Platforms/Business Applications & software. There were no significant mergers or reorganizations of the issuer, its subsidiaries or controlled companies during the previous financial year. In 2024, Bittnet decided to sell the cybersecurity pillar previously organized around FORT SA.

Section 7: Financial Situation

7.1. Financial situation

To the extent that it is not included elsewhere in the document and to the extent that this is necessary for an understanding of the issuer's business as a whole, a fair examination of the development and performance of the issuer's business and its position for each financial year and each interim period for which historical financial information is required, including the reasons for significant changes. This examination is a balanced and comprehensive analysis of the development and performance of the issuer's business and its position, correlated with the size and complexity of the business. To the extent that this is necessary for an understanding of the development of the issuer's business, performance or position, the analysis contains financial and, where appropriate, non-financial key performance indicators relevant to the specific business of the company. The analysis includes, where appropriate, references to the amounts reported in the annual financial statements and further explanations in this regard.

The full financial report (including the financial statements with notes) can be consulted both on the issuer's own website, dedicated to investor relations, and on the BVB website, the issuer's BNET page. The financial statements with notes can be consulted on the issuer's website dedicated to investor relations.

Regarding the P&L account, there were changes in total income due to various adjustments according to international financial reporting standards for FY2024, as follows:

- According to the requirements of IFRS 5 “Non-current assets held for sale and discontinued operations”, the Group completely deconsolidated the results of the Cybersecurity pillar (Fort SA and its subsidiaries GRX-Advisory and ISEC Associates SRL), both from the 2023 and 2024 financial statements, thus the consolidated revenue at group level in 2024, after this operation, was 404 million ron.
- At the request of the statutory auditor, for the year 2023, the balance of the consolidated goodwill position related to the acquisition of Dataware Consulting was restated and reduced to the initial value of 16,961,891 ron – the amount recognized at the time of the initial acquisition of 70% (without recognizing additional goodwill/goodwill, at the time of the acquisition of the difference of 30% of the Dataware company). The corresponding adjustment was recognized as an adjustment of the prior period, with the impact of reducing the position Other equity items, for the comparative period ended 31.12.2023.

In accordance with IFRS3 “Business Combinations”, the subsequent acquisition of a non-controlling asset should be accounted for as a transaction with direct impact through equity and should not lead to the recognition of additional goodwill. However, in December 2023, the Group erroneously recognized additional goodwill in the amount of 10,319,371 ron upon the acquisition of the 30% difference in Dataware Consulting. To correct this error, the following adjustments were made to the comparative financial statements as of December 31, 2023: The additional goodwill of 10,319,371 ron, recorded in December 2023, was eliminated. Consequently, the balance of the consolidated goodwill balance sheet item related to the acquisition of Dataware Consulting was restated and reduced to the initial value of 16,961,891 ron – the amount recognized at the time of the initial acquisition at a percentage of 70%. The corresponding adjustment was recognized as a prior period adjustment, with a reduction impact on the Other equity position, for the comparative period ended 31.12.2023.

- Consequently, this adjustment also impacted the goodwill balance recognized as of 31.12.2024.
- The final, audited financial results for 2024 differ slightly from the preliminary financial results published by the Issuer at the end of February 2025, in terms of the assets and liabilities.

The main indicators from the 2024 final, consolidated, audited financial statements are presented as follows versus the preliminary consolidated results published in February 2025:

- Revenue: 404 million ron (vs 418 million ron)
- Gross margin: 74.1 million ron (vs 79 million ron)
- Operating profit: 12.6 million ron (vs 13.8 million ron)
- Net profit (total comprehensive result): 9.1 million ron (vs 9.2 million ron)
- Goodwill: 67.9 million ron (vs 93.9 million ron)
- Total equity: 77.1 million ron (vs 103 million ron)

Key elements at the end of 2024, financial results presented according to IFRS standards, consolidated financial statements, audited:

- Revenue: 404 million ron (+12.5% vs 2024)
- Gross margin: 74.1 million ron (+17.6% vs 2024)
- Operating profit: 12.6 million ron (+19% vs 2024)
- Gross profit: -853 thousand ron*
- Profit tax: -1.5 million ron
- Profit from continuing activities/discontinued activities: -2.37 million ron*
- Net profit from discontinued operations: 11.4 million ron*
- Net profit (total comprehensive result): 9.11 million ron*
- Cash position as of December 31, 2024: 73 million ron
- Equity: 77 million ron

*Compared to previous years, in 2024 the first exit (sale of a business pillar/business generating units) was made. Thus, two new elements appeared, respectively Profit from continuing activities and Profit from discontinued operations, according to the requirements of IFRS5 "Non-current assets held for sale and discontinued operations", which requires the deconsolidation of discontinued operations to ensure the clarity and relevance of the financial statements. By separating the results of operations that are no longer part of the continuing activity, a more accurate picture of the entity's future performance is provided, thus avoiding the distortion of financial results by including elements that will no longer contribute to future profitability.

Consolidated Financial Position

Fixed assets had a significant fluctuation in 2024, given the adjustment to goodwill (resulting from M&A activities) which led to the decrease of this position from the value of 79 million ron in 2023 (according to the restatement from the time of the Dataware acquisition - explanations in Note 35 to the consolidated financial statements) to the value of 67.9 million ron.

Another notable adjustment resulted from the testing of the holding in E-Learning Company and the Equatorial Gaming brand, a negative adjustment of -2 million ron. At the end of 2024, fixed assets were 136 million ron (-2% vs 2023). Thus, total fixed assets stood at the end of 2024 at a value of 111.8 million ron, down 13% compared to the value recorded in 2023 (129 million ron)

Current assets recorded an appreciation of 35% yoy, an increase mostly influenced by the increase in trade receivables from customers and other receivables +70% yoy which stood at the end of 2024 at 124 million ron. 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, 2024, cash and equivalents were 73.3 million ron (vs 70 million ron at 2023). Thus, total current assets rose at the end of last year to 223 million ron, +35% (vs 165 million ron at 2023). The Total Assets position rose to 335 million ron (+14% yoy).

*In consolidating the financial statements both at the balance sheet level, in 2024 and at the profit and loss account level, in both FY2024 and FY2023, the values recorded by the companies part of the Cybersecurity pillar, FORT SA, GRX-Advisory SRL and ISEC Associates SRL (which were sold of at the end of 2024) were not taken into account – according to the requirements of the international accounting standard "IFRS 5 Non-current Assets Held for Sale and Discontinued Operations". Thus, IFRS 5 requires the deconsolidation of discontinued operations to ensure the clarity and relevance of the financial statements. By separating the results of operations that are no longer part of the ongoing activity, a more accurate picture of the entity's future performance is provided, thus avoiding the distortion of financial results by including elements that will no longer contribute to the future profitability of the following years.

Trade receivables from customers plus the value of the inventory balance plus cash in banks (approximately 217 million ron) cover short-term trade liabilities 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 inventory and cash cover total short-term liabilities (trade plus current) at a rate of 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 creditors – amounts that we used to finance the deliveries of 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, along with the collection of projects from customers. In this context, total short-term debts amounted to 197 million ron at the end of 2024 (+35% vs 2023).

Long-term debts decreased by 12% from 67.5 million ron to 60 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 21% yoy from 212 million ron on 31.12.2023 to 257 million ron on 31.12.2024.

Equity decreased as of 31.12.2024 – as a result of the sale of subsidiaries and the merger of sister companies, as well as the adjustments imposed by auditors on goodwill – standing at 77.1 million ron (versus 81 million ron)

Consolidated profit and loss account*

Bittnet group (consolidated situation excluding Fort results)	December 31, 2024	December 31, 2023	Evolution
Revenue from contracts with customers	404,113,044	359,089,188	12.5%
Revenue from the provision of services	89,146,640	85,712,233	4%
Sale of goods	314,966,404	273,376,955	15.2%
Cost of sales	330,002,661	296,076,346	11.5%
Cost of goods/materials sold	293,472,428	263,411,826	11.4%
Services	1,547,935	3,688,219	-58%
man-hours	34,982,298	28,976,301	20.7%
Gross margin	74,110,382	63,012,842	17.6%
Other income	2,362,321	1,962,994	20.4%
Selling/distribution expenses	20,049,749	17,622,267	18%
man-hours	-17,849,545	14,526,049	20%
Advertising and other sales expenses	2,200,204	3,096,218	8.6%
Administrative expenses, of which	-44,453,039	40,248,756	14.2%
man-hours	19,224,604	16,752,421	14.8%
amortization	10,261,013	8,628,619	18.9%

Other third-party services	6,171,550	7,030,766	-12.2%
miscellaneous	10,295,850	7,836,950	31.4%
Operating profit (excluding one-offs)	12,683,938	9,560,313	19%
EBIT	12,683,938	9,560,313	19%
EBITDA	22,944,952	18,188,932	26.1%

*At the request of the Group's auditors, the results of the Cybersecurity division (Fort SA together with its subsidiaries) were deconsolidated from the financial statements, even though it was part of the group until the end of December 2024. For comparability, this deconsolidation was also made on the column corresponding to the results of 2023. At the end of December 2024, the Group sold all participation in Fort SA and its subsidiaries, GRX Advisory and ISEC Associates (see Note 17 to the consolidated financial statements)

The consolidated revenue recorded was 12% higher in 2024 compared to the previous year, marking for the first time for the Bittnet group, exceeding the 400 million ron milestone in revenues from customer contracts. Almost a quarter of the revenue (22%) was generated from revenues from the provision of IT services – this component reaching 89 million ron at the end of 2024. The cost of sales increased in line with the revenue but at a lower rate than this. The gross margin increased by 17% in 2024 vs 2023, reaching the level of 74.1 million ron.

Administrative expenses increased with the growth of business, up to 45.9 million ron (+14% yoy). In the analysis of administrative expenses, we consider their weighting in revenue relevant – a weighting that decreased from 12.5% (in 2022) to 10.7% (in 2023) and then a slight increase in 2024: to 11.2%. We continue to be attentive to any increase in administrative expenses and aware of the importance of keeping them under control at all times.

Consolidated operating profit increased by 19%, registering 12.6 million ron – while the EBITDA indicator reached 22.9 million ron (+26% vs 2024)

7.2. Operating Profit, Operating Profit, Financial Profit and Gross Profit

Bittnet group (consolidated situation excluding Fort results)	December 31, 2024	December 31, 2023	Evolution
EBITDA	22,944,952	18,188,932	26.1%
Operating profit (excluding one-offs)	12,683,938	9,560,313	32.7%
One-off result	-	-	
EBIT	12,683,938	9,560,313	32.7%
SOP adjustment	(1,043,509)	(1,073,576)	-2.8%
Equatorial brand impairment and ELC minority ownership	(2,078,990)	-	-
Pre-acquisition M&As costs	(45,510)	(689,691)	-93.4%
Gain/loss on equity-accounted securities	(39,095)	(121,055)	-67.7%
Income/expenses from securities valuation	(4,024,130)	(2,167,698)	85.6%
Other financial income	314,995	306,901	-52%
Financial expenses	(5,973,702)	(6,368,179)	-6.6%
Gross profit	(853,853)	(775,732)	-
Income tax	(1,523,249)	(615,392)	-
Profit from continuing operations*	(2,377,102)	(1,391,124)	-
Net profit from discontinued operations*	11,495,927	2,214,786	-
Net profit	9,118,826	823,662	-

*according IFRS 5 "Non-current assets held for sale and discontinued operations"

Between operating profit and gross profit, 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 the holding in companies listed on the AeRO-BVB market (Softbinator Technology SA – ticker: CODE) revaluations carried out quarterly according to market quotations. At the level of FY2024, this non-cash negative 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 testing of goodwill, brands and holdings according to IFRS standards (impairment tests) 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 holding of ELearning 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 the cost of financing (actual interest paid) of 6.6 million ron, non-cash adjustments of 7 million ron, and financial profit (cash) from the sale of Fort of 11 million ron.

Compared to previous years, in 2024 the first exit (sale of a business pillar/business generating units) was made. Thus, two new elements appeared, respectively Profit from continuing activities and Profit from discontinued operations, according to the requirements of the *IFRS 5 standard "Non-current assets held for sale and discontinued operations", which requires the deconsolidation of discontinued operations to ensure the clarity and relevance of the financial statements. By separating the results of operations that are no longer part of the continuing activity, a more accurate picture of the entity's future performance is provided, thus avoiding the distortion of financial results by including elements that will no longer contribute to future profitability.

In this context, the consolidated gross profit was -853 thousand ron, while, impacted by the elements described above, the consolidated net profit stood at 9.1 million ron.

7.2.1. Information on significant factors, including unusual or rare events, or new developments, that significantly affect the issuer's operating income, indicating the extent to which they are affected.

After the overlapping global crises of 2020-2022 (Covid19 pandemic, global transport/supply chain problems, semiconductor crisis, war in Ukraine), we can say that we are operating in a scenario that, even if far from ideal, is stable but in a difficult market context in 2023-2024 (the IT industry was affected in Western Europe and the United States by the wave of layoffs, the contraction of the IT market in Romania in 2024, etc.). 2025 certainly remains a year full of challenges.

7.2.2. If the historical financial information shows significant changes in sales or net income, a description of the reasons that generated these changes shall be included.

There have been no significant changes in sales or revenues other than normal in the activity carried out in the market in which the issuer operates.

7.3. Evaluation of research and development activity. Specification of expenses in the financial year, as well as those anticipated in the following financial year for research and development activity

This is not the case, the Issuer and the group to which it belongs do not carry out research and development activities.

Section 8: Capital Resources

8.1. Information on the issuer's capital resources (short-term and long-term).

The Issuer's equity exceeds, at the end of 2024, the value of 100 million ron (the highest historical value).

In addition to the capital resources attracted in capital increase operations, the issuer has other financing mechanisms on the capital market (bond issues) as well as short and long-term bank lending - to finance current activity and the M&A investment program in 2022 - 2023.

At the time of writing this Universal Registration Document, the Company has 4 bond issues, issued in 2022, 2023, and 2024 in euro and RON, tradable on the main market dedicated to fixed income instruments of the BVB (symbols: BNET26E, BNET27A, BNET28 and BNET28A) in the total amount of 2 million eur (BNET26E) and 21.6 million ron (BNET27A, BNET28 and BNET28A). All borrowed capital resources from the bond issues have long-term maturity (June 2026 – June 2028).

8.2. An explanation of the sources and amount of the issuer's cash flows and a description of the cash flows.

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 operating cash flow at that time. This was further adjusted during 2024 – on December 31, operating cash flow stood at 18.9 million ron – and net cash generated from current activities was 16.9 million ron.

The sale of the cybersecurity pillar, corroborated with the acquisition of the 11.7% stake in Dendrio Solutions at the end of 2024, were the main elements that fluctuated in the cash flows from investing activities. The most important elements of the cash flows from financing activities were the sale of treasury shares in January 2024 (2.8 million ron) corroborated 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 73.4 million ron – similar to 2023 e). We note that part of this cash position was used in Q1 2025 to balance the trade balance (trade payables versus customer receivables)

8.3. Information regarding the issuer's credit conditions and financing structure.

The group's bank lending structure is predominantly made up of revolving overdrafts aimed at short-term financing of specific projects and current activities. As of the date of this report, the Group has loans for financing current activities from the following financial institutions: ProCredit Bank, Banca Transilvania (BT), BRD – Societe Generale, ING Bank and Unicredit Bank, as well as several non-cash ceiling products for issuing various types of bank guarantee letters contracted from Procredit Bank and Banca Transilvania.

All values in RON				31-Dec-24		31-Dec-23	
Banking product	Currency	Interest rate	Maturity	Borrowed value	Balance as of date	Borrowed value	Balance as of date
ProCredit (DEND)	RON	6M+3%	2026	4,500,000	2,524,818	4,500,000	3,940,619
BT investment credit (DEND)	RON	ROBOR 3M+2.5%	2029	9,724,885	5,795,836	9,724,885	7,016,012
ProCredit investment loan (DEND)	RON	ROBOR 6M+2.5%	2030	10,000,000	8,241,818	10,000,000	9,381,614
BT short-term loan (DEND)	than EUR	EURIBOR 6M+2.15%	2024	-	-	1,800,000	3,610,154
ING credit line (DEND)	RON	ROBOR 1M+2.2%	2025	5,000,000	1,446,666	-	-
BRD IMM Invest/short term (TT)	RON	ROBOR 3M+1.5%	2024	10,000,000	59,548	3,000,000	2,406,335
BT short term credit (DTW)	RON	ROBOR 3M+2.75%	2025	15,000,000	9,082,867	17,000,000	-
Raiffeisen credit line (2NET)	RON	6M+2%	2025	2,500,000	1,347,667		905,351
Raiffeisen IMM Invest (2NET)	RON	6M+2%	2024	2,000,000	-		258,621
Total bank debts:					28,499,222		27,518,706
Long term:					12,525,113		18,976,363
Short term:					15,974,109		8,542,343

ProCredit Bank

In July 2023, Dendrio Solutions SRL signed the conversion of the revolving credit line worth 4.5 million ron (contracted since 2019 from ProCredit Bank) into a loan with monthly repayments. The repayment will be made over a period of 36 months – until July 2026 – and the interest rate is: ROBOR6M+3%. At the same time, the cash collateral deposit immobilized for this product was released.

Also, in December 2020, the Group informed shareholders about the signing of a bank loan agreement by Dendrio Solutions with ProCredit Bank. The total value of the facility was 5,000,000 ron, and the purpose of the loan is to finance the working capital and current activity of Dendrio Solutions. The maturity of the product was 36 months, and the interest rate was ROBOR 3M + 3% per annum. The guarantee established for this loan product was: cash collateral deposit for 10% of the value of the facility. The last installment for this product was paid in December 2023.

In May 2023, Dendrio Solutions contracted an investment loan from ProCredit Bank in the amount of 10,000,000 ron, for a period of 7 years, with monthly repayments of principal and interest for the acquisition of the majority stake in the company Dataware Consulting SRL (fully acquired by Dendrio Solutions and rebranded in the meantime as Dendrio Innovations). The annual interest rate is ROBOR6M+2.50%. The guarantees provided are: movable mortgage on the accounts of Dendrio Solutions – the borrower – opened at ProCredit Bank, movable

mortgage on the acquired shares, guarantee from Bittnet Systems SA as co-debtor and guarantee issued by the European Investment Fund in the proportion of 60% of the loan value.

In May 2023, Dendrio Solutions contracted a non-cash ceiling banking product from Procredit Bank for a maximum amount of 2,300,000 ron. The validity period is 36 months. The product is intended for the issuance of various types of SGBs (letters of bank guarantee for participation in bidding procedures; letters of guarantee for good execution, etc.). Dendrio uses this revolving product in order not to immobilize its own cash in the issuance of SGBs. In September 2024, this banking product was supplemented by the amount of 1 million ron, up to the value of 3,300,000 ron.

In October 2023, Dendrio Technology SRL (formerly Top Tech SRL) contracted a non-cash product from ProCredit Bank, in the maximum amount of 1,400,000 ron for a period of 12 months with the possibility of extension. The ceiling is used in the current activity for the establishment of bank guarantees for participation in bidding procedures or for good execution for commercial contracts that require such banking instruments. Dendrio Technology uses this revolving product, in order not to immobilize its own cash in the issuance of SGBs.

Transilvania Bank (BT)

On 06.09.2022, Dendrio Solutions contracted a credit product in the form of a ceiling - investment loan - from Banca Transilvania in a maximum amount of 11,000,000 ron for the financing of 75% of the price of share acquisition transactions of the companies Top Tech SRL (rebranded in 2024 into Dendrio Technology SRL) and zNET Computer SRL (company merged at the end of 2024 into Dendrio Technology SRL).

The investment loan was contracted for a period of 7 years and the repayment method is monthly, through constant annuities. The annual interest rate is variable and consists of the 3-month ROBOR index, to which is added the Bank's fixed margin of 2.50%. The guarantees established for this loan product are a movable mortgage on Dendrio Solutions accounts opened at Banca Transilvania, a movable mortgage on the acquired shares, a guarantee from Bittnet Systems as co-debtor, a guarantee issued by the European Investment Fund. Dendrio Solutions made 2 withdrawals from this ceiling, during 2022, after signing the closing documents with the selling shareholders of the two target companies, Top Tech and zNET Computer, paying the equivalent value of the shares. The 2 withdrawals were in the amount of 9,724,885 ron, out of the maximum ceiling of 11 million, and the reimbursement of the amount used is made over a period of 7 years - until September 2029.

On 20.10.2022, the issuer informed investors about the signing of a credit agreement with Banca Transilvania. The agreement was in the form of a ceiling/line of credit - revolving overdraft - in the amount of EUR 1,800,000 and was intended to finance the working capital and current activity of Dendrio Solutions. The maturity was initially set at 12 months with the possibility of extension and the interest rate was EURIBOR 6M + 2.15% per annum. The Group's management chose in 2022 to explore the opportunity to borrow in foreign currency given the evolution of monetary policy interest rates in RON, since that time, which led to an increase in interest costs on RON loans in the period 2020-2022, a trend that tended to correct itself with the 3rd quarter of 2023, but also in 2024. In October 2023, Dendrio Solutions decided to put on the schedule, for a period of 12 months, the balance that it had used/drawn from this ceiling at that time (approx. 900,000 eur) by signing in this regard the additional act amending the product with Banca Transilvania. The last installment of this use of the ceiling was paid in September 2024.

In December 2024, the extension (and resizing) of the credit product contracted by Dendrio Innovations SRL (formerly Dataware Consulting) from Banca Transilvania was signed – for the amount of 15,000,000 ron. This banking product is used by Dendrio Innovations for the punctual financing of commercial contracts with clients. The guarantees are: mortgage on bank accounts opened at Banca Transilvania, assignment of receivables

resulting from financed contracts/with assigned debtors and guarantee from the sole associate of Dendrio Innovations, respectively Dendrio Solutions. The interest for this product is ROBOR3M+2.75% applied to the actual balance used from the maximum ceiling of 15 million ron. The period of use of the ceiling is 12 months from signing with the possibility of extension, and the validity period is 24 months from the date of drawdown. The product is used revolving, through successive withdrawals and reimbursements at the time of project receipt. Dendrio Innovations uses this ceiling to ensure the project pre-financing component - where applicable - for contracts with a long implementation cycle and which involve the delivery of complex IT&C integration solutions involving both the delivery of equipment and the provision of configuration, installation and commissioning services.

Also in December 2024, Dendrio Innovations signed an addendum with Banca Transilvania to supplement the non-cash ceiling for issuing bank letters of guarantee up to the limit of 7,000,000 ron. The product is used in the current, revolving activity, for the establishment of bank guarantees for participation in bidding procedures or for the proper execution of commercial contracts that require such guarantee instruments. The company requested the bank to supplement the existing non-cash ceiling so as not to need to block its own cash in the guarantee instruments.

Under similar conditions, in December 2024, Dendrio Solutions also signed a contract with Banca Transilvania for a non-cash ceiling for the issuance of bank letters of guarantee up to the limit of 7,000,000 ron. The product is used in the current, revolving activity, for the establishment of bank guarantees for participation in bidding procedures or for the proper execution of commercial contracts that require such guarantee instruments. The company requested the bank to supplement the existing non-cash ceiling so as not to need to block its own cash in the guarantee instruments.

Also in December 2024, Dendrio Technology signed the addendum for the extension of a non-cash product from Banca Transilvania, in a maximum amount of 3,000,000 ron for a period of 12 months with the possibility of extension. The ceiling is used in the current activity, revolving, for the establishment of bank guarantees for participation in bidding procedures or for good execution for commercial contracts that require such instruments. Dendrio Technology uses this product in order not to immobilize its own cash in the issuance of SGBs.

OTP Bank

In July 2023, the addendum for the extension of the revolving overdraft credit product for working capital financing was signed between Dataware Consulting and OTP Bank. The total value of the facility is 1,500,000 ron, the maturity is 12 months and the interest rate is ROBOR3M +2.5%. The product was fully repaid at maturity - July 2024.

Unicredit Bank

In February 2023 Elian Solutions signed addendum for the extension and supplementation of the credit product –of the revolving type overdraftfor working capital financing – contracted from Unicredit Bank. The agreement was extended at that time, for a period of 12 months and the ceiling was increased from 800.000ron to 1,600,000 ron under the same conditions as the additional extension act signed in 2022, namely: interest rate: ROBOR3M+3%; product destination: financing of working capital and current activity. The structure of the guarantees consists of a movable mortgage on the accounts of Elian Solutions SRL opened at Unicredit Bank, assignment of receivables and a Corporate Letter of Guarantee issued by the majority shareholder Bittnet Systems SA. This product was extended in February 2025 for a period of 12 months, the current maturity being February 2026.

Raiffeisen Bank

In November 2023, the additional act was signed to extend the credit facility that 2Net Computer had contracted from Raiffeisen Bank. The new maturity is 12 months. The extension was made under the same conditions as the initial agreement. The value of the facility is 2,500,000 ron and is intended to finance the working capital and current activity of the borrower. Given the merger process by absorption of 2Net into Dendrio Technology, this credit product was fully reimbursed.

BRD – Societe Generale

At the end of August 2024, Dendrio Technology signed the addendum to supplement the revolving-overdraft ceiling credit line contracted from BRD - Groupe Societe Generale. Thus, the credit ceiling was supplemented from the amount of 6,000,000 ron to the amount of 10,000,000 ron. The product can be used both for non-cash withdrawals for the issuance of letters of guarantee, and for cash withdrawals for the financing of working capital and current activity as well as for the financing of current and future projects carried out by Dendrio Technology. The credit and guarantee conditions remained unchanged according to the initial agreement, the period of use is 12 months with the possibility of extension and the interest is ROBOR3M+1.5% per annum, calculated on the actual balance used in the line.

ING BANK

In October 2024, the Issuer informed investors about the signing of a credit agreement by Dendrio Solutions SRL with ING Bank NV Amsterdam – Bucharest Branch. The agreement involves the provision to the borrower of a revolving-overdraft ceiling credit line for financing working capital and current activity in the amount of 5,000,000 ron. The guarantees for this loan are constituted at the level of Dendrio Solutions – general assignment of receivables and mortgage on the accounts opened by Dendrio at ING Bank. The interest rate for the use of this product is ROBOR1M+2.2% per annum.

In addition to the bank lending resources detailed above, the Issuer financed its activity, but especially the M&A expansion, through capital market instruments. During 2023, the Issuer repaid three bond issues at maturity (BNET23C, BNET23 and BNET23A), bringing the total to 5 issues repaid at maturity or early. Also in 2023, Bittnet launched for the first time on the Romanian capital market two public offerings of corporate bonds (BNET27A and BNET28) which were particularly successful: oversubscription of over 1.5x, investor diversity and remarkable liquidity after listing. Following the 2 offerings, two committed financings were obtained in a total amount of 15 million ron. The Company also has a bond issue denominated in euro worth 2 million eur, tradable on the BVB under the symbol BNET26E. Also, in the period March-April 2024, Bittnet conducted a new round of financing through a public offering of corporate bonds (under the symbol BNET28A) raising the amount of 6.35 million ron from BVB investors – by issuing a number of 66,249 bonds sold at the price of 96 ron/bond. The nominal value is 100 ron/bond, the interest rate is 9% per year and the maturity is April 2028.

All bond issues have long-term maturity (2026 - 2028 period). The annual interest rates at which the issuer borrowed through these capital market instruments are: 9% (BNET26E), 9.6% (BNET28), 10% (BNET27A) and 9% (BNET28A) depending on the market context, monetary policy rates or inflation situation at the time of the financing round.

The issuer is up to date with all coupon payments to bond investors.

8.4. Information on any restriction on the use of capital resources that has influenced or may significantly influence, directly or indirectly, the issuer's operations.

Not applicable. There are no restrictions imposed on the issuer regarding the use of capital resources

8.5. Information on the sources of financing estimated to be necessary to meet the commitments set out in point 5.7.2.

The income and expenditure budget for 2025 provides for a maximum amount of 10 million ron for investments, but which will be allocated by management to investments only if management considers that the respective investments will not generate a cashflow problem for the Issuer. None of the investments already started raise financing/repayment problems for the Issuer, as they are easily supported from existing/generated cash availability.

Section 9: Regulatory framework: the market on which stocks and bonds are traded

9.1. A description of the regulatory framework in which the issuer operates and which may significantly affect its business, together with information about any policy or factor of a governmental, economic, budgetary, monetary or political nature that has affected or could significantly affect, directly or indirectly, the issuer's operations.

The Issuer is governed by Romanian Law. The regulatory framework within which the Issuer operates includes national legislation as well as specific EU legislation, including but not limited to:

- Law 31/1990 on companies, republished, with subsequent amendments and supplements;
- Law 24/2017 on issuers of financial instruments and market operations;
- ASF Regulation No. 5/2018 regarding issuers and securities operations;
- EU Regulation No. 1129/2017;
- Delegated Regulation (EU) 2019/979;
- Delegated Regulation (EU) 2019/980;
- REGULATION (EU) No 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 April 2014 on market abuse (market abuse regulation).

9.2. Specification of the markets in Romania and other countries on which the securities issued by the company are traded.

Starting with June 3, 2020, the shares issued by the company are traded on the Bucharest Stock Exchange, on the Regulated Market, Standard category, trading symbol BNET, ISIN code ROBNETACNOR1. Prior to this date, BNET shares were traded on the AeRO-SMT market, administered by BVB starting with 15.04.2015.

The increased liquidity of BNET shares meant that, only 3 months after the promotion on the BVB Main Market, our group's shares were included in several indices: BET-XT, BET-XT-TR, BET-BK, as well as in the extended 'basket' of the main BET index - BETPlus.

In 2024, the last financial year closed prior to the publication of this document, the average daily value of transactions with BNET shares amounted to approximately 60 thousand ron per trading session – 14.89 million ron in the regular market and another 4.36 million ron in the deals market. During 2024, a volume of almost 84 million BNET shares was traded, which represents approximately 13% of the total shares registered as of December 31, 2024. Currently, the number of Bittnet shareholders remains at over 5,000 individuals and legal entities, institutional investors. At the end of 2024, the market capitalization of the Bittnet group amounted to 97.6 million ron, down 43% compared to the end of 2023.

For comparison, in 2023, the average daily value of transactions with BNET shares amounted to approximately 90 thousand ron per trading session – 21.4 million ron in the regular market and another 974 thousand ron in the deals market. A volume of almost 78.6 million BNET shares was traded, which represents 12.4% of the total shares registered as of December 31, 2023. During the most recent General Meeting, in January 2023, the number of shareholders registered in the shareholders' register as of the registration date exceeded 5,000 individuals and legal entities (from approximately 4,300 shareholders registered at the beginning of the year). At the end of 2023, the market capitalization of the Bittnet group amounted to 174 million ron.

Bond issues: BNET26E, BNET27A, BNET28 and BNET28A during 2024:

At the end of 2022, Bittnet conducted a private placement of corporate bonds denominated in euro (the first of its kind in the issuer's history) as a result of which it raised the amount of 1,961,144 eur from 53 individual, legal and professional investors. The maturity of the BNET26E issue is in June 2026. Starting from 07.03.2023, the BNET26E bonds are tradable on the Regulated Market administered by BVB.

2,550 BNET26E bonds changed hands in 2024, i.e. 12% of the total volume of the issue at an average price of 103% of the nominal value and a total transaction value of 262 thousand eur (approx. 1.31 million ron). The interest for BNET26E bonds is 9% per annum payable quarterly through the Central Depository.

In May-June 2023, Bittnet conducted a public bond offering (the first such offering on BVB) and raised 5 million ron from BVB investors. The issue was carried out under the symbol BNET27A, and starting with 19.07.2023 it is traded on the BVB regulated market.

In 2024, 14,065 bonds (i.e. 28% of the total issue) were traded at an average price of 103% of the nominal value, summing up total transactions worth 1.46 million ron. The interest is 10% per year, payable quarterly through the Central Depository. The maturity of the BNET27A issue is in June 2027.

In December 2023, Bittnet launched a new bond issue – BNET28, through the public offering and price range mechanism (similar to BNET27A) as a result of which the issuer raised the amount of 10 million ron. The issue date of the BNET28 bonds was 15.12.2023, and the maturity date will be 15.06.2028. The interest is 9.6% per annum, payable quarterly through the Central Depository. Starting with 02.02.2024, the BNET28 bonds are tradable on the BVB Regulated Market. From listing until the end of 2024, a number of 29,181 BNET28 bonds changed hands (29% of the total issue) at an average price of 101% of the nominal value, meaning transactions worth 2.96 million ron.

During March-April 2024, Bittnet conducted a new round of financing through a public offering of corporate bonds (under the symbol BNET28A) raising 6.35 million ron from BVB investors – by issuing a number of 66,249 bonds sold at a price of 96 ron/bond. The nominal value is 100 ron/bond – the same as in the other issues conducted by Bittnet, the interest rate is 9% per annum and the maturity is April 2028. Since the listing on 23.05.2024 and until the end of the year, a number of 27,070 BNET28A bonds changed owners (40% of the total BNET28A issue) at an average price of 96.7% of the nominal value, meaning transactions worth 2.61 million ron.

The issuer is up to date with the payment of all coupons related to bond issues.

9.3. Description of the company's dividend policy

The General Meeting of Shareholders annually adopts the decision on the allocation of profits. However, the Company's intention is not to pay dividends in the next financial years. Bittnet operates in a very dynamic field - Information Technology. So far, we have managed to record significant growth rates, always being profitable both in terms of EBITDA and operating profit.

On the other hand, the current size of the company, combined with the consolidation trend present in all industries in the global economic landscape, makes us feel that the only direction we can go is "all the way up." In this sense, we intend to continue investing all available resources in the development of the Company.

From the shareholders' point of view, the policy of reinvesting profits also means a 'no dividend' policy. We intend to propose to the Shareholders' Meeting this reinvestment policy as long as the Company's growth forecasts are stronger than those of the market in general. In the long term and in general, the value that the Company generates will be reflected in the Company's own valuation - the share price. Management believes that it can continue to maintain a growth rate above that of the market in general for a significant period of time.

Our current operational capacity is such that we can extract profits from accelerating revenue growth. This is the management's intention: to continue to grow revenue in conditions of profitability expressed in gross margin and operating profit. Thus, the Company will generate more cash to cover a generally fixed cost structure, in essence the 'additional gross margin' contributing almost entirely to the Company's gross profit.

Even in this context in which we aim to grow the group's business and extract a higher degree of profitability - in line with the strategy announced in 2024 to focus on simplification and profitability, we have started a share buyback program with the declared purpose for the buyback shares to be canceled. The program started in August 2024. This program involves the daily buyback of a volume of BNET shares directly from the spot market within the limits of the legal daily volume provisions. By the end of 2024, the issuer had bought back a number of 4,000,000 shares. Bittnet's intention is to continue the current buyback program in 2025, by the date of writing this document, the issuer buying back 5,369,000 shares. In parallel, the company's management is considering proposing to shareholders a public buyback offer conducted in accordance with ASF regulations, through which it could acquire a larger volume of its own shares in a shorter period.

9.4 Specification of dividends due/paid/accumulated in the last 3 years and, if applicable, the reasons for any decrease in dividends during the last 3 years.

According to the dividend policy, in 2016, 2017, 2018, 2019, 2020 and 2021 the general meeting decided to reward shareholders by capitalizing the company's profits and granting free shares - one operation each year. No similar operations were carried out in the period 2022 - 2024.

9.5. Description of any activities of the company to acquire its own shares.

During the EGMS of April 2024, the opportunity to carry out share buyback operations from the market was submitted for approval and the Board of Directors was mandated to determine the opportunity and timing of such operations and to take the necessary steps. In August 2024 – the Board of Directors of Bittnet established the start of a share buyback program, through daily buybacks from the market. The maximum number of shares to be bought back will be 10,000,000 ordinary, registered, common, dematerialized shares, with an individual nominal value of 0.1 ron, within the limit of a maximum budget allocated for this operation of 2,000,000 ron.

The intermediary through which this market operation is carried out is BRK FINANCIAL GROUP SA and the maximum daily volume repurchased is within the limit of 25% of the average daily quantity of shares traded on the market, calculated according to the applicable legislation, according to art. 3 paragraph (3) letter b) of the EU Delegated Regulation 2016/1052.

The price at which the redemptions are made is within the range established by the EGMS Decision no. 04 of 25.04.2024 and the Board of Directors Decision of August 2024: the minimum redemption price 0.1 RON/share (respectively the nominal value), and the maximum redemption price 0.25 RON/share. The implementation of the redemption program is carried out from own sources.

By the end of 2024, a volume of 4,000,000 treasury shares had already been repurchased, and by the date of writing this document, the threshold of 5,369,000 BNET shares. The issuer informs weekly, every Monday, through current reports published on the issuer's page at BVB and on the website dedicated to investor relations regarding the number of shares repurchased to that point.

9.6. If the company has subsidiaries, specifying the number and nominal value of shares issued by the parent company held by the subsidiaries.

None of the companies in the group own shares or bonds issued by Bittnet.

9.7. If the company has issued bonds and/or other debt instruments, a presentation of how the company pays its obligations to the holders of such securities.

The company is up to date with the payment of coupons to bondholders, for all bond issues, coupon distributions are made through the standardized system of the Central Depository. During the period 2016 - 2025, since the issuance of the first bond issue, the company paid over 14 million ron to more than 2,000 bondholders, according to the payment calendars for each of the bond issues.

Section 10: Information about trends

10.1. A description of:

(a) the main trends affecting production, sales and stocks, costs and selling prices since the end of the last completed financial year and up to the date of the registration document;

Starting with 2020, the Issuer has felt the effect of the following socio-economic trends:

1. **Increasing competition for human resources** ("heating of the labor market"). This trend has been going on for several years and is particularly evident in the IT industry, in which the Issuer operates. Particularly in the case of the IT services industry, any person can provide services from wherever they are for clients from any other part of the world. This makes the Romanian market for IT experts one with global competition. Thus, there are multinational companies that have headquarters in Romania, but also freelancing platforms that accept Romanian citizens as members of the platform. Both alternatives generate more options for qualified personnel to choose from to offer their services, resulting in an increase in the price of human resources. From an accounting point of view, in the case of the Issuer and the companies in the group this translates into an increase in personnel and subcontractor costs. From an operational point of view, this reality translates into increasing difficulties in finding and attracting qualified personnel, but also in the need to devote time, attention and material resources to creating a pleasant and attractive workplace. These are internal management priorities.
2. **Commoditization of IT services.** This trend leads to lower selling prices for the Issuer's products and services, which combined with the increase in the cost of human resources generates pressure on the gross margin (revenue minus direct costs). Additionally, this induces customers to prefer to pay only for what they consume, moving away from subscriptions or major upfront investments.
3. **Gig Economy ("uberization").** The emergence and development of this trend has partially eased the Issuer's pressure on fixed costs (since the personal income recorded by the Issuer's employees comes from several sources, so there is no pressure for us), but it has also increased the need to develop operations on a larger scale, so that we can take advantage of this trend. We consider it essential that in the coming years we continue the policy of accelerated growth of the Issuer's size, in order to ensure access to sufficient human resources.

b) any significant change in the financial performance of the group since the end of the last financial year for which financial information has been published up to the date of the registration document, or an appropriate negative statement.

Not applicable. No significant changes have been identified in the group's financial performance since the end of the last financial year until the publication of this Document.

10.2. Information on any known trend, uncertainty, requirement, commitment or event that is reasonably likely to materially affect the issuer's prospects, at least for the current financial year.

That's not the case.

Section 11: Profit forecasts or estimates

Where an issuer has published a profit forecast or estimate (which is still in force and valid), that forecast or estimate shall be included in the document. Where a profit forecast or estimate has been published and is still in force but is no longer valid, a statement to that effect and an explanation of the reasons why that forecast or estimate is no longer valid shall be provided.

Not applicable. The Issuer does not make any profitability forecasts. The Issuer operates annually with a Revenue and Expenditure Budget (REB) approved by the General Meeting of Shareholders. The REB for 2025 will be submitted to shareholders for approval at the general meeting scheduled for April 28, 2025.

BITTNET CONSOLIDATED GROUP		Indicative budget 2025E
Revenue from contracts with customers		446,650,107
Direct expenses (COSTS OF SALES)		363,091,501
Gross Margin		83,558,606
Gross Margin %		18.7%
Indirect expenses		57,999,055
	<i>Selling/distribution expenses</i>	21,038,217
	<i>Human Resources - indirect costs</i>	23,434,915
	<i>Other Administrative expenses</i>	13,525,923
EBITDA		25,559,551
%EBITDA		5.7%
	<i>amortization</i>	10,824,357
EBIT		14,735,194
	<i>SOP & M&A costs</i>	935,412
	<i>Financial Result</i>	(5,989,797)
Gross Profit		7,809,984
	<i>Current income tax</i>	1,249,597
Net profit		6,560,387
%Net profit		1.5%

In all documents published by companies listed on capital markets around the world, regarding the "Income and Expense Budget", it is stated that the figures presented do not represent a promise or guarantee, and the company cannot be held liable for failure to achieve the objectives.

When a company establishes its income and expense budget for a given year, it takes into account the internal and external factors that it knows at the time of establishing this budget. The last five years have brought companies into extremely difficult situations, in which they have had to adapt and which could not be predicted both domestically and internationally.

Therefore, the new reality, in which the problems are not only related to the domestic kitchen of a country, generates the following dilemma for all managers: we set goals that seem difficult to achieve at first glance, but for which at the time of setting them we base our goals on indicators and estimates consistent with the reality of that moment, or we publish an extremely moderate budget, which we know we can exceed, but at the same time brings the company into a situation of entering a comfort zone and greatly reducing its chances for a more prosperous future for all those involved.

At Bittnet group, we have always preferred to set bold targets, built on the conservative assumption that it will be harder for us to produce the same dollars next year as this year – so we will have to work harder. Every

year, some activities or companies exceed plans and others are affected by various elements beyond the control of management, and as a result, they do not reach the targets published at the beginning of the year.

We will continue this approach, as it has allowed us to grow continuously, at various rates well above the industry average, even if not always consistently and easily predictable. Perhaps the most relevant example is 2020, followed by 2021. In 2019, we recorded our only year with a net loss in history, due to the difficulties generated in H1 by the efforts to integrate the largest acquisition to date – Crescendo. In 2020, a year marked by lockdowns and company closures, the other companies in the BET-XT index recorded decreases in revenues and a halving of profits. Bittnet recorded an increase in revenues and profits, from minus 4 million to plus 1 million ron. Since the revenue target contained an additional 1 million ron of margin (and therefore profit), the perception of investors was that Bittnet did not deliver what it published in the budget and not the fact that the group recorded an increase in profit by 5 million ron, in an extremely difficult year. This situation was repeated in 2021, when the operating profit continued to grow, and the financial profit doubled. In this situation, the perception was that there was too much financial profit versus operating profit.

For 2025, the indicative budget is 446 million ron in revenue and 14.7 million ron in Operating profit (25.5 million ron in EBITDA). This increasing budget was budgeted in this way even though the cybersecurity pillar was sold at the end of 2024 – the results of which will no longer be included in the consolidation of the group's results in the financial year 2025.

Section 12: Administrative, Management and Supervisory Committees and Senior Management

12.1 The names, work addresses and positions within the issuing company of the following persons and the main activities carried out by them outside the issuing company, if the activities in question are significant for the issuing company.

According to Law 24/2017, art. 94, letter (b) manager means “any member of the board of directors, as well as any director, in the case of the unitary management system, respectively any member of the supervisory board, as well as of the directorate, in the case of the dual management system, according to Law no. 31/1990, republished, with subsequent amendments and completions, including in all cases in which he was appointed, the general manager and, if this position exists, the deputy general manager”

Thus, the Issuer has determined that the following roles and persons meet the conditions of the law:

- Members of the board of directors, including the chairman
- General Manager (CEO)
- Financial Manager (CFO)

These people are listed below:

Board of Directors (BoD) of the Issuer

The Issuer's management, during the first 4 months of the fiscal year 2023, was carried out by a Board of Directors (BoD) consisting of 3 members, elected by the General Meeting of Shareholders on 29.01.2020 for a 4-year term. The management by a BoD consisting of 3 members was carried out until the General Meeting of Shareholders on 27.04.2023. After this date, the Issuer's management was carried out by a Board of Directors consisting of 5 members, by adding two new non-executive directors, following the elections. The mandates of the two new members were aligned with the mandates of the members elected at the AGM in January 2020, respectively until January 2024. Thus, at the end of the fiscal year 2023, as well as for the first month of 2024, the Company's management was carried out by the following directors:

- Ivylon Management SRL through its legal representative, Mr. LOGOFATU MIHAI ALEXANDRU CONSTANTIN – executive administrator and chairman of the Board of Directors;
- Mr. ANGHEL LUCIAN CLAUDIU – non-executive director and vice-president of the Board of Directors;
- Mr. LOGOFATU CRISTIAN ION – non-executive administrator;
- Dynamic Data Drawings SRL through its legal representative, Mrs. MANIȚIU ANCA – non-executive administrator;
- Mr. VIZENTAL RUDOLF PAUL – non-executive director.

On 25.01.2024, the General Assembly voted on the composition of the New Board of Directors, given the approaching expiration of the mandates at the end of January. Following the elections, the new Board of Directors is composed of the following members, elected for a 4-year mandate - until January 2028:

- Ivylon Management SRL through its legal representative, Mr. LOGOFATU MIHAI ALEXANDRU CONSTANTIN – executive administrator and chairman of the Board of Directors;
 - Mr. ANGHEL LUCIAN CLAUDIU – non-executive director and vice-president of the Board of Directors;
 - Eccleston Square Capital Limited represented by Mr. CIUCU BOGDAN-ANDREI – non-executive director
 - Mr. CONSTANTINESCU GABRIEL-CLAUDIU – non-executive director
-

- Quercus Solutions SRL represented by Mr. MICHEȘ PAUL – non-executive director

Both at the end of 2024 and at the date of drafting this document, the Issuer's administration is carried out by the Council, which includes members elected by the General Assembly of 25.01.2024.

Executive directors:

The executive management of the Issuer is delegated to the directors, according to the articles of association and the decision of the Board of Directors, as follows:

- LOGOFĂȚU Mihai Alexandru Constantin – General Manager – for a new 4-year term starting on 16.03.2024
- STĂNESCU Adrian Victor – Financial Director – for a new 4-year term that began on 16.03.2024.

Chairman of the Board and General Manager

The Board of Directors appointed the Chairman of the Board, namely Ivylon Management SRL (Romanian legal entity with registered office in Bucharest, Drumul Sării no. 45, room 1, sector 6, registered in the Trade Register Office attached to the Bucharest Court with order no. J40/7852/2019, unique registration code 41260660), a company with the object of activity "management and business consulting". The company was elected by the shareholders as a member of the Board of Directors considering the CV of Mr. LOGOFĂȚU MIHAI-ALEXANDRU-CONSTANTIN - Romanian citizen.

On 25.01.2024, given the approaching expiration of the mandates of the Board members elected by the General Meetings of 29.01.2020 and 27.04.2023, respectively, the General Meeting elected the composition of the New Board of Directors in accordance with the details in point 12.1. above. In the first meeting in which the new Board of Directors met, namely on 30.01.2024, the members of the Board of Directors elected the Chairman of the Board, namely Ivylon Management SRL (a Romanian legal entity with its registered office in Bucharest, Drumul Sării no. 45, room 1, sector 6, registered in the Trade Register Office attached to the Bucharest Tribunal with order no. J40/7852/2019, unique registration code 41260660), a company with the object of activity "management and business consultancy". The company was elected by the shareholders as a member of the Board of Directors considering the CV of Mr. LOGOFĂȚU MIHAI-ALEXANDRU-CONSTANTIN - Romanian citizen

The workplace address of the Chairman of the Board of Directors is the correspondence address of the Issuer, Bucharest, Sector 5, Strada Serg. Ion Nuțu, no. 44, One Cotroceni Park, Corp A and Corp B, Floor 4, 050691. Mr. Logofățu Mihai is a co-founder of the Issuer and at the date of drafting this document held 8.7754% of the shares issued by the Issuer and a number of 300 BNET26E bonds, representing 1.45% of the total issue. At the same time, Mr. Mihai Alexandru Constantin LOGOFĂȚU also performs the function of General Manager.

The Issuer declares that Mr. LOGOFĂȚU MIHAI-ALEXANDRU-CONSTANTIN, who holds the position of Chairman of the Board of Directors and General Manager:

- i. has not been a member of an administrative, management or supervisory body or a limited partner, at any time in the last 5 years, within another company;
- ii. has not been convicted of fraud within the last five years at least;
- iii. has not been associated, within the last five years, with matters relating to any bankruptcy, receivership or liquidation proceedings; and
- iv. has not been incriminated and/or sanctioned by statutory or regulatory authorities. At the same time, he has not been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer or from intervening in the management or conduct of the affairs of an issuer during the last five years at least.

- v. The General Manager does not carry out other activities outside the Issuer that would have a significant impact on the issuing company.

The Chairman of the Board of Directors carries out his activity based on a mandate contract according to the GMS Decision of 25.01.2024.

Education:

- 2012 PhD in Management – University of Craiova
- 2009 Master in Computer Networks – University of Bucharest
- 2007 Bachelor's Degree in Management – Academy of Economic Studies – Bucharest

Professional experience:

- 2007 – Present: Bittnet Systems, CEO, Founder
- 2003 – Present: Academia Credis Bucharest, Manager
- 2001 – 2003 Cisco Academy of the University of Bucharest, Instructor

Vice President and Independent Board Member

Mr. ANGHEL LUCIAN CLAUDIU – Romanian citizen – was elected Vice President of the Board of Directors.

The work address of the Vice-President of the Board of Directors is the correspondence address of the Issuer, Bucharest, Sector 5, Strada Serg. Ion Nuțu, no. 44, One Cotroceni Park, Corp A and Corp B, Floor 4, 050691. At the date of drafting this document, Mr. Anghel holds 0.8622% of the issuer's shares and 2.04% of the BNET26E bonds, as well as 11.1360% of the BNET27A bonds and 5.941% of the BNET28 bonds.

The Issuer declares that Mr. ANGHEL LUCIAN CLAUDIU, who holds the position of Vice-President of the Board of Directors:

- i. has not been convicted of fraud within the last five years at least;
- ii. has not been associated, during the last five years, with matters relating to any bankruptcy, seizure or liquidation proceedings; and
- iii. has not been indicted and/or sanctioned by statutory or regulatory authorities. At the same time, he has not been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer or from intervening in the management or conduct of the affairs of an issuer during the last five years at least.
- iv. Mr. Anghel was Chairman of the Board of Directors of the Bucharest Stock Exchange between January 2012 and January 2020.

Currently, Mr. Lucian Anghel is Vice President of Libra Bank and non-executive member of the Board of Directors of Teraplast SA. In 2024, Mr. Anghel also held the position of non-executive member of the company FORT SA (member of the Bittnet Group in 2024).

Mr. Anghel does not carry out other activities that would have a significant impact on the issuing company.

Education:

- 2006, HEC Montreal: Business Administration and Management, General
 - 2003, Georgetown University: Postgraduates Program, Field Of Study Bank Risk Management
 - 2003, Bucharest Academy of Economic Studies: Doctor of Philosophy – PhD, Managerial Economics
 - 1997, Bucharest Academy of Economic Studies: Master's degree, Information Technology
 - 1996, Bucharest Academy of Economic Studies: Bachelors Degree Information Sciences and Support Services
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Professional experience:

- 2023 – present – Vice President, Board Member, Libra Bank
- 2020 – 2022: CEO, Board Member, Banca Romaneasca
- 2012 – 2020 : President, Bucharest Stock Exchange
- 2015 – 2019: Acting CEO, BCR Housing Bank
- 2012 – Present: University Professor at the Faculty of Management, ASE Bucharest
- 2012 – 2015: Acting CEO, BCR Pensions
- 1996 – 2012: BCR, various positions, including Chief Economist

The Vice President of the Board of Directors carries out his activity based on a mandate contract according to the GMS Decision of 25.01.2024.

Independent member of the Board

The independent member of the Issuer's Board of Directors is Eccleston Square Capital Limited (a legal entity registered in the United Kingdom of Great Britain and Northern Ireland) represented by Mr. CIUCU BOGDAN-ANDREI, a citizen with dual Romanian and British citizenship.

The work address of Mr. Ciucu Andrei is the correspondence address of the Issuer, namely Bucharest, Sector 5, Strada Serg. Ion Nuțu, no. 44, One Cotroceni Park, Corp A and Corp B, Floor 4, 050691. At the date of writing this document, Mr. Ciucu does not hold financial instruments issued by Bittnet Systems SA.

The Issuer declares that Mr. Ciucu, who holds the quality of member of the Board of Directors:

- In the last 5 completed financial years, he has not been a member of the board of directors or supervisory board of other companies.
- has not been convicted of fraud within the last five years at least;
- Has not been associated, during the last five years, with matters relating to any bankruptcy, seizure or liquidation procedure;
- has not been indicted and/or sanctioned by statutory or regulatory authorities. At the same time, he has not been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer or from intervening in the management or conduct of the affairs of an issuer during the last five years at least.

Mr. Ciucu does not carry out other activities that would have a significant impact on the issuing company.

Education:

- 2022-2023: Harvard Medical School: Leading Transformation in Healthcare – postgraduate studies
- 2005-2006: The London School of Economics & Political Sciences: Master's Degree in Finance and Accounting
- 2002 – 2005: Ecole Normale Supérieure de Cachan, Paris: Diploma des Grandes Ecoles (in Finance and Economics)
- 1999 – 2002: Academy of Economic Studies, Faculty of Finance, Insurance, Banking and Stock Exchanges, Bucharest – Bachelor's degree in Finance

Professional experience:

- Oct 2023-present: CEO Dental Elite (co-founder in 2018)
 - Feb 2015–Sep 2023 Portfolio Manager at Chenavari Investment Managers, London
 - Sep 2011–Feb 2015 – Senior Investment Analyst at Chenavari Investment Managers, London
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- July 2006–Aug 2011 – Associate at Financial Entrepreneurs Group (M&A and Leveraged Finance), Citi Investment Banking, London
- Oct 2004–Sep 2005 – Analyst at EuroTitrisation (BNP Paribas, Calyon), Paris

Eccleston Square Capital Limited through Mr. Ciucu carries out its activity based on a mandate contract according to the AGM Decision of 25.01.2024.

Independent member of the Board

The independent member of the Issuer's Board of Directors is Mr. CONSTANTINESCU GABRIEL-CLAUDIU, a Romanian citizen.

Mr. Constantinescu's work address is the Issuer's correspondence address, namely Bucharest, Sector 5, Strada Serg. Ion Nuțu, no. 44, One Cotroceni Park, Corp A and Corp B, Floor 4, 050691. At the date of this document, Mr. Constantinescu does not hold financial instruments issued by Bittnet Systems SA.

The Issuer declares that Mr. Constantinescu, who holds the quality of member of the Board of Directors:

- In the last 5 completed financial years, he has not been a member of the board of directors or supervisory board of other companies.
- has not been convicted of fraud within the last five years at least;
- Has not been associated, during the last five years, with matters relating to any bankruptcy, seizure or liquidation procedure;
- has not been indicted and/or sanctioned by statutory or regulatory authorities. At the same time, he has not been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer or from intervening in the management or conduct of the affairs of an issuer during the last five years at least.

Mr. Constantinescu does not carry out other activities that would have a significant impact on the issuing company.

Education:

- 2006, Bucharest Academy of Economic Studies, PhD: Economic Data Cryptography and Polymorphic Engines
- 1999, Bucharest Academy of Economic Studies, Master: Information Systems for Management
- 1998, Bucharest Academy of Economic Studies, Bachelor's Degree: Economic Informatics

Professional experience:

- 2022 – Present: Qinshift Czechia, SVP Delivery Operations
 - 2018 – 2022: Endava (NYSE: DAVA), Regional Manager CE
 - 2016 – 2018: Endava (NYSE: DAVA), Delivery Unit Manager Bucharest & Pitesti
 - 2012 – 2016: Endava (NYSE: DAVA), Delivery Manager & Head of Project Management Bucharest
 - 2008 – 2012: Kepler Engineering, CEO 2004 – 2007: Kepler Rominfo, Project Director (Energy Business)
 - 2002 – 2004: Danubius, Software Development Director
 - 2001 – 2002: Totalsoft, Project Manager
 - 1999 – 2001: Beler Soft / Crinsoft, Project Manager & Programmer Analyst
 - 1998 – 1999: Kepler Rominfo, Programmer Analyst 1997 – 1998: Eastern Duty Free, Programmer Analyst
 - 1994 – 1997: Various, Programmer / IT Specialist
-

Mr. Constantinescu carries out his activity based on a mandate contract according to the GMS Decision of 25.01.2024.

Independent member of the Board

The independent member of the Issuer's Board of Directors is Quercus Solutions SRL, through its permanent representative Mr. MICHEȘ PAUL, a Romanian citizen.

Mr. Micheș's work address is the Issuer's correspondence address, namely Bucharest, Sector 5, Strada Serg. Ion Nuțu, no. 44, One Cotroceni Park, Corp A and Corp B, Floor 4, 050691. At the date of this document, Mr. Micheș does not hold financial instruments issued by Bittnet Systems SA.

The Issuer declares that Mr. Micheș, who holds the quality of member of the Board of Directors:

- In the last 5 completed financial years, he has not been a member of the board of directors or supervisory board of other companies.
- has not been convicted of fraud within the last five years at least;
- Has not been associated, during the last five years, with matters relating to any bankruptcy, seizure or liquidation procedure;
- has not been indicted and/or sanctioned by statutory or regulatory authorities. At the same time, he has not been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer or from intervening in the management or conduct of the affairs of an issuer during the last five years at least.

Mr. Micheș does not carry out other activities that would have a significant impact on the issuing company.

Education:

- Master of Business Administration program – Open University Business School, UK
- Bachelor's degree in Electronics at the Faculty of Electronics and Telecommunications, Politehnica University of Bucharest

Professional experience:

- March 2021 – present: Board Member & Strategic Consultant – Quercus Solutions
- October 2010–October 2020: Country General Manager – Tech Data/Avnet Romania
- November 2009–September 2010: General Manager – ScopComputers SRL, Romania
- June 2007 – November 2009: EMEA Business Development Manager – Microsoft Ltd., UK
- January 2006 – June 2007: EMEA Sales & Marketing Manager – Microsoft Ltd., UK
- December 1996 – January 2006: SMS&P Sales Director – Microsoft Romania & South East Europe
- June 1994 – December 1996: Senior Sales Representative – Arexim SA
- April 1992 – June 1994: Technical Support Director – A&C International

Quercus Solutions SRL through Mr. Micheș carries out its activity based on a mandate contract according to the AGM Decision of 25.01.2024.

Financial Manager

The Issuer's Chief Financial Officer is Mr. Stanescu Adrian Victor, a Romanian citizen.

The work address of Mr. Stanescu Adrian is the correspondence address of the Issuer, Bucharest, Sector 5, Strada Serg. Ion Nuțu, no. 44, One Cotroceni Park, Corp A and Corp B, Floor 4, 050691. As of the date of this document, Mr. Stanescu holds 0.7018% of the shares issued by the Issuer.

The Issuer declares that Mr. STANESCU ADRIAN VICTOR, who holds the position of Financial Manager:

- i. In the last 5 completed financial years, Mr. Adrian Stanescu was a member of the board of directors or supervisory board of the following companies: Nectcity Telecom SA, Certsign SA, UTI Grup SA
- ii. has not been convicted of fraud within the last five years at least;
- iii. Has not been associated, during the last five years, with matters relating to any bankruptcy, seizure or liquidation procedure;
- iv. has not been indicted and/or sanctioned by statutory or regulatory authorities. At the same time, he has not been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer or from intervening in the management or conduct of the affairs of an issuer during the last five years at least.

Mr. Stanescu does not carry out other activities that would have a significant impact on the issuing company.

Education:

- 2013 - CFA Program (Chartered Financial Analyst), CFA Level III
- 2008 – Bachelor's Degree, Faculty of Electronics, Telecommunications and Information Technology ('ETTI'), Politehnica University, Bucharest
- 2008 – Bachelor's Degree, Faculty of Finance, Insurance, Banking and Stock Exchanges (,FABBV'), Academy of Economic Studies (,ASE'), Bucharest

Professional experience:

- 2018 – present: CFO, Bittnet Group;
- 2014 – 2018: Economic Director / CFO, UTI Grup SA
- 2012 – 2014: Deputy Economic Director, UTI Grup SA
- 2012 – Treasury Manager, UTI Grup SA
- 2008 - 2012 – Customer Relations Manager, BCR, 'Group Large Corporates' Department

Currently, Mr. Stanescu Adrian is working under a 4-year mandate contract, starting from 16.04.2024.

12.2. Conflicts of interest at the level of administrative, management and supervisory bodies and senior management

Not applicable. There is no conflict of interest between the obligations towards the Issuer of any of the persons mentioned in point 12.1 and their private interests and other obligations. No information regarding any understanding or agreement with the main shareholders, customers, suppliers or other persons, pursuant to which any of the persons referred to in point 12.1 was elected as a member of an administrative, management or supervisory body or a member of senior management. There was no restriction accepted by the persons referred to in point 12.1 regarding the disposal, within a certain period of time, of the issuer's securities held by them.

Until 29.01.2024, Mr. Logofătu Cristian Ion, co-founder of the Issuer, was a member of the Board of Directors of the Issuer. Messrs. Logofătu Cristian Ion and Logofătu Mihai Alexandru Constantin, the founders of the company, are brothers.

12.3 Statement on disputes regarding leaders

None of the persons mentioned in section 12 has been involved in the last 5 years in litigation or administrative proceedings, litigation relating to their activity within the Issuer, as well as those concerning the capacity of the respective person to perform their duties within the Issuer.

Section 13: Remuneration and benefits

For the last completed financial year and for all persons referred to in points (a) and (d) of the first paragraph of point 12.1, the amount of remuneration paid (including any conditional or deferred remuneration) and benefits in kind granted by the issuer and its subsidiaries for services of any kind rendered for their benefit by the person concerned. This information shall be provided individually, unless the issuer's home country does not require the communication of individualised information and it is not otherwise published by the issuer.

According to Law 24/2017, art. 91², letter (b) manager means “any member of the board of directors, as well as any director, in the case of the unitary management system, respectively any member of the supervisory board, as well as of the directorate, in the case of the dual management system, according to Law no. 31/1990, republished, with subsequent amendments and completions, including in all cases in which he was appointed, the general manager and, if this position exists, the deputy general manager”

Thus, Bittnet Systems SA (hereinafter referred to as the Company, Issuer or Company) has determined that the following roles and persons meet the conditions of the law:

- Members of the board of directors, including the chairman
- General Manager (CEO)
- Financial Manager (CFO)

In the case of the Bittnet group, Mr. Mihai Logofătu, one of the company's founders, is Bittnet's general manager and representative of the chairman of the board of directors.

Board of Directors (BoD) of the Issuer

The Issuer is managed by a Board of Directors consisting of 5 members elected by the shareholders in the General Meeting of January 2024. The mandates of the Board members are 4 years from the date of their appointment by the General Meeting:

- Ivylon Management SRL through legal representative LOGOFĂTU MIHAI ALEXANDRU CONSTANTIN – executive administrator and chairman of the Board;
- ANGHEL LUCIAN CLAUDIU – non-executive director and vice-president of the Board of Directors;
- CONSTANTINESCU CLAUDIU GABRIEL – non-executive director;
- ECCLESTON SQUARE CAPITAL LIMITED through legal representative CIUCU BOGDAN ANDREI – non-executive director;
- QUERCUS SOLUTIONS SRL through legal representative MICHEȘ PAUL

Fixed remuneration of members of the Board of Directors (BOD)

The fixed remuneration of the members of the Board of Directors is approved annually by the ordinary general meeting of the Company's shareholders. The members of the Board of Directors may be paid, in addition to the fixed remuneration presented above, other amounts for participation in the Company's advisory committees, subject to the general limit of all remuneration as approved annually by the ordinary general meeting of the Company's shareholders.

In 2024, no additional amounts were paid for participation in advisory committees for members of the Board of Directors.

The General Assembly of 25.04.2024 also voted on the remuneration policy, and it was implemented as follows:

In 2024, the members of the Board of Directors were paid their remuneration according to the remuneration policy, all payments were made in accordance with the remuneration policy:

Ivylon Management SRL through legal representative LOGOFĂTU MIHAI ALEXANDRU CONSTANTIN – executive administrator and chairman of the Board	240,000 ron gross income
ANGHEL LUCIAN CLAUDIU – non-executive director and vice-president of the Board of Directors	200,000 ron gross income
CONSTANTINESCU CLAUDIU GABRIEL – non-executive director	183,300 ron gross income
ECCLESTON SQUARE CAPITAL LIMITED through legal representative CIUCU BOGDAN ANDREI – non-executive director	183,300 ron gross income
QUERCUS SOLUTIONS SRL through legal representative MICHEȘ PAUL – non-executive administrator	183,300 ron gross income

Variable remuneration

Both the members of the Board of Directors and the Directors benefit from a variable remuneration linked to performance which has two components, namely a cash component and a component based on participation in the Company's share capital (Long-term Incentive Plan). The performance criteria that must be met to benefit from variable remuneration include consolidated EBITDA, consolidated Revenue (total sales to customers) and the Company's market capitalization. The expiration of the options under the long-term incentive plan is the period May-June 2026¹.

For the year 2024, Mr. Logofătu Mihai Alexandru Constantin, as legal representative of Ivylon Management SRL, Chairman of the Board, was included in the incentive plan with options with a percentage of 0.25%.

For the year 2024, Mr. Anghel Lucian Claudiu, as non-executive director and vice-chairman of the Board of Directors, was included in the incentive plan with options with a percentage of 0.15%.

For the year 2024, Mr. Constantinescu Claudiu Gabriel, as a non-executive director, was included in the incentive plan with options with a percentage of 0.15%.

For the year 2024, Mr. Ciucu Bogdan Andrei, as legal representative of ECCLESTON SQUARE CAPITAL LIMITED, non-executive director, was included in the incentive plan with options with a percentage of 0.15%.

For the year 2024, Mr. Micheș Paul, as legal representative of Quercus Solutions SRL, non-executive director, was included in the incentive plan with options with a percentage of 0.15%.

The long-term incentive plan has a duration of 3 years and was approved by the General Meeting in April 2023 (the settlement period being May-June 2026). The plan does not include requirements for the shares to be

¹The company proposed on the EGMS agenda of 28.04.2025 the cancellation of the long-term incentive plan approved in April 2023

unavailable after the final award. The company proposed on the agenda for the EGMS of 28.04.2025 the cancellation of the incentive plan.

The assessment of the fulfillment of the performance criteria and the establishment of the variable remuneration due is carried out by the Board of Directors based on the recommendation and analysis of the Remuneration Committee.

Additional benefits for Board members

None. The members of the Board of Directors will be reimbursed for expenses incurred for representing the Company and for the proper performance of their duties within the Board of Directors or advisory committees. The Company pays "D&O liability" policies for the members of the Board of Directors.

According to the remuneration policy, members of the Board of Directors may be paid additional amounts, in addition to the fixed remuneration presented above, for participation in the company's advisory committees, depending on the number of meetings or the number of committees in which they participate.

In 2024, no additional amounts were paid for participation in advisory committees for members of the Board of Directors.

Participation in the boards of directors of companies part of the group

During 2024, Ivylon Management, represented by Mr. Mihai Alexandru Constantin Logofătu, held the position of member of the board of directors of Fort SA (formerly Global Resolution Experts (GRX/Fort) for which he received a total gross compensation of 243,750 ron.

During 2024, Ivylon Management, represented by Mr. Mihai Alexandru Constantin Logofătu, held the position of sole administrator of GRX Advisory SRL (fully owned by Fort SA) for which he was not remunerated.

During 2024, Ivylon Management, represented by Mr. Mihai Alexandru Constantin Logofătu, held the position of sole administrator of ISEC Associates SRL (fully owned by Fort SA) for which he was not remunerated.

During 2024, Mr. Lucian Anghel held the position of member of the board of directors of Fort SA (formerly Global Resolution Experts (GRX/Fort) for which he received a total gross compensation of 120,000 ron.

During 2024, Ivylon Management, represented by Mr. Mihai Logofătu, held the position of administrator of Top Tech SRL (rebranded at the end of the year into Dendrio Technology SRL) for which he received a total gross compensation of 404,300 ron.

During 2024, Ivylon Management, represented by Mr. Mihai Logofătu, held the position of administrator of zNET Computer SRL for which he received a total gross compensation of 256,650 ron.

Expenses related to the exercise of the functions of the Board of Directors, as well as the representation of the group by the members of the Board, are not included in this report as they are not considered benefits. These are current expenses such as those for communications and IT equipment (laptop, mobile phone) or mobile phone subscriptions.

The General Manager:

Taking into account the fact that Mr. Mihai Logofătu, founder of the company, also serves as General Manager and Chairman of the Board of Directors, Mr. Logofătu benefited in 2024 from a remuneration related to the position of General Manager in the amount of 216,000 ron. For 2024, Mr. Logofătu Mihai was included in the incentive plan with options with a percentage of 0.5%.

The company pays "D&O liability" policies for executive directors.

The benefit received as General Manager is access to a car rented under operational leasing – Toyota Camry – worth 500 eur per month. There are no other benefits.

Financial Manager:

For the fiscal year 2024, Mr. Adrian Stănescu received a total gross remuneration of 621,513 ron. Starting with September 2024, Mr. Stănescu also holds the position of member of the Board of Directors of Dendrio Innovations SRL (formerly Dataware Consulting) for which he received a gross remuneration, related to the 3rd quarter of 2024, in the amount of 102,562 ron.

For the year 2024, Mr. Adrian Stănescu was included in the incentive plan with options with a percentage of 0.4%.

The benefit received as Financial Director is access to a car rented under operational leasing – Volvo XC60 – worth 800 eur per month. There are no other benefits.

The remuneration report is submitted for approval in the OGMS of 28.04.2025. In 2024, there was no case for paying additional amounts to the members of the Board of Directors or to the directors for participation in the meetings of the Board or Committees, other than the approved fixed remunerations. Thus, the proportion of fixed remuneration represented 100% of the total remuneration paid to the members of the Board of Directors and directors. The remuneration policy and the approved remunerations contribute to the long-term performance of the Issuer.

Section 14: Functioning of the administrative and management bodies

For the issuer's last completed financial year, unless otherwise specified, the following information shall be provided for each of the persons referred to in point (a) of the first paragraph of item 12.1.

14.1. The date of expiration of the current mandate of the person in question, as applicable, and the period during which he held the respective position.

On 25.01.2024, the General Assembly voted on the composition of the new Board of Directors, given the approaching expiration of the mandates. Following the elections, the new Board of Directors is composed of the following members, elected for a 4-year mandate, respectively until 29.01.2028:

- Ivylon Management SRL through its legal representative, Mr. LOGOFATU MIHAI ALEXANDRU CONSTANTIN – executive administrator and chairman of the Board of Directors;
- Mr. ANGHEL LUCIAN CLAUDIU – non-executive director and vice-president of the Board of Directors;
- Eccleston Square Capital Limited represented by Mr. CIUCU BOGDAN-ANDREI – non-executive director
- Mr. CONSTANTINESCU GABRIEL-CLAUDIU – non-executive director
- Quercus Solutions SRL represented by Mr. MICHEȘ PAUL – non-executive director

The General Manager was appointed by the Board of Directors and carries out his activity based on a 4-year mandate contract, until 16.03.2028.

The Financial Director was appointed by the Board of Directors and carries out his activity based on a 4-year mandate contract, until 16.03.2028.

Prior to 2024, the Issuer's Board of Directors had a different composition: On January 29, 2020, the General Meeting approved the amendment of the company's articles of association in order to manage it by a Board of Directors consisting of 3 members for a 4-year term. Management by a Board of Directors consisting of 3 members was carried out until the General Meeting of Shareholders of April 27, 2023. After this date, the

Issuer's management was carried out by a Board of Directors consisting of 5 members, by adding two new non-executive directors, following the elections. The mandates of the two new members were aligned with the mandates of the members elected at the AGM of January 2020, respectively until January 29, 2024. Thus, at the end of the 2023 fiscal year, the Company was managed by the following directors:

- Ivylon Management SRL through its legal representative, Mr. LOGOFATU MIHAI ALEXANDRU CONSTANTIN – executive administrator and chairman of the Board of Directors;
- Mr. ANGHEL LUCIAN CLAUDIU – non-executive director and vice-president of the Board of Directors;
- Mr. LOGOFATU CRISTIAN ION – non-executive administrator;
- Dynamic Data Drawings SRL through its legal representative, Mrs. MANIȚIU ANCA – non-executive administrator;
- Mr. VIZENTAL RUDOLF PAUL – non-executive director.

On 19.01.2024, Mr. Vizental Rudolf notified the issuer, and the issuer notified the capital market, regarding the letter of resignation from the position of member of the issuer's board of directors.

14.2. Information on service contracts concluded between members of the administrative, management and supervisory bodies and the issuer or any of its subsidiaries, which provide for the granting of benefits upon expiry of the contract, or an appropriate statement indicating that there are no such benefits.

The administrators carry out their activity according to the mandate contracts approved by the General Meeting of Shareholders in January 2024. There are no clauses regarding the granting of benefits upon the expiration of the administrator contract or upon the expiration of the director contracts (general, financial).

14.3. Information on the issuer's audit committee and remuneration committee, including the names of the members of these committees, and a summary of the mandate under which the committees operate.

Currently, the Audit Committee is functioning and is composed of the following persons:

- Mr. Lucian Anghel
- Mr. Cristian Logofatu
- Mr. Micheș Paul

The Audit Committee has the mandate to assist the Board of Directors of BITTNET SYSTEMS SA in the efficient supervision of aspects related to the risk management and internal control system at the Company level. Thus, the main responsibilities of the Audit Committee are to formulate recommendations addressed to the Board regarding:

- Financial reporting: The Committee examines and verifies the accuracy of the Company's annual and interim consolidated financial statements and any other financial reporting, before they are submitted to the Board for approval.
 - Financial audit: The Committee analyzes and makes recommendations to the Board regarding the appointment, reappointment and dismissal of financial auditors, which must be approved by shareholders, periodically evaluates the efficiency, independence and objectivity of financial auditors;
 - Internal audit and internal control: The Committee approves the organization and functioning of the Internal Audit department, analyzes the Internal Auditor's report, as well as the implementation status of his recommendations, and makes recommendations to the Board regarding the appointment or dismissal/dismissal of the Internal Auditor.
 - Compliance, Conduct and Conflicts of Interest: The Committee ensures that the Company's policies and practices comply with local and international laws and regulations, with the recommendations of regulatory authorities and with best practices, and reviews the implementation of the policy on conflicts of interest.
-

- Risk management: The Committee informs the Board about the main risks assumed by the Company, monitors these risks and ensures that they are managed effectively.

Currently, the Nomination and Remuneration Committee is composed of the following persons:

- Mr. Picheș Paul
- Mr. Constantinescu Gabriel-Claudiu
- Mr. Ciucu Andrei Bogdan

The Nomination and Remuneration Committee has the mandate to assist the Board of Directors of the Issuer in the development and implementation of the remuneration policy of the management structure. To this end, the Committee:

- develops the remuneration policy of the management structure, taking into account the long-term interests of shareholders, the strategy, business plan and performance of the Company, best practices in the field, a balanced mix of incentives to attract and retain the personnel that the Company needs for its operations;
 - formulates proposals for the attention of the Council and, through the Council, for the attention of the general meeting of shareholders, as the case may be, regarding share award programs and/or share purchase options;
 - reviews the annual remuneration report, which presents how the remuneration policy for members of the management structure was implemented during the annual period under review.
-

14.4. A statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer. If the issuer does not comply with such a regime, a statement to that effect shall be included, as well as an explanation of the reasons why the issuer does not comply with such a regime.

The provisions of the Code	Respect	Does comply partially complies	not or	Reason for non-compliance
A.1 All companies must have internal Board regulations that include the terms of reference/responsibilities of the Board and the key management functions of the company, and that apply, among other things, the General Principles in Section A.	YES			
A.2 Provisions for the management of conflicts of interest should be included in the Board's rules of procedure. In any case, Board members must notify the Board of any conflicts of interest that have arisen or may arise and refrain from participating in the discussions (including by non-attendance, unless non-attendance would prevent a quorum) and from voting on a decision on the matter giving rise to the conflict of interest.	YES			
A.3 The Board of Directors or Supervisory Board must consist of at least five members.	YES			
A.4 The majority of the members of the Board of Directors must not hold an executive position. At least one member of the Board of Directors or the Supervisory Board must be independent in the case of companies in the Standard Category. In the case of companies in the Premium Category, no less than two non-executive members of the Board of Directors or the Supervisory Board must be independent. Each independent member of the Board of Directors or the Supervisory Board, as the case may be, must submit a declaration at the time of his nomination for election or re-election, as well as when any change in his status occurs, indicating the elements on the basis of which he is considered independent in terms of his character and judgment and following the criteria of the code.	YES			
A.5 Other relatively permanent professional commitments and obligations of a Board member, including executive and non-executive positions on the Board of non-profit companies and institutions, must be disclosed to shareholders and potential investors prior to nomination and during his or her term of office.	YES			
A.6 Any member of the Board must disclose to the Board any relationship with a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights. This obligation refers to any relationship that may affect the member's position on matters decided by the Board.	YES			

The provisions of the Code	Respect	Does comply partially complies	not or Reason for non-compliance
A.7 The company must appoint a Board Secretary responsible for supporting the work of the Board.	YES		
A.8 The corporate governance statement shall state whether a Board review has taken place under the chairmanship or the nomination committee and, if so, shall summarise the key measures and changes resulting from it. The company shall have a Board review policy/guideline setting out the purpose, criteria and frequency of the review process.	YES		
A.9 The corporate governance statement must contain information on the number of meetings of the Board and committees during the last year, the participation of directors (in person and in absentia) and a report of the Board and committees on their activities.	YES		
A.10 The corporate governance statement must include information on the exact number of independent members of the Board of Directors or the Supervisory Board.	YES		
A.11 The Board of Premium Category companies must establish a nomination committee consisting of non-executive members, which will lead the nomination process for new members to the Board and make recommendations to the Board. The majority of the members of the nomination committee must be independent.	YES		The Nomination and Remuneration Committee was established and operates within the Board of Directors, although the Company does not have this obligation, not being included in the Premium category.
B.1 The board must establish an audit committee of which at least one member must be an independent non-executive director. The majority of the members, including the chairman, must have demonstrated that they have appropriate qualifications relevant to the functions and responsibilities of the committee. At least one member of the audit committee must have proven and appropriate audit or accounting experience. In the case of companies in the Premium Category, the audit committee must consist of at least three members and the majority of the members of the audit committee must be independent.	YES		
B.2 The chairman of the audit committee must be an independent non-executive member.	YES		
B.3 As part of its responsibilities, the audit committee must conduct an annual assessment of the internal control system.	YES		
B.4 The assessment should consider the effectiveness and coverage of the internal audit function, the adequacy of the risk management and internal control reports presented to the Board's audit committee, the promptness and effectiveness with which executive management addresses deficiencies or weaknesses identified by internal control and the presentation of relevant reports to the Board.	YES		

The provisions of the Code	Respect	Does comply partially complies	not or	Reason for non-compliance
B.5 The audit committee must assess conflicts of interest in connection with the transactions of the company and its subsidiaries with related parties.	YES			
B.6 The audit committee must evaluate the effectiveness of the internal control system and the risk management system.	YES			
B.7 The audit committee should monitor the application of legal standards and generally accepted internal audit standards. The audit committee should receive and evaluate the reports of the internal audit team.	YES			
B.8 Whenever the Code mentions reports or analyses initiated by the Audit Committee, these must be followed by periodic (at least annually) or ad hoc reports that must be subsequently submitted to the Board.	YES			
B.9 No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements concluded by the company with shareholders and their affiliates.	YES			
B.10 The Board must adopt a policy to ensure that any transaction of the company with any of the companies with which it has close relationships whose value is equal to or greater than 5% of the company's net assets (according to the latest financial report) is approved by the Board following a binding opinion of the Board's audit committee and properly disclosed to shareholders and potential investors, to the extent that these transactions fall within the category of events subject to reporting requirements.	YES			
B.11 Internal audits should be performed by a structurally separate division (internal audit department) within the company or by engaging an independent third party entity.	YES			The internal audit function is outsourced to a specialized firm.
B.12 In order to ensure the performance of the core functions of the internal audit department, it should report functionally to the Board through the audit committee. For administrative purposes and within the framework of management's obligations to monitor and mitigate risks, it should report directly to the CEO.	YES			The internal audit function is outsourced to a specialized firm.

The provisions of the Code	Respect	Does comply partially complies	not or	Reason for non-compliance
C.1 The company must publish the remuneration policy on its website and include in the annual report a statement on the implementation of the remuneration policy during the annual period under review. [...] The remuneration report must present the implementation of the remuneration policy for the persons identified in the remuneration policy during the annual period under review. Any essential change in the remuneration policy must be published in a timely manner on the company's website.	YES			
D.1 ² The company must organize an Investor Relations service – indicating to the general public the responsible person(s) or organizational unit. In addition to the information required by legal provisions, the company must include on its website a section dedicated to Investor Relations, in Romanian and English, with all relevant information of interest to investors, including:	YES			
D.1.1 Main corporate regulations: articles of association, procedures regarding general meetings of shareholders;	YES			
D.1.2 Professional CVs of the members of the company's management bodies, other professional commitments of the members of the Board, including executive and non-executive positions on boards of directors in companies or non-profit institutions;	YES			
D.1.3 Current reports and periodic reports (quarterly, semi-annual and annual) – at least those provided for in point D.8 – including current reports with detailed information regarding non-compliance with this Code;	YES			
D.1.4 Information regarding general meetings of shareholders: agenda and information materials; procedure for electing members of the Board; arguments supporting the proposals for candidates for election to the Board, together with their professional CVs; shareholders' questions regarding the items on the agenda and the company's responses, including the decisions adopted;	YES			

²Compliance with provision D.1. means that the company complies with all its sub-points (D.1.1, D.1.2, etc.).

The provisions of the Code	Respect	Does comply partially complies	not or	Reason for non-compliance
D.1.5 Information on corporate events, such as the payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of a shareholder's rights, including the deadlines and principles applied to such operations. Such information shall be published in a time frame that allows investors to make investment decisions;	YES			
D.1.6 Name and contact details of a person who will be able to provide, upon request, relevant information;	YES			
D.1.7 Company presentations (e.g., investor presentations, quarterly results presentations, etc.), financial statements (quarterly, half-yearly, annual), audit reports, and annual reports.	YES			
D.2 The company shall have a policy on the annual distribution of dividends or other benefits to shareholders, proposed by the General Manager or the Board of Directors and adopted by the Board, in the form of a set of guidelines that the company intends to follow with regard to the distribution of net profit. Principles of the annual distribution policy distribution to shareholders will be published on the company's website.	YES			
D.3 The company will adopt a policy regarding forecasts, whether they are made public or not. Forecasts refer to quantified conclusions of studies aimed at establishing the overall impact of a number of factors regarding a future period (so-called assumptions): by its nature, this projection has a high level of uncertainty, actual results may differ materially from the forecasts initially presented. The policy on forecasts will establish the frequency, period considered and content of forecasts. If published, forecasts may only be included in annual, semi-annual or quarterly reports. The policy on forecasts will be published on the company's website.	YES			
D.4 The rules of general meetings of shareholders must not limit the participation of shareholders in general meetings and the exercise of their rights. Amendments to the rules shall enter into force, at the earliest, with the next general meeting of shareholders.	YES			
D.5 The external auditors shall be present at the general meeting of shareholders when their reports are presented at such meetings.	YES			

The provisions of the Code	Respect	Does comply partially complies	not or	Reason for non-compliance
D.6 The Board will present to the annual general meeting of shareholders a brief assessment of the internal control and management systems of significant risks, as well as opinions on issues subject to the decision of the general meeting.		PARTIAL		The company provides its shareholders with supporting notes included on the agenda of the general meetings. An overall assessment of the internal control and significant risk management systems will be made available after the formalization of the entire control system at the Company level.
D.7 Any specialist, consultant, expert or financial analyst may attend the shareholders' meeting upon prior invitation from the Board. Accredited journalists may also attend the general shareholders' meeting, unless the Chairman of the Board decides otherwise.	YES			
D.8 Quarterly and semi-annual financial reports will include information in both Romanian and English regarding the key factors influencing changes in sales levels, operating profit, net profit and other relevant financial indicators, both from one quarter to another and from one year to another.	YES			
D.9 A company shall hold at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions shall be published in the investor relations section of the company's website on the date of the meetings/conference calls.	YES			
D.10 If a company supports various forms of artistic and cultural expression, sports activities, educational or scientific activities and considers that their impact on the innovative character and competitiveness of the company is part of its mission and development strategy, it will publish the policy regarding its activity in this field.	N/A			

A.8 The corporate governance statement shall state whether a Board review has taken place under the chairmanship or the nomination committee and, if so, shall summarise the key measures and changes resulting from it. The company shall have a Board review policy/guideline setting out the purpose, criteria and frequency of the review process.

For the activity carried out in 2024, under the leadership of the President, the evaluation process of the Board of Directors was carried out, based on the Guide for evaluating the performance and efficiency of the Board of Directors adopted by the Company; following the self-evaluation, the Board established the following key areas of interest that will be addressed in the coming period:

1. Improving the corporate governance of the Bittnet Group – in line with the new Governance Code
2. Redefining the role and involvement of the members of the Board of Directors' advisory committees in the new stage of development of the Bittnet Group

A.9 The corporate governance statement must contain information on the number of meetings of the Board and committees during the last year, the participation of directors (in person and in absentia) and a report of the Board and committees on their activities.

Corporate governance:

In 2024, Bittnet shareholders met in 3 general meetings:

Ordinary General Meeting of Shareholders of 25.01.2024: for the election of the New Board of Directors, given the approaching expiration of the mandates of the old members of the Board of Directors.

Ordinary General Meeting of Shareholders dated 25.04.2024 for: approving the financial statements for 2023, individual and consolidated at group level and the method of profit distribution, the income and expense budget for the 2024 financial year, the Annual Report (in the form of a Universal Registration Document) and the Remuneration Report for 2023;

Extraordinary General Meeting of Shareholders of 16.12.2024 for: dismissal of the auditor LION LINK Audit considering the expiration of the mandate contract and the election of the auditor of the issuer's individual and consolidated financial statements of the group, in the person of the auditor KPMG Audit for the financial year 2024, as well as for the period 2025 - 2026.

The documents of the Bittnet General Meetings of Shareholders are available on our website: <https://investors.bittnet.ro/intalniri-ale-actionarilor/>

The Company's Articles of Association were amended during 2024, its current form being available on the Company's website at:

<https://investors.bittnet.ro/despre-bittnet/guvernanta-corporativa/>

Board of Directors

The framework for carrying out the Council's activity is regulated by the Regulation of the Board of Directors of Bittnet System, a document that can be consulted on the Company's website at:

<https://investors.bittnet.ro/despre-bittnet/guvernanta-corporativa/>

During 2024, the Bittnet Board of Directors met in 17 meetings, with the physical presence of the members or through remote communication means. The participation of the members in the Board meetings was unanimous.

The main topics debated by the Council were:

- Approval of the preliminary, unaudited consolidated financial statements for the financial year 2023, accompanied by the preliminary Annual Report for the year 2023;
- Convening ordinary and extraordinary general meetings of shareholders and materials related to the agenda items for presentation to shareholders;
- Consolidated and individual interim financial reporting for the 6 months ended June 30, 2024 and the Semi-Annual Report for the 1st semester of 2024, prepared in accordance with ASF Regulation no. 5/2018;
- Approval of contracting various types of loans and credits;
- Approval of the development and issuance of a new corporate bond issue – BNET28A
- Approval of the implementation of a BNET share buyback program
- Approval of the sale of the cybersecurity pillar – FORT and approval of the purchase of an 11.7% stake in the Dendrio Solutions subsidiary

Activity of the Advisory Committees

The Advisory Committees are established, by decision of the Board of Directors of the Company, based on the provisions of art. 140 of the Companies Law no. 31 /1990 republished, with the amendments and additions to date and of art. 19.11 of the Articles of Association.

The purpose of the Advisory Committees is to conduct investigations and develop recommendations for the Council, in the specific field of each committee.

At the Company level, the following Consultative Committees operate, established by decisions of the Council:

- Audit Committee;
- Nomination and Remuneration Committee.

For detailed information on the specific terms of reference for each Advisory Committee, visit our website at <https://investors.bittnet.ro/despre-bittnet/guvernanta-corporativa/>

Audit Committee

The role of the Audit Committee is to assist the Board of Directors in the efficient supervision of aspects related to the risk management and internal control system at the Company level, in fulfilling the Board's responsibilities in the field of financial reporting, internal control and risk management.

The Audit Committee at the issuer level was established by the decision of the Board of Directors in March 2020. During 2024, its composition underwent changes, following the election of a new Board of Directors. Thus, both on 31.12.2024 and on the date of drafting this document, the Audit Committee was composed of the following persons:

Mr. Lucian Claudiu ANGHEL	Chairman of the Audit Committee, Vice President of the Board of Directors (independent non-executive director)
Mr. Cristian Ion LOGOFĂȚU	Member of the Audit Committee
Mr. Micheș Paul	Member of the Audit Committee, Member of the Board of Directors (independent non-executive director)

During 2024, the Audit Committee met in 5 meetings, attended by all members of the Committee.

The topics debated during the Audit Committee meetings, for which it made recommendations to the Board of Directors, where applicable, were the following:

- Adoption of the preliminary, unaudited consolidated financial statements for the financial year 2023, accompanied by the preliminary Annual Report for the year 2023
- Adoption of the individual and consolidated annual financial statements for the financial year 2023
- Approval of the Board of Directors' Report (in the form of a Universal Registration Document) for the year 2023
- Presentation of the Independent Auditor's Report for 2023
- Adoption of profit distribution proposals for 2023
- Adoption of the Revenue and Expenditure Budget for the 2024 financial year
- Independent auditor's report for 2023
- Quarterly report for quarter 1 - 2024, prepared in accordance with ASF Regulation no. 5/2018, which also includes the consolidated, unaudited financial results for quarter 1, 2024
- Adoption of the consolidated and individual interim financial reporting for the 6 months ended June 30, 2024 and the Semi-Annual Report for semester 1/2024, prepared in accordance with ASF Regulation no. 5/2018
- The action plan and the status of their implementation following the recommendations received from the external auditor and the internal auditor
- Selection of the financial auditor for auditing the individual and consolidated financial statements of the companies part of the Bittnet group for the period 01.01.2024 – 30.04.2027
- Budget Execution
- Bond financing
- Self-evaluation of the activity carried out

Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee is to assist the Board of Directors in developing and implementing the remuneration policy, the management structure and the nomination of candidates for the Board.

The composition of the Nomination and Remuneration Committee underwent changes in 2024, following the election of the new composition of the Board of Directors in January 2024, being composed of the following persons at the end of last year, as well as at the date of drafting this document:

Mr. Paul Micheș	Chairman of the Nomination and Remuneration Committee Member of the Board of Directors
Mr. Claudiu Constantinescu	Member of the Nomination and Remuneration Committee Chairman of the Board of Directors, as representative
Mr. Bogdan Ciucu	Member of the Nomination and Remuneration Committee, Vice President of the Board of Directors

During 2024, the Nomination and Remuneration Committee met in 2 meetings, attended by all members of the Committee. Thus, the Nomination and Remuneration Committee discussed the following topics:

- Adoption of the Remuneration Report for the year 2024
- Adoption of the Remuneration Policy
- Approval of candidate proposals for positions on the Board of Directors

D.7 Any specialist, consultant, expert or financial analyst may attend the shareholders' meeting upon prior invitation from the Board. Accredited journalists may also attend the general shareholders' meeting, unless the Chairman of the Board decides otherwise.

All AGM meetings of the issuer are transmitted through the online application for exercising and participating in general meetings - EVote.

14.5. Potential significant effects on corporate governance, including future changes to the composition of the board of directors and committees (to the extent that this has already been decided by the board and/or the shareholders' meeting).

Not the case.

Section 15: Employees

15.1. The number of employees at the end of the period covered by the historical financial information or the average number of employees for each financial year of the period up to the date of the document (and any changes in these figures, if material) and, if possible and if such information is material, a breakdown of employees by main categories of activity and geographical location. Where the issuer uses a significant number of temporary employees, information on the average number of temporary employees for the most recent financial year shall also be included.

During 2024, the average number of employees of the group was 292. The following table shows the division by functional departments at the end of the fiscal years. The figures do not include the situation of the ELearning Company employees at all. The figures only include the companies within the consolidation perimeter at the end of each year.

Department	2017	2018	2019	2020	2021	2022	2023	2024
Sales	4	5	14	16	25	51	48	52
Technical	4	5	23	25	27	122	215	149
Marketing	2	1	2	4	9	7	7	6
Deliveries/administrative	1	3	8	14	16	60	73	79
Management	4	4	3	2	2	10	14	11

The Company outsources part of its activities to independent subcontractors. At the end of 2024, the Issuer cooperated with approx. 100 contractors.

The overwhelming majority of the company's employees are university graduates. The company's employees are not organized into unions. In the company's history, there have been no conflict situations between management and employees.

As a specific feature of the IT industry, it should be mentioned that employees and collaborators (freelancers) in the field are characterized by a high level of education, a continuous desire to learn and increased independence. The type of work environment and professional activity is one characterized by joviality, youth, a desire to work and to 'demonstrate' professional value.

It should also be noted that we operate in the digital economy, and we fully benefit from the advantages of the so-called 'gig economy' but also from the problems it raises. Thus, the company actively pursues positioning itself as a platform that brings together experts on various subjects with relevant clients for the respective services.

Each of the companies in the group has its own organizational charts, specific to the current, historical and future activity. The group is managed in a very decentralized manner, benefiting from only a few functions 'grouped' at the 'shared services' level, at the level of marketing, operations, finance and accounting, investor relations activities.

15.2. Shareholdings and share options - The most recent possible information on the holdings in the issuer's equity and any options on the issuer's shares by each of the persons referred to in point 12.1, first paragraph, letters (a) and (d).

SOP 2022

By Decision No. 7 of the EGMS of April 20, 2022, the Company's shareholders voted for an incentive plan with options for key personnel with a duration of 2 years, worth a maximum of 5% of the total shares of the Company. In May 2024, the key personnel did not exercise their purchase option given the execution conditions of the plan, so the SOP2022 plan expired unexercised.

SOP 2023-2026 (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 personnel based on options for participation in the company's capital. Compared to previous incentive plans, this one assumes a duration of 3 years and a value of 7.5% of the total shares of the Company.

The company's management proposed in the AGM of April 2025 the cancellation of the long-term incentive plan. With the cancellation of this program, the Issuer no longer has other active incentive programs with options through which employees or management can participate in the company's share capital.

15.3. A description of any agreement providing for employee participation in the issuer's capital

The Company's shareholders approved incentive plans with options for key individuals during the general meetings of April 2021, April 2022 and April 2023. Under these incentive plans of the stock option type, individuals from the Issuer's management as well as other individuals who can positively influence the group's results may receive the right to purchase shares of the Issuer at preferential prices, as follows:

- 1) The GMS of April 2023 approved a Long-term Remuneration Plan with participation in the company's capital, for key persons not named at the time of approval: maximum 7.5% of the total shares of the Company. Exercise Period: May-June 2026. Exercise price per share corresponding to the Issuer's capitalization on April 21, 2022. The company's management proposed in the AGM of April 2025 the cancellation of the long-term incentive plan.
 - 2) GMS of April 2022: Incentive plan for key individuals not named at the time of approval: maximum 5% of the total company shares. Exercise Period: May-June 2024. Exercise price per share corresponding to the Issuer's capitalization on April 11, 2022. This incentive plan expired unexercised according to point 15.2. above.
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Section 16: Major Shareholders

16.1. To the extent that this information is known to the issuer, the name of any person who is not a member of any administrative, management or supervisory body of the issuer and who holds, directly or indirectly, a percentage of the issuer's share capital or voting rights that must be notified under the domestic law applicable to the issuer, as well as the value of the holding in question, as at the date of the document, or, in the absence of such persons, an appropriate statement that there are no such persons.

The Issuer is aware of a group of shareholders who have declared themselves to be acting in concert and who together hold a percentage of approx. 30% of the Company's capital, according to the notification sent to the Issuer and ASF: https://m.bvb.ro/Infocont/RaportariActionari/BSE/BNET_20230424_Notif_detineri_BNET_Agista_Impetum.pdf.

Shareholders with holdings over 10% of the share capital and voting rights are:

Shareholders ownership	and	%	Dec 31, 2024	Dec 31, 2023
<hr/>				
IMPETUM INVESTMENTS SA			13.33%	13.33%
AGISTA INVESTMENTS SRL			13.75%	13.75%

16.2. Information indicating whether the issuer's main shareholders have different voting rights or an appropriate statement indicating that there are no such voting rights.

This is not the case, the main shareholders of the issuer have the same voting rights as the rest of the shareholders. 1 share grants 1 voting right at the General Meetings of Shareholders.

16.3. To the extent that this information is known to the issuer, it shall be stated whether the issuer is owned or controlled, directly or indirectly, and by whom, and the nature of the control and the measures adopted to ensure that such control is not exercised abusively shall be described.

The issuer is not directly or indirectly owned or controlled.

16.4. A description of agreements, known to the issuer, the application of which may result, at a later date, in a change of control over the issuer.

This is not the case. There is no agreement known to the Issuer that could generate a change of control over the Issuer.

Section 17: Related Party Transactions

17.1. Details of related party transactions (which, in this respect, are those set out in the standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council (2)) entered into by the issuer during the period covered by the historical financial information up to the date of the document in accordance with the relevant standard adopted under Regulation (EC) No 1606/2002, if applicable, must be disclosed. If the standards in question do not apply to the issuer, the following information must be disclosed: (a) the nature and amount of all transactions which, individually or in the aggregate, are material to the issuer. If the related party transactions were not carried out on market terms, the reasons must be explained. In the case of outstanding loans, including guarantees of any kind, the amount of the outstanding balance; (b) the amount or percentage of the issuer's revenue represented by related party transactions.

If the International Financial Reporting Standards adopted in accordance with Regulation (EC) No 1606/2002 apply to the issuer, the information set out in points (a) and (b) need only be disclosed for transactions carried out since the end of the last financial year for which audited financial information has been published.

In accordance with the provisions of art. 108 of Law 24/2017 republished, the Issuer made available to investors and interested parties the report on the status of intragroup transactions carried out between companies within the Issuer's group during 2024, transactions that exceeded 5% of the issuer's net assets.

In this regard, in the natural course of the current activity, but also due to the group structure of which the issuer is a part, there are various transactions between the companies of the Bittnet group. In general, the Company tries to keep this volume of intragroup transactions (transactions with affiliates) at a minimum level, but does not refuse to deliver the relevant technological solutions to the group's clients if they generate transactions between affiliated parties. In the past, transactions between 2 of the companies of the group were reported, according to the provisions of the capital market legislation, namely between Bittnet Systems SA, the parent company of the group, and Dendrio Solutions SRL, a subsidiary company, at that time only the transactions between these two entities exceeded 5% of the net assets of the Issuer and were, therefore, subject to the reporting obligation.

With the expansion of the group's structure and the increase in its business, as well as the size of the projects in which the group companies are involved, intragroup transactions with a value exceeding 5% of the Issuer's net assets were carried out between 4 of the Bittnet group companies during 2024. These transactions were generated between the following entities:

1. Bittnet Systems SA and Dendrio Solutions SRL;
2. Dendrio Solutions SRL and Dendrio Innovations SRL (formerly Dataware Consulting SRL);
3. Dendrio Solutions SRL and ITPrepared SRL;

The transactions subject to reporting have been published, together with the auditor's opinion. Transactions with affiliated parties were executed at market price and are presented in the current report no. 14/2025, direct link here:

https://m.bvb.ro/infocont/infocont25/BNET_20250212173521_Report-auditor-KPMG---Bittnet-RO-EN-anexa-CR14.pdf

Section 18: Financial information regarding the assets, liabilities, financial position and profits and losses of the Issuer

18.1. Historical financial information

18.1.1. Audited historical financial information for the last three financial years (or for any shorter period since the issuer has been in operation) and the audit report corresponding to each year.

According to the provisions of Art. 19 of EU Regulation 2017/1129, taking into account that annual and interim financial information, as well as audit reports, are part of the information that can be included in the registration document by reference, if they have been previously published, we list below the internet address where the audited annual results are available, in IFRS format (accompanied by the audit report):

- The financial results in IFRS format for fiscal year 2022 were made available to investors as supporting documents for the OGMS of 27.04.2023, together with the audit report at: <https://investors.bittnet.ro/ro/intalniri-ale-actionarilor/aga-27-aprilie-2023/>
- The financial results in IFRS format for fiscal year 2023 were made available to investors as supporting documents for the OGMS of 25.04.2024, together with the audit report at: <https://investors.bittnet.ro/ro/intalniri-ale-actionarilor/aga-25-aprilie-2024/>
- The financial results in IFRS format for fiscal year 2024 were made available to investors as supporting documents for the OGMS of 28.04.2025, together with the audit report at: <https://investors.bittnet.ro/ro/intalniri-ale-actionarilor/aga-28-aprilie-2025/>

18.1.2. Change of accounting reference date

If the issuer has changed its accounting reference date during the period for which historical financial information is requested, the audited historical information will cover at least 36 months or the entire period during which the issuer has been active, whichever is the shorter.

This is not the case, the Issuer has not changed the accounting reference date in the period for which historical financial information is requested.

18.1.3. Accounting standards

The financial information must be prepared in accordance with International Financial Reporting Standards as adopted in the Union on the basis of Regulation (EC) No 1606/2002. Where Regulation (EC) No 1606/2002 does not apply, the financial information must be prepared in accordance with: (a) the national accounting standards of a Member State for issuers in the EEA, in accordance with Directive 2013/34/EU; (b) the national accounting standards of a third country equivalent to Regulation (EC) No 1606/2002 for issuers in third countries. If the national accounting standards of that third country are not equivalent to Regulation (EC) No 1606/2002, the financial statements shall be restated in accordance with that Regulation.

The financial information is prepared in accordance with the International Financial Reporting Standards IFRS and based on the Order of the Ministry of Public Finance No. 2844/2016 of December 12, 2016 for the approval of the Accounting Regulations in accordance with the International Standards.

18.1.4. Change in accounting framework

The latest audited historical financial information, containing comparative information for the preceding year, must be presented and prepared in a form consistent with the accounting framework to be adopted in the issuer's next published annual financial statements, taking into account the accounting standards and policies and the legislation applicable to those annual financial statements. Changes in the accounting framework applicable to an issuer do not require the audited financial statements to be restated solely for the purpose of the document. However, if the issuer intends to adopt, in its next published financial statements, a new accounting framework, at least a complete set of financial statements (as defined in IAS 1 Presentation of Financial Statements, as set out in Regulation (EC) No 1606/2002, including comparative figures, must be presented in a form consistent with that to be adopted in the issuer's next published annual financial statements, taking into account the accounting standards and policies and the legislation applicable to those annual financial statements.

The Issuer's most recent audited financial information, namely those related to the financial year 2024, were published as supporting documents for the OGMS of April 28, 2025 and are included in the 2024 Annual Report, published on the issuer's website in the investors section as well as on the BVB website on the BNET symbol page.

Starting with the 2019 financial year, financial information is prepared in accordance with International Financial Reporting Standards IFRS based on Regulation (EC) No 1606/2002.

Historical financial results in IFRS format have been published by the Issuer, together with the audit reports, starting with November 2019 on the website dedicated to investor relations, at:

<https://investors.bittnet.ro/ro/rezultate-financiare/>

18.1.5. Where audited financial information is prepared in accordance with national accounting standards, it shall include at least the following elements: (a) balance sheet; (b) profit and loss account; (c) a statement of all changes in equity or changes in equity other than those resulting from capital transactions with owners or distributions to owners; (d) cash flow statement; (e) accounting policies and explanatory notes.

Not applicable. The issuer prepares and reports financial statements in accordance with IFRS.

18.1.6. Consolidated financial statements

If the issuer prepares both stand-alone and consolidated annual financial statements, at least the consolidated annual financial statements shall be included in the document.

18.1.7. Date of financial information

The balance sheet of the last financial year for which the financial information has been audited must have ended no later than: (a) 18 months before the date of the document, if the issuer includes audited interim financial statements in the document; (b) 16 months before the date of the document, if the issuer includes unaudited interim financial statements in the document

The last financial year for which the financial statements were audited is 2024.

18.2. Interim financial information and other financial information

18.2.1. If the issuer has published quarterly or half-yearly financial information since the date of the last audited financial statements, that financial information must be included in the document. If the quarterly or half-yearly financial information has been audited or reviewed, the review or audit report must also be included. If the quarterly or half-yearly financial information is not audited or has not been reviewed, this must be stated. If it has been prepared more than nine months after the date of the last audited financial statements, the document must contain interim financial information, which may be unaudited (in which case this must be stated), for at least the first six months of the financial year. Interim financial information prepared in accordance with the requirements of Regulation (EC) No 1606/2002. For issuers not subject to Regulation (EC) No 1606/2002, interim financial information must include comparative statements for the same period of the previous financial year, except that the requirement for comparative information in the balance sheet may be met by presenting the year-end balance sheet in accordance with the applicable financial reporting framework.

Prior to the annual financial results for 2024, during the calendar year 2024, the financial reports for each quarter of 2024 were published, the quarterly financial statements being unaudited. The reports are available both on the Issuer's website and on the BVB website, the page dedicated to the symbol BNET.

18.3. Auditing historical annual financial information

18.3.1. The historical annual financial information shall be independently audited. The audit report shall be drawn up in accordance with Directive 2014/56/EU of the European Parliament and of the Council (3) and Regulation (EU) No 537/2014 of the European Parliament and of the Council (4). Where Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply: (a) the historical annual financial information shall be audited or accompanied by a statement indicating whether, for the purposes of the document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard; (b) if the audit reports on the historical financial information have been rejected by the statutory auditors or if they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter paragraph, those qualifications, modifications, disclaimers or emphasis of matter shall be reproduced in full and the reasons for them shall be given.

According to the provisions of Art. 19 of EU Regulation 2017/1129, taking into account that annual and interim financial information, as well as audit reports, are part of the information that can be included in the document by reference, if they have been previously published, we list below the internet addresses where the audited annual results, in IFRS format (accompanied by the audit report), and the unaudited half-yearly results (the Issuer not having the obligation to audit the interim results) are available.

The financial results in IFRS format for the period 2016-2018, 2019, 2020, 2021, 2022, 2023 and 2024 were published by the Issuer, together with the audit reports starting with November 2019 on the website dedicated to investor relations, at:

<https://investors.bittnet.ro/ro/rezultate-financiare/>

18.3.2. Indication of other information in the document that has been audited by the auditors.

That's not the case.

18.3.3 If the financial information in the document has not been extracted from the issuer's audited financial statements, its source and the fact that the information is not audited shall be stated.

Not the case.

18.4. Pro forma financial information

In the case of a significant change in gross values, a description of how the transaction would have affected the issuer's assets, liabilities and profit or loss if the transaction had occurred at the beginning of the reporting period or at the date indicated shall be included. This requirement will normally be met by the inclusion of pro forma financial information. Pro forma financial information must be presented in accordance with Schedule 20 and must include all the data specified in that Schedule. The pro forma financial information must be accompanied by a report prepared by independent accountants or auditors.

Not the case.

18.5. Dividend distribution policy.

18.5.1. A description of the issuer's policy on the distribution of dividends and any restrictions on such distribution. If the issuer does not have such a policy, an appropriate negative statement shall be included.

The issuer's dividend policy is described in detail at:

<https://investors.bittnet.ro/politicile-corporative/politica-de-dividend/?lang=ro>

18.5.2. For each financial year within the period covered by the historical financial information, the amount of dividends per share, possibly adjusted to allow comparisons to be made, if the number of shares of the issuer has changed.

The Issuer has not paid dividends from the results of the historical financial years. The General Meeting of Shareholders annually adopts the decision on the allocation of profits. The Issuer's intention is not to pay dividends in the following financial years, unless preference shares bearing priority dividends are issued under the terms of the Articles of Association. Bittnet operates in a very dynamic field - Information Technology. So far, Bittnet has managed to record significant growth rates. On the other hand, the current size of the company, corroborated with the consolidation trend present in all industries, makes us feel that the only direction we can go is "all the way up". In this sense, we intend to continue investing all available resources in the development of the Company. From the shareholders' point of view, the policy of full reinvestment of profits also means a 'no dividend' policy.

We intend to propose to the Shareholders' Meeting this reinvestment policy as long as the Company's growth prospects are stronger than those of the market in general. In the long term and in general, the value that the Company generates will be reflected in the Company's own valuation - the share price. Management believes that it can continue to maintain a growth rate above that of the market in general for a significant period of time.

Our current operational capacity is such that we can extract profits from accelerating revenue growth. This is the management's intention: to continue to grow revenue under similar conditions of profitability expressed in gross margin. Thus, the Company will generate more cash to cover a generally fixed cost structure, in essence the 'additional gross margin' contributing almost entirely to the Company's gross profit.

According to the dividend policy, in 2016, 2017, 2018, 2019, 2020, 2021, 2022 the general meeting decided to reward shareholders by capitalizing the company's profits and granting free shares - one operation each year.

In 2022, taking into account the current share price and the already existing liquidity, no new distribution of free shares was proposed, but only the already 'patented' operation of distributing a free share, which shareholders can opt to leave at the company's disposal in order to settle future obligation plans, being rewarded with a cash distribution. Thus, at the EGMS of April 2022, the increase in the share capital under the conditions mentioned above and the cash distribution per treasury share at a higher value than previously, namely 0.15 ron, were approved.

No dividend distributions were made in 2023 and 2024, and it is estimated that no such distributions will be made in 2025. Starting in 2024, the issuer has initiated a share buyback program, with the ultimate goal of canceling the shares. The buyback program continues in 2025.

18.6. Judicial and arbitration proceedings

Information on any governmental, judicial or arbitration proceedings (including any such proceedings pending or potential of which the issuer is aware) for at least the past 12 months which may have or have recently had a material effect on the financial position or profitability of the issuer and/or the group, or an appropriate negative statement.

The issuer declares that there are no governmental, judicial or arbitration proceedings that have had a significant effect on the financial results in the last 12 months.

18.7. Significant changes in the issuer's financial position

18.7.1. A description of any significant change in the financial position of the group that has occurred since the end of the last financial year for which audited financial statements or interim financial information have been published, or an appropriate negative statement.

Not applicable. There have been no significant changes in the group's financial position since the end of the last financial year for which audited financial statements or interim financial information have been published.

Section 19: Additional information

19.1. Share capital The information from items 19.1.1-19.1.7 of the historical financial information as of the date of the most recent balance sheet:

19.1.1. Amount of issued capital and, for each category of shares:

(a) the total authorised share capital of the issuer;

At the date of writing this document, the value of the authorized share capital is 240,000,000 common shares and 120,000,000 preferred shares.

At the date of drafting the Universal Registration Document, the Issuer's subscribed and paid-up share capital is 63,417,671.40 ron, divided into 634,176,714 ordinary, registered, common, dematerialized shares, with a nominal value of 0.1 ron.

(b) the number of shares issued and fully paid and the number of shares issued but not fully paid;

The number of shares issued and fully paid is 634,176,714.

The number of shares issued but not fully paid is 0.

(c) the nominal value of a share or the fact that the shares have no nominal value; and

The nominal value of a BNET share is 0.1 ron.

(d) a reconciliation of the number of shares outstanding at the opening and closing dates of the financial year. It shall be stated whether more than 10 % of the share capital has been paid up in assets other than cash during the period covered by the historical financial information.

Date modified	Registration date	process	Initial number of shares	Final number of shares
26.03.2021	21.05.2020	Share capital increase – with cash contribution through the issuance of only 18,178,550 new shares	229,049,725	247,228,275
22.07.2021	21.07.2021	Share capital increase with free shares, 6:10	247,228,275	395,565,240
10.09.2021	21.07.2021	Share capital increase with free shares, 1:10	395,565,240	420,288,068
21.10.2021	N/A	Share capital increase according to EGMS Decisions no. 12/25.04.2018; EGMS no. 4/26.11.2020; EGMS no. 5/26.11.2021; Board of Directors Decision no. 7/18.08.2020; Board of Directors Decision no. 10/17.12.2020;	420,288,068	455,669,736
10.11.2021	N/A	Share capital increase according to EGMS Decisions no. 2 and no. 3/27.04.2021; Board of Directors Decision of 06.07.2021 and EGMS Decision no. 17/07.09.2021;	455,669,736	480,436,904
12.08.2022	21.07.2022	Share capital increase with free share issue, (1:10) according to EGMS Decision no. 2/20.04.2022	480,436,904	528,480,595
20.04.2023	13.10.2022	Share capital increase with new cash contributions and conversion of receivables according to Board of Directors Decision of 16.09.2022	528,480,595	634,176,714

During the period covered by the historical financial information, no part of the share capital was paid in through assets other than cash.

19.1.2. The number and main characteristics of shares that do not represent capital, if any.

That's not the case.

19.1.3. The number, book value and nominal value of the issuer's shares held by the issuer or on behalf of the issuer or by its subsidiaries.

At the date of writing this document, the Issuer does not hold any of its own shares in the company's treasury.

19.1.4. The amount of convertible, exchangeable or warrant-backed securities, indicating the conditions and procedures for conversion, exchange or subscription.

Not the case.

19.1.5. Information about any acquisition right and/or obligation related to the authorized but unissued capital, or about any commitment to increase the share capital, as well as their conditions.

The Extraordinary General Meeting of Shareholders of September 2021 granted the Issuer's management the authorization to increase the share capital by a maximum number of 240,000,000 common shares, respectively 120,000,000 preferential shares.

19.1.6. Information on the share capital of any member of the group that is the subject of an option or a conditional or unconditional agreement providing for the granting of options on the capital and details of those options, including the identity of the persons to whom they relate.

The Company's shareholders approved incentive plans with options for key personnel during the general meetings of April 2022 and April 2023. Under these stock option plan type incentive plans, individuals from the Issuer's management as well as other individuals who can positively influence the group's results may receive the right to purchase shares of the Issuer at preferential prices, as follows:

- 1) The AGM of April 2023 approved a Long-term Remuneration Plan with participation in the company's capital, for key individuals not named at the time of approval: maximum 7.5% of the total shares of the Company. Exercise Period: May-June 2026. Exercise price per share corresponding to the Issuer's capitalization on April 21, 2022.

The company's management proposed in the AGM of April 2025 the cancellation of the long-term incentive plan. With the cancellation of this program, the Issuer no longer has other active incentive programs with options through which employees can participate in the company's capital.

- 2) AGM of April 2022: Incentive plan for key individuals not named at the time of approval: maximum 5% of the total company shares. Exercise Period: May-June 2024. Exercise price per share corresponding to the Issuer's capitalization on April 11, 2022. This incentive plan expired unexercised according to point 15.2. above.

19.1.7. The evolution of the share capital during the period covered by the historical financial information, highlighting any changes that have occurred.

The figures in the table below are presented in ron, and represent those capital increase operations decided between 2021 and 2024:

Date modified	Registration date	process	Initial number of shares	Final number of shares
26.03.2021	21.05.2020	Share capital increase – with cash contribution through the issuance of only 18,178,550 new shares	229,049,725	247,228,275
22.07.2021	21.07.2021	Share capital increase with free shares, 6:10	247,228,275	395,565,240

10.09.2021	21.07.2021	Share capital increase with free shares, 1:10	395,565,240	420,288,068
21.10.2021	N/A	Share capital increase according to EGMS Decisions no. 12/25.04.2018; EGMS no. 4/26.11.2020; EGMS no. 5/26.11.2021; Board of Directors Decision no. 7/18.08.2020; Board of Directors Decision no. 10/17.12.2020;	420,288,068	455,669,736
10.11.2021	N/A	Share capital increase according to EGMS Decisions no. 2 and no. 3/27.04.2021; Board of Directors Decision of 06.07.2021 and EGMS Decision no. 17/07.09.2021;	455,669,736	480,436,904
12.08.2022	21.07.2022	Share capital increase with free share issue, (1:10) according to EGMS Decision no. 2/20.04.2022	480,436,904	528,480,595
20.04.2023	13.10.2022	Share capital increase with new cash contributions and conversion of receivables according to Board of Directors Decision of 16.09.2022	528,480,595	634,176,714

19.2. Articles of Association and Statute

19.2.1. Where applicable, the register and registration number in the register, a description of the issuer's object of activity and the place where it is provided for in the articles of association and statute.

The updated articles of association of the Issuer are available on the Issuer's website in the investors section and can be accessed here: <https://investors.bittnet.ro/despre-bittnet/quvernanta-corporativa/>

The issuer's main activity is 6202 - Information technology consultancy activities. This class includes the planning and design of computer systems that integrate hardware, software and communications technologies and consultancy services that may also include user training.

The object of activity is provided in "Art. 5 - Object of activity of the company" of the Issuer's updated Articles of Association.

19.2.2. If there is more than one class of shares in existence, a description of the rights, preferences and restrictions attached to each class.

This is not the case. Although the Issuer's Articles of Association provide for the possibility of issuing Preferred Shares, at the time of writing this document there are only common/ordinary shares.

19.2.3. A brief description of any provision in the articles of association, bylaws, charter or regulations that could have the effect of delaying, suspending or preventing a change of control over the issuer.

Not the case.

Section 20: Important contracts

20.1. A summary of each material contract (other than those entered into in the ordinary course of business) entered into by the issuer or any other member of the group during the two years immediately preceding the publication of the registration document. A summary of any other contract (other than those entered into in the ordinary course of business) entered into by any member of the group and containing provisions which assign to any member of the group an obligation or commitment that is material to the group as a whole, as at the date of the registration document.

According to the mandate granted by the GMS of September 2021, the Issuer could sign in 2022 and the following 2 years M&A acquisitions up to the total value of 200 million ron. During 2023, the Issuer signed and integrated into the group structure two M&A transactions with Dataware Consulting and Kepler Management Systems according to the current investor information reports submitted on the BVB news feeds. At the date of writing this document, the company has not signed any new M&A transaction and is not in any advanced negotiations regarding the completion of another transaction.

Section 21: Available documents

21.1. A statement confirming that, during the validity period of the document, the following documents may be consulted, as appropriate:

- (a) the issuer's updated memorandum and articles of association;
- (b) all reports, correspondence and other documents, valuations and statements made by an expert at the request of the issuer, parts of which are included or referred to in the registration document. Indication of the website on which the documents can be consulted.

During the validity period of the document, they can be consulted on the Issuer's website in the investors section (<https://investors.bittnet.ro/>) Updated Articles of Incorporation, Universal Registration Document, as well as all relevant documents for shareholders. _____

BITTNET SYSTEMS SA, through Mihai Alexandru Constantin Logofătu, General Manager and legal representative of the President of the Board of Directors, legal entity Ivylon Management SRL.

Annex 2 – “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?
Operating Profit	<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"> 1. Elimination of the financial result (adding expenses to gross profit and subtracting financial income) 2. Elimination of IFRS non-cash adjustments related to the Stock Option Plan 3. Elimination of other income and other expenses (non-repeatable items, unrelated to the core activity) 4. In the case of 2021 statements, restated in 2023, with the application of the new conceptual framework regarding IFRS 3 business combinations - the costs related to successful M&A, which were previously capitalized, were derecognized from assets through P&L - this retroactive restatement was excluded from the calculation of operating profit 	<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>
"Gross Margin", or "gross margin", or "GM" or "margin"	<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. 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>

Annex 3- 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 mechanism, is over 20% (given an average annual return of 28% in the last 5 years - on the regulated market), which also strengthens our confidence in the adopted financial model, which we intend to continue to apply as long as the results continue to be visibly better than the market average.

Of course, some investors may consider that any of the components of the investment thesis described above does not fit their investment style. However, we would like our shareholders to understand what the “bet” is that they are making when investing in the shares of the Bittnet group: that the vision of accelerated growth towards a revenue of 500 million ron generates a special opportunity in the medium and long term and that the evolution of quarterly, half-yearly or annual results will continue to fluctuate. We, the management team, are here to clarify these fluctuations and guide our group's journey towards developing the group's businesses in conditions of increased profitability and simplifying the structure, the share price being not under our control, but decided by investors and the context of the capital market in general. We will focus mainly in the coming years on extracting profit from the new size of the group built in the last decade and which is approaching the critical mass that we set out to achieve. However, we are convinced that in the long term, the company's value will reflect the business results and the cumulative investments in the companies acquired and integrated over the years.

We conclude this chapter by reminding you that no investment in a company's shares is without risks, and we ask that before deciding to invest, you carefully read the chapters on Risks in the universal registration document, or on the website dedicated to Investor Relations.

Management statement

The undersigned Logofătu Mihai Alexandru Constantin, as legal representative of the Chairman of the Board of Directors, confirm, based on the data in our possession, that the consolidated and individual financial statements of the Issuer, prepared in accordance with the applicable accounting standards, provide a true and fair view of the financial position of the Group as well as of the Issuer, the financial performance and cash flows for the year ended December 31, 2024 and that the Directors' Report (Annual Report) - presented in the form of a Universal Registration Document - provides a true and fair view of the development and performance of the Group's activity, as well as a description of the main risks and uncertainties related to the expected development of the Group.

The Annual Report of the Board of Directors of BITTNET SYSTEMS SA, for the financial year 2024, was signed by Mr. Mihai Alexandru Constantin Logofatu as the legal representative of the Chairman of the Board of Directors.

Chairman of the Board – Ivylon Managemnt SRL, represented by Mihai Alexandru Constantin Logofătu

Consolidated and Individual Financial Statements for the year 2024, accompanied by notes and Auditors' Report 2024



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Independent Auditors' Report


To the Shareholders of Bittnet Systems SA

Sergent Ion Nutu Street, no.44, One Cotroceni Park, Corp A și Corp B, floor.4, district 5, Bucharest, Romania

Unique Registration Code: 21181848

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the consolidated financial statements of Bittnet Systems SA ("the Company") and its subsidiaries (together "the Group") which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.
2. The consolidated financial statements as at and for the year ended 31 December 2024, approved by the Board of Directors on 1 April 2025, are identified as follows:
 - Net assets/Total equity: RON 77,195,318
 - Net profit for the year: RON 9,118,826
3. In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union and Order of Minister of Public Finance No. 2844/2016 for approval of accounting regulations in accordance with International Financial Reporting Standards and related amendments ("OMPF no. 2844/2016"). 

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing ("ISAs"), Regulation (EU) no. 537/2014 of the European Parliament and of the Council and related amendments ("the Regulation") and Law no. 162/2017 and related amendments ("the Law"). Our responsibilities under those standards and regulations are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with *International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Romania, including the Regulation and the Law and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of Goodwill

Net carrying amount of goodwill: RON 67,950 thousand as at 31 December 2024 (RON 79,079 thousand as at 31 December 2023, restated)

See Notes 16 "Goodwill" and 32.d) "Significant accounting policies – Goodwill" to the consolidated financial statements.

The key audit matter

In connection with its business acquisitions in previous years, the Group recognized goodwill with a net carrying amount of RON 67,950 thousand as at 31 December 2024. An annual impairment test is required for the cash-generating units ("CGU") to which goodwill has been allocated and, as disclosed in Note 16, based on the current year's

How the matter was addressed in our audit

Our audit procedures, performed with the assistance from our own valuation specialists, included, among others, the following:

- Evaluation of the Group's value-in-use model (the "discounted cash flow model") applied to perform the annual impairment test for the estimation of the recoverable amount of its cash-generating units, in the

impairment test, the Group did not recognize any impairment in respect of these assets. For the purpose of impairment testing, the Group's cash-generating units are aggregated based on operating segments.

As mentioned in Note 16. for the purpose of impairment testing, management applies judgement in allocating goodwill to cash-generating units. Identified CGUs are then aggregated into operating segments.

Estimating the recoverable amount of CGUs involves significant judgments regarding assumptions such as future cash flows, growth rates, gross and net operating margins, working capital requirements, capital expenditures, and discount rates, as well as economic assumptions, such as the evolution of costs and wages in the context of the economy and inflation.

Complex models based on forward-looking assumptions are subject to a higher risk of error, inconsistent application, and management bias. These matters require increased attention in our audit, particularly to assess the objectivity of the sources used for the assumptions and their consistent application.

Given these considerations, the estimation of the recoverable amount of goodwill was considered an area associated with a significant risk of material misstatement in the consolidated financial statements and required increased attention in the audit, and was therefore considered a key audit matter.

context of the relevant requirements of the applicable financial reporting standards;

- Evaluation of the grouping of assets in cash generating units, based on our understanding of the Group's operations and business lines. As part of the procedure, we assessed, among other things, the extent to which the allocation of corporate assets to cash-generating units is reasonable and consistent;
- Performing a sensitivity analysis of the impairment model to changes in key assumptions, such as forecast growth rates, discount rates and cash flows, to identify assumptions with a greater risk of subjectivity or inconsistency in application;
- Evaluation of the Company's subsidiaries' budgeting process by comparing historical budgets to their subsequent actual results;
- With the assistance of our valuation specialists, performing the critical evaluation of the key assumptions used to determine the discount rate, operating cash flows, growth rate, operating margins, working capital requirements and capital expenditures. In this context, we evaluated whether certain assumptions on which the evaluation was based on, at the individual level and taken as a whole, took into account: i) the economic environment of the Group and the industry in which it operates ; ii) available market information; iii) the Group's business plans, including management expectations; iv) the risks associated with the cash flows, including the possible changes in values and the moment of the occurrence of the cash flows and their effect on the sensitivity of the discount rate; v) specific requirements of the relevant financial reporting standards; vi) a comparison with the general performance of similar companies and with the historical performance and

- financial trends of the Group;
- Testing the mathematical accuracy of the discounted cash flow model;
- Evaluation of the accuracy, completeness, and adequacy of the disclosures in the consolidated financial statements regarding the recoverability of goodwill, in connection to the disclosure requirements of the relevant financial reporting standards.

Revenue recognition

Revenues from contracts with customers: RON 404,113 thousand for the year ended 31 December 2024 (RON 359,089 thousand for the year ended 31 December 2023)

Trade receivables – RON 105,920 thousand as at 31 December 2024 (RON 58,729 thousand as at 31 December 2023).

See Notes 7 “Revenue from contracts with clients”, 22 “Trade receivables and other receivables”, and 32 e) “Significant accounting policies – Revenue recognition” to the consolidated financial statements.

The key audit matter

Users of the consolidated financial statements consider revenue from contracts with customers to be one of the key aspects of the Group's performance, both individually and as a component of key financial indicators. As presented in Note 7, the Group generates revenue primarily from the sale of integrated IT service solutions, goods and licenses, and training services.

Revenue from contracts with customers also requires management to exercise judgment, particularly when assessing whether the Group acts as principal or agent and determining the timing of revenue recognition. The assessment of whether the Group acts as principal or agent determines whether revenue is presented on a gross or net basis. The assessment regarding the timing of revenue recognition determines whether

How the matter was addressed in our audit

Our audit procedures included, among others:

- Obtaining an understanding of the Group's revenue recognition process and evaluating the design and implementation of selected controls, including those related to the recognition of revenue in the correct period;
- Assessing the compliance of the Group's revenue recognition criteria with the relevant requirements of the financial reporting framework;
- Inspecting a sample of sales contracts with customers to gain an understanding of their key sales terms, including delivery and acceptance terms, and to critically challenge management's assessment of whether the Group acts as principal or agent based on those contracts;
- For a sample of customers, independently

revenue is recorded in the appropriate period.

In addition to the aspects described above, in accordance with International Standards on Auditing, revenue recognition is inherently subject to a risk of material misstatement resulting from fraud, primarily due to the pressure that management may experience to meet predetermined financial targets. This pressure may influence the timing or manner in which revenues are recorded, especially close to the end of the financial year, period over which we identified and assessed as significant the risk of material misstatements in the consolidated financial statements, resulting from fraud.

As a result of the above matters, we considered revenue recognition to be associated with a significant risk of material misstatement to the consolidated financial statements. Therefore, this matter required increased attention during the audit and was considered a key audit matter.

obtaining confirmations from them regarding the outstanding receivable balances as at 31 December 2024;

- Testing, on a sample basis, individual sales transactions during the year, including those near the end of the financial year (both before and after the reporting date), to primary supporting documents (such as invoices and goods delivery or service performance notes) and by reference to the related contractual terms (including pricing and delivery terms) to determine whether revenue was recognized at the appropriate amount and in the correct period, based on our assessment of when the contractual obligation was fulfilled or control was transferred to the customer, in accordance with IFRS 15;
- Inspecting credit notes issued after the financial year-end to determine whether any necessary adjustments to revenue recognized during the year were appropriately recorded;
- Evaluating whether the disclosures in the notes to the consolidated financial statements regarding the Group's revenue recognition adequately address the quantitative and qualitative requirements of the relevant financial reporting framework.

Other matter – Corresponding figures

6. The consolidated financial statements of the Group as at and for the year ended 31 December 2023, excluding the adjustments described in Note 35 "Restatement of opening balances" to the consolidated financial statements, were audited by another auditor who expressed a qualified opinion on those consolidated financial statements on 22 March 2024, due to their inability to evaluate the effects on the comparability of the 2023 figures with the corresponding figures as of and for the financial year ended 31 December 2022, related to the Group's revenue recognition method for certain 2022 license resale transactions, where it acted either as principal or as agent.

As part of our audit of the consolidated financial statements as at and for the year ended 31 December 2024, we audited the adjustments described in Note 35 "Restatement of opening

balances" that were applied to restate the comparative information presented as at and for the financial year ended 31 December 2023. We were not engaged to audit, review, or apply any procedures to the consolidated financial statements for the year ended 31 December 2023, other than with respect to the adjustments described in Note 35 "Restatement of opening balances" to the consolidated financial statements as at 31 December 2024. Accordingly, we do not express an opinion or any other form of assurance on those consolidated financial statements as a whole. However, in our opinion, the adjustments described in Note 35 "Restatement of opening balances" are appropriate and have been properly applied.

Other information

7. The Group's management is responsible for the preparation and presentation of other information. The other information comprises the Annual Report – "Universal registration document" which includes also the information required by OMPF no. 2844/2016, points 26-28, pertaining to the Board of Directors' report ("the Board of Directors' report") and the Remuneration report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Reporting Responsibilities Related to Other Information – Board of Directors' Report

With respect to the Board of Directors' Report we read and, based solely on the work required to be undertaken in the course of the audit of the consolidated financial statements, we report, as required by OMPF no. 2844/2016, that, in our opinion:

- a) The information given in the Board of Directors' Report for the financial year for which the consolidated financial statements are prepared is consistent, in all material respects, with the consolidated financial statements;

The Board of Directors' Report has been prepared, in all material respects, in accordance with OMPF no. 2844/2016, articles 26 - 28 of the accounting regulations in accordance with International Financial Reporting Standards.

In addition, in light of the knowledge and understanding of the Group and its environment obtained in the course of our audit we are required to report if we have identified material misstatements in the Board of Directors' report. We have nothing to report in this regard.

Other Reporting Responsibilities Related to Other Information – Remuneration Report

With respect to Remuneration Report, we read the Remuneration Report in order to determine whether it presents, in all material respects, the information required by article 107, alin (1) and (2) of the Law no. 24/2017 regarding the issuers of financial instruments and market operations and related amendments. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and OMPF no. 2844/2016 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements - Report on Compliance with the ESEF Regulation

16. In accordance with Law no. 162/2017 on statutory audits of annual financial statements and consolidated financial statements and amendment of certain regulations, we are required to express an opinion on compliance of the consolidated financial statements, as included in the Annual report and approved by the Board of Directors, with the requirements of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format and related amendments (the "RTS on ESEF").

Responsibilities of Management

17. Management is responsible for the preparation of the consolidated financial statements in a digital format that complies with the RTS on ESEF. This responsibility includes:
- the preparation of the consolidated financial statements in the applicable xHTML format;
 - the selection and application of appropriate iXBRL tags, using judgment where necessary;
 - ensuring consistency between digitised information in the machine- and human-readable formats and the signed consolidated financial statements; and
 - the design, implementation and maintenance of internal controls relevant to the application of the RTS on ESEF.

Auditors' Responsibilities

18. Our responsibility is to express an opinion on whether the consolidated financial statements, included in the Annual Report, and approved by the Board of Directors, comply, in all material respects, with the RTS on ESEF, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the RTS on ESEF. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in the RTS on ESEF, whether due to fraud or error. Our procedures included, among other things:

- obtaining an understanding of the tagging process;
- evaluating the design and implementation of relevant controls over the tagging process;
- tracing the tagged data to the consolidated financial statements of the Group presented in human-readable digital format and to the signed and audited consolidated financial

statements, stamped by us for identification purposes;

- evaluating the completeness of the Group's tagging of the consolidated financial statements;
- evaluating the appropriateness of the Group's use of iXBRL elements selected from the ESEF taxonomy and creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- evaluating the use of anchoring in relation to the extension elements;
- evaluating the appropriateness of the digital format of the consolidated financial statements; and
- assessing consistency between the digitised information in the machine- and human-readable formats and the signed and audited consolidated financial statements, stamped by us for identification purposes.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

19. In our opinion, the consolidated financial statements of the Group as included in the Annual Report, and approved by the Board of Directors, as at and for the year ended 31 December 2024 have been prepared, in all material respects, in accordance with the requirements of the RTS on ESEF.

Report on Other Legal and Regulatory Requirements - Public Interest Entities

20. We were appointed by the General Shareholders' Meeting on 16 December 2024 to audit the consolidated financial statements of Bittnet Systems SA for the year ended 31 December 2024. Our total uninterrupted period of engagement is 1 year, covering the period ending 31 December 2024.





21. We confirm that:

- our audit opinion is consistent with the additional report presented to the Audit Committee of the Group, which we issued on 31 March 2025. We also remained independent of the audited entity in conducting the audit.
- we have not provided to the Group the prohibited non-audit services (NASs) referred to in Article 5(1) of EU Regulation (EU) No 537/2014.

The engagement partner on the audit resulting in this independent auditors' report is MIHALI HORATIU MIHAI.

For and on behalf of KPMG Audit S.R.L.:

Mihail Horatiu Mihai

MIHALI HORATIU MIHAI

registered in the electronic public register
of financial auditors and audit firms under
no AF3354

KPMG Audit SRL

KPMG Audit SRL

registered in the electronic public
register of financial auditors and audit
firms under no FA9

Cluj-Napoca, 01 April 2025

**Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)**

Auditor financiar: MIHALI HORATIU MIHAI

Registrul Public Electronic: AF3354

**Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)**

Firma de audit: KPMG AUDIT S.R.L.

Registrul Public Electronic: FA9

BITTNET SYSTEMS SA

CONSOLIDATED FINANCIAL STATEMENTS

PREPARED IN ACCORDANCE WITH THE OMFP
NO. 2844/2016 AND INTERNATIONAL
FINANCIAL REPORTING STANDARDS AS
ADOPTED BY THE EUROPEAN UNION, AS
REVISED

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2024	2023
Continuing operations			
Revenues from contracts with customers	[7]	404,113,044	359,089,188
Cost of sales	[8]	(330,002,661)	(296,076,346)
Gross profit		74,110,382	63,012,842
Other income	[9]	2,363,095	1,962,994
Sales related expenses	[10]	(20,798,497)	(17,622,267)
General and administrative expenses	[11]	(44,034,551)	(38,866,832)
Impairment	[9]	(2,078,990)	-
Other expenses	[9]	(45,510)	(689,691)
Equity accounted investees	[20]	(39,541)	(121,055)
Losses from investments at FVTPL	[13]	(4,024,130)	(2,167,698)
Financial income	[13]	727,599	644,625
Financial expenses	[13]	(7,033,711)	(6,928,650)
Profit/ (loss) before tax		(853,853)	(775,732)
Income tax	[14]	(1,523,249)	(615,392)
Profit/ (loss) from continuing operations		(2,377,102)	(1,391,124)
Discontinued operations			
Profit/loss from discontinued operations, net of tax		11,495,927	2,214,786
Net Profit, of which:		9,118,826	823,662
related to the parent company		5,333,846	(6,285,048)
related to minority interests		3,784,979	7,108,710
Other comprehensive income		-	-
Total comprehensive income		9,118,826	823,662
related to the parent company		5,333,846	(6,285,048)
related to minority interests		3,784,979	7,108,710
Earnings per share from continuing operations	[5]		
basic		(0.0091)	(0.0135)
diluted		(0.0084)	(0.0128)
Earnings per share from discontinued operations			
basic		0.0174	0.0021
diluted		0.0162	0.0019

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The financial statements from page [3] to page [103] were approved and signed on 28 March 2025.

Mihai Logofatu
CEO

Adrian Stanescu
CFO

CONSOLIDATED FINANCIAL STATEMENTS for the financial year 2024
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 Dec 2024	31 Dec 2023
ASSETS			Restated (see note 35)
Non-current assets			
Goodwill	[16]	67,950,004	79,079,083
Other intangible assets	[18]	8,661,920	9,653,554
Tangible fixed assets	[19]	7,058,287	8,572,475
Rights of use assets	[28]	22,412,622	24,127,088
Investments accounted for using the equity method	[20]	1,271,853	2,797,885
Other financial assets		378,633	695,988
Deferred tax	[14]	4,165,763	3,796,271
Total non-current assets		111,899,083	128,722,342
Current assets			
Inventory	[21]	4,811,756	4,226,836
Work in progress	[22]	15,324,838	6,858,701
Trade receivables	[22]	105,920,420	58,729,184
Other receivables	[22]	18,138,601	13,974,095
Financial assets at fair value	[20]	5,710,669	11,356,744
Cash and cash equivalents	[23]	73,355,404	70,013,172
Total current assets		223,261,688	165,158,731
TOTAL ASSETS		335,160,771	293,881,073
EQUITY AND DEBTS			
Share capital		63,417,672	63,417,672
Issue premiums		31,934,768	31,934,768
Other equity items		(28,669,257)	(16,150,032)
Reserves		2,104,581	1,355,734
Retained earnings		1,581,052	(7,714,326)
Capital related to the parent company	[24]	70,368,816	72,843,816
Non-controlling interests	[25]	6,826,502	8,449,099
Total equity and reserves		77,195,318	81,292,914
Long-term debts			
Bonds	[26]	30,718,474	24,340,699
Bank loans	[27]	12,525,113	18,976,363
Leasing liabilities	[28]	17,479,202	19,184,756
Long-term debts for acquisition of subsidiary	[29]	-	5,000,000
Total non-current-term liabilities		60,722,790	67,501,819
Current debts			
Bonds	[26]	167,365	47,458
Bank loans	[27]	15,974,109	8,542,343
Leasing liabilities	[28]	6,422,410	6,419,839
Dividends payable		544,411	3,265,428
Income tax liabilities	[14]	794,758	622,641
Contract liability	[29]	19,038,100	7,878,495
Trade liabilities	[29]	136,778,390	95,460,369
Other liabilities	[29]	16,258,583	21,418,563
Provisions	[29]	1,264,538	1,431,205
Total current debts		197,242,663	145,086,340
Total liabilities		257,965,453	212,588,160

TOTAL EQUITY AND DEBTS

335,160,771

293,881,073

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CONSOLIDATED STATEMENT OF CASH FLOW

		2024	2023
Net profit		9,118,826	823,662
Adjustments for:			
Depreciation expenses	[11]	10,735,511	9,047,336
Impairment	[9]	2,078,990	-
Expenses related to disposed assets		606,497	11,021
Benefits granted to SOP employees	[24]	1,043,509	1,073,576
Expected credit losses on receivables		(7,098)	285,407
Inventory write-downs		(111,516)	94,994
Provisions	[29]	(166,667)	(1,905,561)
Expenses related to M&A pre-acquisition costs	[9]	45,510	689,691
Interest expenses and other financial costs	[13]	6,767,026	6,687,620
Income tax	[14]	1,523,249	911,339
Interest income and other financial income	[13]	(461,056)	(547,343)
(Gain)/loss from investments at FVTPL	[13]	4,181,814	2,070,416
Gain from sale of discontinued operation		(10,673,256)	-
Share of loss on equity accounted investees	[20]	39,541	121,055
Operating profit before working capital change		24,720,880	18,112,282
Change in trade and other receivables		(58,621,756)	32,566,404
Change in inventory		(618,988)	38,968,927
Change in trade and other payables		58,434,304	(25,195,382)
Cash generated from operation		23,985,756	64,452,230
Profit tax paid		(1,986,721)	(921,760)
Net cash from operating activities		21,999,035	60,766,313
Investment activities:			
Payments for acquisition of subsidiaries/businesses, less cash acquired	[17]	-	(28,298,984)
Payments for the purchase of participation interests	[17]	-	(841,345)
Proceeds from the sale subsidiary, less cash sold	[17]	13,862,761	-
Loans granted to related entities	[30]	150,000	(600,000)
Acquisitions of tangible and intangible assets		(2,017,582)	(1,710,863)
Other investments in financial instruments		-	(119,071)
Proceeds from other financial investments	[20]	1,467,912	413,635
Dividends received		78,225	68,661
Interest received		480,528	509,905
Net cash from investment activities		14,021,844	(30,578,062)
Financing activities:			
Purchase of non-controlling interests		(24,485,735)	-
Proceeds from share issue	[24]	-	31,260,944
Sales of treasury shares	[24]	2,857,998	4,550,607
Repurchases of treasury shares	[24]	(766,058)	-
Drawdown of bank loans	[27]	10,971,851	10,000,000
Repayments of bank loans	[27]	(9,991,335)	(24,868,831)
Proceeds from bond issue	[26]	6,268,326	14,636,689
Repayments of bond issues	[26]	-	(24,403,700)
Interest on leasing liabilities	[28]	(1,321,496)	(1,367,887)
Payments of leasing liabilities	[28]	(6,997,252)	(5,698,944)
Interest paid		(5,253,859)	(5,968,724)
Dividends paid		(3,889,770)	(615,600)
Net cash from financing activities		(32,607,330)	(2,475,445)
Net increase in cash and cash equivalents		3,342,233	27,712,806

CONSOLIDATED FINANCIAL STATEMENTS for the financial year 2024

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Cash and cash equivalents at the beginning of the financial year	70,013,171	42,300,365
Cash and cash equivalents at the end of the financial year	73,355,404	70,013,171

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Issue premiums	Other equity items	Legal reserves	Retained earnings	Total attributable to owners of the Company	Non-controlling interests	Total equity
31 Dec 2022	52,848,060	9,738,583	(11,390,433)	1,324,823	1,149,789	53,670,822	3,823,943	57,494,765
Net profit/ (loss)	-	-	-	-	(6,285,048)	(6,285,048)	7,108,710	823,662
Other elements of the global result	-	-	-	-	-	-	-	-
Total Global result	-	-	-	-	(6,285,048)	(6,285,048)	7,108,710	823,662
Share capital increase of parent	10,569,612	22,196,185	(64,411)	-	-	32,701,386	-	32,701,386
Share capital increases subsidiaries	-	-	-	-	-	-	2,037,402	2,037,402
Benefits granted to SOP employees [24]	-	-	1,073,576	-	-	1,073,576	-	1,073,576
Repurchases of treasury shares [24]	-	-	-	-	-	-	-	-
Sales of treasury shares [24]	-	-	4,550,607	-	-	4,550,607	-	4,550,607
Acquisition of minority interest [17]	-	-	(10,319,371)	-	-	(10,319,371)	-	(10,319,371)
Non-controlling interests	-	-	-	-	(385,082)	(385,082)	(2,431,342)	(2,816,424)
Dividend distribution	-	-	-	-	(2,163,073)	(2,163,073)	(2,089,614)	(4,252,686)
Distribution of the legal reserve	-	-	-	30,911	(30,911)	-	-	-
31 Dec 2023	63,417,672	31,934,768	(16,150,032)	1,355,734	(7,714,326)	72,843,816	8,449,099	81,292,914
Net profit/ (loss)	-	-	-	-	5,333,846	5,333,846	3,784,979	9,118,826
Other elements of the global result	-	-	-	-	-	-	-	-
Total Global result	-	-	-	-	5,333,846	5,333,846	3,784,979	9,118,826
Share capital increase of parent	-	-	-	-	-	-	-	-
Share capital increases subsidiaries [25]	-	-	-	-	-	-	6,571,537	6,571,537
Benefits granted to SOP [24]	-	-	1,043,509	-	-	1,043,509	-	1,043,509

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employees									
Repurchases of treasury shares	[24]	-	-	(766,058)	-	-	(766,058)	-	(766,058)
Sales of treasury shares	[24]	-	-	2,857,998	-	-	2,857,998	-	2,857,998
Acquisition of minority interest	[17]	-	-	(15,654,674)	-	-	(15,654,674)	-	(15,654,674)
Non-controlling interests		-	-	-	-	4,710,380	4,710,380	(10,810,359)	(6,099,979)
Dividend distribution		-	-	-	-	-	-	(1,168,753)	(1,168,753)
Distribution of the legal reserve		-	-	-	748,847	(748,847)	-	-	-
31 Dec 2024		63,417,672	31,934,768	(28,669,257)	2,104,581	1,581,052	70,368,816	6,826,502	77,195,318

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NOTE 1. GENERAL INFORMATION

Group structure and operational activities

The financial statements include the consolidated financial information of the parent company Bittnet Systems S.A. (the "Issuer"), headquartered in Bucharest, 44 Sergent Ion Nuțu street, ONE COTROCENI PARK, Building A & B, 4th floor, 5th District, Bucharest and the following subsidiaries, all of which are registered in Romania (together 'the Group'):

	31 Dec 2024	31 Dec 2023
SUBSIDIARIES - % ownership		
Dendrio Solutions	96.5%	88.001%
Dendrio Innovations (formerly Dataware Consulting),	96.5%	88.001%
Dendrio Technology (formerly Top Tech),	96.5%	75.69%
zNet Computer, (*)	-	88.001%
IT Prepared	50.2%	50.2%
Equatorial Gaming	100%	98.99%
Equatorial Training, (**)	-	98.99%
Computer Learning Center (**)	-	100%
Fort SA (formerly Global Resolution Experts) (***)	-	58.87%
GRX Advisory (***)	-	58.87%
ISEC Associates (***)	-	58.87%
Eliau Solutions	61.69%	51.02%
Kepler Management Systems	61.69%	62.87%
Nenos Software	60.97%	60.97%
Nonlinear	60%	60%
(*) zNet Computer has been absorbed into Top Tech as of 31.12.2024		
(**) Equatorial Training and Computer Learning Center have been absorbed into Equatorial Gaming as of 30.12.2024		
(***) The Group has sold its entire participation in Fort SA (Fort SA and subsidiaries GRX Advisory and ISEC Associates) during December 2024		

ASSOCIATES

E-Learning Company	23%	23%
--------------------	-----	-----

As at 31.12.2024, the Group has over 297 employees working for one of the 10 companies included in the Group.

During FY2024, the average number of employees of the Group was 297. The following table shows the division by functional departments at the end of the fiscal years 2023-2024:

Dep.	31 dec 2024	31 dec 2023
Delivery	178	217
Sales	55	64

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Administrative	64	76
TOTAL	297	357

The consolidated financial statements include the results of the business combination by the acquisition method. In the statement of financial position, the assets, liabilities and contingent liabilities of the purchasing entity are initially recognized at their fair values at the acquisition date. The results of the acquired operations are included in the consolidated statement of comprehensive income from the date of obtaining control (Dataware Consulting - May 2023, Kepler Management Systems - November 2023).

Bittnet Systems S.A.

Bittnet was established in 2007 and 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.

The process of continuous evolution of the group, both through the launch of new products and services and through continuous acquisitions, has led to the current dimension where the activity is organised in more independent centres ("cells"), in areas of interest - "development pillars" or "business units" (Training, Cloud & Infrastructure, Cybersecurity and Business applications & Software development), which represent sub-areas of activity in the IT&C Services area. Bittnet is today a conglomerate offering investors exposure to the entire IT&C industry in Romania.

Bittnet shares (BNET symbol) are listed on the BVB Regulated Market and are part of the main BVB indices.

a) Education Division

This division contains 2 companies (**Bittnet Systems** and **Equatorial Gaming** (which absorbed Equatorial Training and Computer Learning Center as of December 2024), accompanied by a minority shareholding in **The E-Learning Company**), offering training to adults in two areas: Technical Skills and Human Skills in both traditional, face-to-face, Virtual Remote and instructor-led or eLearning formats. The trainings provided allow experts access to technology by teaching IT skills, starting from basic skills (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.

Equatorial Gaming

Equatorial, a *game-based learning* company, specializes in providing transformational training and consulting programs at the individual, team and organizational levels in Romania and abroad. In 2015, the company invented and launched Equatorial Marathon, an Alternate Virtual Reality Game for corporations, which increases involvement and stimulates employee behaviour change. In 2018 Equatorial launched a new product: VRRunners, a mobile platform evolution of the Marathon app. In 2019, Equatorial launched 2 new games: White Hat and Bona Fides Agency.

In December 2024, Equatorial Gaming absorbed Computer Learning Center, purchased by the Group in August 2021 and focused on delivering trainings in cybersecurity area.

The E-Learning Company S.A. (equity accounted associate)

The E-Learning Company has a portfolio of solutions and various products structured in several directions covering areas such as personal and professional development, communication, sales and negotiation, marketing, human resources, project management, Microsoft Office, finance, English, etc.

Bittnet had been allocated a position in the Board of Directors of E-Learning Company.

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Bittnet Systems and E-Learning Company also signed a loan agreement, the balance of which as at 31.12.2024 amounted to RON 450,000.

b) Cloud & Infrastructure Division (Digital Infrastructure)

This division contains 4 companies (**Dendrio Solutions**, **Dendrio Innovations** (former Dataware Consulting), **Dendrio Technology** (former Top Tech, which absorbed 2Net Computer as of December 2024) and **IT Prepared**) offering complex IT solutions to customers in the corporate, large corporate, enterprise and public sector segments throughout the country but also abroad (mainly CEE and USA).

The solutions offered start from 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 centre/hybrid or cloud, enterprise networking, cyber security platforms and the implementation of related software platforms, including collaboration platforms (modern workplace).

The services provided are both project-based and managed services, with managed services being delivered mainly to clients in mature markets, Europe and the United States.

Dendrio Solutions

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.

Dendrio Technology (former Top Tech)

Dendrio Technology 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 offices in Deva, Sibiu, Timisoara, Cluj-Napoca, Alba-Iulia and Medias.

2Net Computer

2NET Computer SRL is a Romanian company with over 20 years of experience in providing IT&C products and services, mainly in the Brasov area and the centre of the country for local and international clients present in Brasov, Harghita and Covasna counties. 2Net Computer provides products and technology solutions from the main international vendors, proving expertise in the following fields: design and implementation of technical security systems; technology solutions & services for setting up equipment, servers, storage, networking, software, virtualization, hardware & software security; the sale of hardware components/PC/printers, copiers & multifunctional/scanners.

In December 2024, 2Net Computer was absorbed by Dendrio Technology.

Dendrio Innovations (former Dataware Consulting)

Dataware Consulting 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.

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Dataware Consulting has been consolidated in the financial statements starting from June 2023.

IT Prepared (rebranded: Optimizor)

IT Prepared SRL is an IT managed services company established in 2016, providing IT support and managed services for IT infrastructures primarily to Romanian clients.

c) Cybersecurity Division

This division contained 3 companies (**Fort S.A. - formerly Global Resolutin Experts, GRX-Advisory and ISEC Associates**) that provide cyber security services to corporate, large corporate, enterprise and public sector clients from all over the country.

ISEC Associates

ISEC Associates is a company specializing in comprehensive security audit, consultancy and testing services. ISEC helps companies identify, assess, secure and manage information security. By acquiring ISEC, Bittnet has developed its position in the cyber security market.

Fort (formerly Global Resolution Experts) & GRX Advisory (GRX-A)

Fort (formerly Global Resolution Experts S.A.) is a professional services company in the cybersecurity area, providing penetration testing, but also design, implementation and maintenance of solutions of cybersecurity. Fort fully owns GRX Advisory SRL, with similar services.

The services provided by Fort are similar to those provided 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 for IT management systems and information 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, IT infrastructure technical solutions regarding the integration of financial IT systems in the Public Cloud; Architecture design services 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).

All 3 companies that constituted the Group's Cybersecurity division were deconsolidated at balance sheet level on 31.12.2024, following the full sale of the Group's shareholding to Agista Investments and Impetum Investments funds.

d) Business applications & Software development division

Currently, this division contains 4 companies: **Eliau Solutions, Kepler Management Systems, Nenos Software & Nonlinear.**

Eliu Solutions

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

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Kepler Management Systems

In November 2023, the Group informed investors and the market about the signing of the share purchase agreement for the acquisition of Kepler Management Systems. Kepler Management is a company similar in profile and business to Elian Solutions, being one of the main Microsoft partners in Romania for the implementation and support of the Microsoft Dynamics 365 Business Central ERP (enterprise resource planning) solution.

Kepler Management has been consolidated in the financial statements starting with November 2023.

Nenos Software & Nonlinear

Nenos Software is a custom software development company with a focus on Artificial Intelligence and Machine Learning (AI/ML). Nonlinear SRL is an SPV established to access European financing; the activity is one of product-based software development, focused on the development of a platform for digitalization and automation of processes within small and medium-sized companies using low code/no code and machine learning technologies.

The Group's Management

Given the current size of the Group, the General Meeting of 20 April 2023 approved the extension of the Board of Directors from 3 to 5 members. The composition of the Board is according to the election results was as follows:

- 1) **Ivylon Management SRL** – Executive Director, by **Mihai Alexandru Constantin Logofătu**. On 31.12.2023, Mihai Logofătu held 55,651,882 shares, which represents 8.77% of the share capital. Mihai Logofatu is the co-founder of Bittnet Systems.
- 2) **Cristian Ion Logofătu** – non-executive administrator. On 31.12.2023, Cristian Logofătu held 53,592,812 shares, which represents 8.45% of the share capital. Cristian Logofatu is the co-founder of Bittnet Systems.
- 3) **Anghel Lucian Claudiu** – non-executive director, who holds 5,468,395 shares of the Issuer on 31.12.2023, i.e. 0.86% of the share capital.
- 4) **Rudolf Paul Vizental** – non-executive director, does not hold as at 31.12.2023 shares of the Issuer.
- 5) **Dynamic Data Drawings SRL** – non-executive director, through Anca Mănițiu. Anca Mănițiu holds on 31.12.2023 a number of 763,237 shares of the Issuer, representing 0.12% of the share capital.

Given the approaching expiration of the Board of Directors' mandates, at the end of January 2024 Bittnet Systems convened the General Meeting of Shareholders for January 25th, 2024 to elect a new Board. Following the casting of votes, the shareholders elected the new Board of Directors for a 4-year mandate, which has the following composition:

- 1) **Ivylon Management SRL** – executive director, through **Mihai Alexandru Constantin Logofătu**. On 31.03.2024, Mihai Logofătu held a number of 55,651,882 shares, which represented 8.77% of the share capital. Mihai Logofătu is a co-founder of Bittnet Systems.
- 2) **Anghel Lucian Claudiu** – non-executive director, who held a number of 5,468,395 shares of the Issuer on 31.03.2024, i.e. a percentage of 0.86% of the share capital.
- 3) **Eccleston Square Capital Limited** represented by **CIUCU BOGDAN-ANDREI** – non-executive director. At the date of his election as a member of the Board of Directors, Mr. Ciucu or the company Ecclestone did not hold shares of Bittnet Systems.
- 4) **CONSTANTINESCU GABRIEL-CLAUDIU** – non-executive director. At the date of his election as a member of the Board of Directors, Mr. Constantinescu did not hold shares of Bittnet Systems.

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- 5) **Quercus Solutions SRL** represented by **MICHEȘ PAUL** – non-executive director. At the date of his election as a member of the Board of Directors, Mr. Micheș or the company Quercus Solutions did not hold shares of Bittnet Systems.

The operational management of Bittnet Systems is provided by: **Mihai Logofătu** – CEO and co-founder and **Adrian Stănescu** – CFO, together with **Cristian Herghelegiu** – VP Technology and **Cristina Ratiu** – CEO Education. The 4 persons are identified as key management from the IFRS perspective.

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NOTE 2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

a) Declaration of conformity

The Group's financial statements were prepared in accordance with International Financial Reporting Standards adopted by the European Union ("EU IFRS"), and in accordance with OMFP 2844/2016, as amended and supplemented, "for the approval of accounting regulations in accordance with International Financial Reporting Standards".

The consolidated financial statements were prepared on the basis of the historical cost convention, except for financial assets carried at fair value through profit or loss (FVTPL) and on going concern basis. The consolidated financial statements are presented in RON, which is also the functional currency of the Parent.

The main accounting policies adopted in the preparation of the consolidated financial statements are set out at Note 30 "Significant accounting policies".

b) Going concern

The year 2024 was characterized by a slower traction, a prolonged period of project implementation and a greater requirement for the customization of delivered solutions. It was a year in which the IT industry felt cost-cutting strongly, and customers kept their budgets tight in the first part of the year, were more carefully in purchases and investing more cautiously.

The Group has at 31 December 2024 net current assets of lei 26,019 thousand lei (20,073 thousand lei at 31 December 2023) and sufficient cash and cash equivalents of 70,355 thousand lei (70,013 thousand lei at 31 December 2023), while recording positive operating cash flows in both years. The group closely monitors liquidity indicators - conversion of receivables into cash, transactions with customers and suppliers, etc.

Based on analysis of future cash flows at segment level (Note 16), and analysis of outstanding obligations, as well as on the current year results, management considers that the going concern principle is properly applied in the preparation of these consolidated financial statements at 31 December 2024.

c) New standards and interpretations not yet adopted

A number of new and amended accounting standards are effective for annual reporting periods beginning after 1 January 2024 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following major changes in requirements:

A more structured statement of profit or loss

IFRS 18 introduces newly defined 'operating profit' and 'profit or loss before financing and income tax' subtotals and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities: operating, investing and financing.

Under IFRS 18, companies are no longer permitted to disclose operating expenses only in the notes. A company presents operating expenses in a way that provides the 'most useful structured summary' of its expenses by either nature, function; or using a mixed presentation.

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If any operating expenses are presented by function, then new disclosures apply.

Companies are discouraged from labelling items as 'other' and are required to disclose more information if they continue to do so.

MPMs – Disclosed and subject to audit

IFRS 18 also requires some 'non-GAAP' measures to be reported in the financial statements. It introduces a narrow definition for Management Performance Measures ("MPMs"), requiring them to be:

- a subtotal of income and expenses;
- used in public communications outside the financial statements; and
- reflective of management's view of financial performance.

For each MPM presented, companies need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.

Other changes applicable to the primary financial statements

IFRS 18 sets operating profit as a starting point for the indirect method of presenting cash flows from operating activities and eliminates the option for classifying interest and dividend cash flows as operating activities in the cash flow statement (this differs for companies with specified main business activities). It also requires goodwill to be presented as a new line item on the face of the balance sheet.

The Group plans to apply the new standard from 1 January 2027. The Group expects that the new standard, when initially applied, will have a material impact on its financial statements. The Group is still in the process of assessing the potential impact of the new standard on its financial statements, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

d) Other standards

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- Lack of Exchangeability (Amendments to IAS 21)
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards – Volume 11
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Group anticipates that the adoption of these new standards and amendments to the existing standards will not have a significant impact on the consolidated financial statements of the Group during the initial application period.

NOTE 3. ESSENTIAL ESTIMATES AND KEY MANAGEMENT JUDGEMENTS

The Group performs certain estimates and assumptions about the future. Estimates and judgements shall be assessed on an ongoing basis, considering the historical experience and other factors, including expectations of future events that are considered reasonable in those circumstances. In the future, the real experience may differ from these estimates and assumptions. Estimates and assumptions that present a significant risk of generating a material adjustment to the carrying amounts of assets and liabilities in the next financial year are discussed below.

Key management judgements

- Revenue recognition (Note 7) – principal/agent relationship with respect to resale of software licenses;
- Bittnet brand recognition (Note 17);
- Recognition of the employee/collaborator loyalty program by offering actions - "SOP" (Note 23)

Estimates and assumptions

- Evaluation of the consideration related to the employee/collaborator loyalty program by offering actions – "SOP" (Note 23)
- Adjustments assessment of the receivables impairment (Note 21)
- Assumptions related to testing impairment for goodwill (Note 15)

Except for the valuation of financial assets held for sale and future value of trade receivables, the Group does not have any assets and liabilities included in the financial statements that require measurement and/or disclosure of fair value.

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NOTE 4. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Group shall be exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Currency risk
- Other market price risks and
- Liquidity risk.

Along with all other businesses, the Group is exposed to risks arising from the use of its financial instruments. This note describes the objectives, policies and processes of the Risk Management Group and the methods used to assess them. Additional quantitative information on these risks is presented below, in these financial statements.

There haven't been any substantial changes over the reported periods in terms of the Group's exposure to the risks of its financial instruments, objectives, policies and risk management processes or the methods used to assess them in previous periods, unless otherwise specified in this note.

(i) Main financial instruments

The main financial instruments used by the Group, resulting in the risk of the financial instrument, are the following:

- Receivables and loans;
- Cash and cash equivalents;
- Variable rate bank loans;
- Bank loans and fixed-rate bonds;
- Business debts and other liabilities.

(ii) Financial instruments by category

FINANCIAL LIABILITIES	31 Dec 2024	31 Dec 2023
Bond issue loans	30,885,839	24,388,157
Leasing liabilities	23,901,612	25,604,595
Bank loans	28,499,222	27,518,706
Trade liabilities and other liabilities	146,534,797	118,165,602
Total	229,821,470	195,677,060
 FINANCIAL ASSETS	 31 Dec 2024	 31 Dec 2023
Receivables and loans receivables	121,311,921	72,383,557
Investments at FVTPL	5,710,669	11,356,744
Cash and cash equivalents	73,355,404	70,013,171
Total	200,377,995	153,753,472

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(iii) Financial instruments not measured at fair value

Financial instruments that are not measured at fair value include cash and cash equivalents, receivables and loans, trade and other liabilities, bank loans and bonds.

Due to the short-term nature, the net asset value of cash and cash equivalents, trade and other receivables as well as trade and other liabilities, including loans (which have a variable interest rate linked to Romanian Banks loan index), is close to their fair value.

General objectives, policies and processes

The Board of Directors has overall responsibility for determining the Group's risk management objectives and policies and, while retaining accountability for them, has delegated authority for the design and operation of the processes that ensure effective implementation of the objectives and policies to the Group's finance function. The Council receives monthly reports from the Group CFO examining the effectiveness of the processes implemented and the adequacy of the objectives and policies it sets.

The overall objective of the Board is to establish policies that seek to reduce risks as far as possible without unduly affecting the Group's competitiveness and flexibility. More details on these policies are given below:

Credit risk

Credit risk represents the risk that the Group's debtors may not fulfil their obligations at the due date, due to the deterioration of their financial situation. The group 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 particular financial situation.

The Group analyses the new customers using specialized tools (sites with specific customer creditworthiness analysis) and has a strict procedure for documenting orders and providing services or delivering goods.

However, the Group 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.

Additional relevant information on trade and other receivables, which are neither due or impaired, is provided at Note 21.

Cash in bank deposits and short-term deposits

The Group regularly monitors banks' credit ratings and at the reporting date no losses from counterparties' non-performance are expected. For all financial assets for which impairment requirements have not been applied, the net asset value represents the maximum exposure to the credit loss.

Market risk

Market risk arises from the use by the Group of interest-bearing, tradable and foreign currency financial instruments. There is a risk that the fair value or the future cash flows of a financial instrument may fluctuate due to changes in the interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Interest rate risk

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The Group is exposed to the risk of rising interest rates, having contracted bank loans and from the issuance of bonds, in RON and EUR. Any increase in the interest rate will be reflected by the increase in financial costs. The Group regularly monitors the market situation to forecast the risk associated with the interest rate.

The amounts borrowed are a mix between fixed annual interest (bonds and leasing) and variable annual interest (bank loans). The weighted cost of borrowed capital is just under 9% per annum. We believe that the next financial period will be a period in which the fact that, for the most part, the price of the borrowed capital has been fixed will constitute a competitive advantage.

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Variable interest	28,499,222	27,518,706
Fixed interest	<u>54,787,451</u>	<u>49,992,753</u>
Total	<u>83,286,673</u>	<u>77,511,459</u>

On December 31, 2024, if interest rates related to loans in RON were 1 percentage point higher/lower, with all other variables held constant, gross profit for the year would be 284,922 lower/higher (31 December 2023: 275,187), mainly as a result of higher/lower interest expense on variable rate loans.

Currency risk

An important element of the market risk is the risk of exchange rate fluctuation. The group aims to be neutral against the fluctuation risk of the exchange rate. The activities carried out in this respect are:

- The Group avoids as much as possible the submission of "cross currency" sales offers (offers with the sale price expressed in other currency than the purchasing currency);
- Most of the sale prices from the contracts are expressed in a foreign currency and are invoiced in RON at the exchange rate on the delivery date, in order to avoid the risk of foreign currency fluctuation.

On 31 December, the Group's net exposure to foreign exchange risk was as follows (equivalent amounts in RON):

Net financial assets/(liabilities) in foreign currency	31 Dec 2024	31 Dec 2023
EUR	(36,249,986)	(25,440,626)
USD	<u>3,286,525</u>	<u>1,681,178</u>

On 31 December 2024, if the EUR/RON exchange rate had been 1 percentage point higher/lower, with all other variables held constant, gross profit for the year would have been 362,499 lower/higher (31 December 2023: 254,405), mainly due to the revaluation of net financial assets denominated in EUR.

Other market risk

The Group holds some equity investments in other listed entities. The management considers that the exposure to market risk in this activity is acceptable in the circumstances of the Group, but it is much higher than the risk associated with an investment in government securities or stakes in investment funds, mainly

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due to the volatility and unpredictable evolution of share prices, both on short term and on long term.

Liquidity risk

Liquidity risk stems from the Group's management of the working capital and financial expenses and main repayments of its debt instruments. There is a risk that the Group will encounter difficulties in meeting its financial obligations as they mature.

It is the Group's policy to ensure that it will always have sufficient cash to enable it to cover its debts at maturity. To achieve this objective, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days. The Group also seeks to reduce liquidity risk by fixing interest rates (and therefore cash flows) on part of its long-term loans, and this is mentioned in the „interest rate risk” section above.

The following table shows contractual maturities (representing contractual cash flows of financial liabilities):

31 December 2024	Carrying amount	Up to 2 months	2 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Bond issue loans	30,885,839	167,365	-	9,715,173	21,003,301	-
Leasing liabilities	23,901,612	1,055,931	5,578,632	5,700,642	11,450,385	116,022
Bank loans	28,499,222	650,930	15,323,180	3,561,270	8,193,511	770,332
Trade liabilities and other liabilities	146,534,797	146,534,797	-	-	-	-
Total	229,821,470	148,409,023	20,901,811	18,977,085	40,647,197	886,354

31 December 2023	Carrying amount	Up to 2 months	2 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Bond issue loans	24,388,157	47,458	-	-	24,340,699	-
Leasing liabilities	25,604,596	1,384,712	5,035,127	5,401,807	12,335,104	1,447,846
Bank loans	27,518,706	2,378,112	6,164,231	6,423,531	12,552,833	-
Trade liabilities and other liabilities	118,165,601	100,620,194	12,545,407	5,000,000	-	-
Total	195,677,060	104,430,476	23,744,765	16,825,338	49,228,636	1,447,846

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NOTE 5. EARNINGS PER SHARE

The group presents both the basic result per share and the diluted result per share:

- the basic earnings per share are calculated by dividing the net profit for the current year attributable to the Group's shareholders by the weighted average number of shares over the period;
- the diluted earnings per share shall be calculated on the basis of the net profit, adjusted by the dilutive effect of the employee's share options.

The earnings per share are adjusted retroactively at the beginning of the first period reported for the increase in the number of shares resulting from capitalization.

The calculation of the result per share for the financial years 2023-2024 is presented in the following table:

	<u>2024</u>	<u>2023</u>
Net profit attributable to parent company from continuing operations(A)	(5,755,486)	(8,556,194)
Net profit attributable to parent company from discontinued operations (B)		
Number of shares - beginning of period	634,176,714	528,480,595
Capitalization of premiums/retained earnings	-	-
Shares issued during the period in business combinations (Note 23)	-	9,677,419
Shares issued during the period against cash (Note 23)	-	96,018,700
Number of shares - end of period	<u>634,176,714</u>	<u>634,176,714</u>
Weighted average ordinary shares in the period (C)	<u>634,176,714</u>	<u>607,752,685</u>
Dilutive Effect Shares (SOP)	47,563,254	79,272,089
Total average (D)	<u>681,739,968</u>	<u>671,170,356</u>
Earnings per share from continuing operations		
basic (A/C)	(0.0091)	(0.0135)
diluted (A/D)	(0.0084)	(0.0128)
Earnings per share from discontinued operations		
Basic (B/C)	0.0174	0.0021
Diluted (B/D)	0.0162	0.0019

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NOTE 6. INFORMATION BY BUSINESS SEGMENT EXCLUDING DISCONTINUED OPERATIONS

Business segment reporting is carried out in a manner consistent with internal reporting to the main operational decision maker. The key operational decision maker, who is responsible for allocating resources and assessing business segment performance, has been identified as the Executive Management that makes strategic decisions.

Bittnet Group operates four key divisions: Education, Cloud & Infrastructure, Cybersecurity, Business application & Software development.

- **Education** - this division is made up of 2 companies (**Bittnet Systems** and **Equatorial Gaming**), offering training to adults in two areas: Technical Skills and Human Skills in both traditional, face-to-face, Virtual Remote and instructor-led or eLearning formats. The trainings provided allow experts access to technology by teaching IT skills, starting from basic skills (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.
- **Cloud & Infrastructure (Digital Infrastructure)** - This division is made up of 4 companies **Dendrio Solutions, Dendrio Innovations (former Dataware Consulting), Dendrio Technology (former Top Tech)** and **IT Prepared**) offering complex IT solutions to customers in the corporate, large corporate, enterprise and public sector segments throughout the country but also abroad (mainly CEE and USA).

The solutions offered start from 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 centre/hybrid or cloud, enterprise networking, cyber security platforms and the implementation of related software platforms, including collaboration platforms (modern workplace). The services provided are both project-based and managed services, with managed services being delivered mainly to clients in mature markets, Europe and the United States.

- **Cybersecurity** - this division is made up of 3 companies (**Fort S.A. - formerly Global Resolutin Experts, GRX-Advisory** and **ISEC Associates**) that provide cyber security services to corporate, large corporate, enterprise and public sector clients from all over the country. Cybersecurity segment was excluded from reportable segments due to sale of the division.

The Group sold the Cybersecurity division at the end of December 2024.

- **Business applications & Software development** - this division is made up of 4 companies: **Eliau Solutions, Kepler Management Systems, Nenos Software & Nonlinear**.

Eliau Solutions and Kepler Management Systems specialise in providing implementation services for Enterprise Resource Planning (ERP) solutions, Microsoft Dynamics NAV. Eliau is the only partner who holds a Gold Certificate for this solution from Microsoft in Romania. The solution implemented by Eliau allows companies to know the situation of stocks, receivables and debts, to be able to forecast, inter alia, cash flow, to track production, cost centres and much more.

Nenos Software is a custom software development company with a focus on Artificial Intelligence and Machine Learning (AI/ML). Nonlinear SRL is an SPV established to access European financing; the activity is one of product-based software development, focused on the development of a platform for digitalization and automation of processes within small and medium-sized companies using low code/no code and machine learning technologies.

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Gross margin is the main indicator that management monitors in assessing performance in each segment. Sales costs are also tracked by segment, while other general and administrative costs have not been allocated.

OPERATIONAL RESULTS

2024	Education	Cloud&Infra	Cybersecurity (Discontinued)	BA & Software	Total
Total revenue	11,098,692	388,091,662	-	29,230,406	428,420,760
Inter-segment revenue	(561,028)	(22,714,219)	-	(1,032,469)	(24,307,716)
Revenues from contracts with clients	10,537,664	365,377,443	-	28,197,937	404,113,044
Cost of sales	(5,107,320)	(305,196,693)	-	(19,698,648)	(330,002,661)
Gross margin	5,430,343	60,180,750	-	8,499,289	74,110,382
Allocated sales costs	(3,764,201)	(14,980,333)	-	(1,305,215)	(20,049,749)
Other income	86,076	2,180,246	-	95,999	2,362,321
Allocated operating expenses	(1,620,980)	(26,055,928)	-	(4,039,583)	(31,716,491)
EBITDA	131,239	21,324,735	-	3,250,491	24,706,465
Depreciation	(1,652,742)	(6,892,531)	-	(1,023,266)	(9,568,539)
Segment Operating profit	(1,521,503)	14,432,205	-	2,227,224	15,137,925
Other expenses					(1,089,019)
Impairment					(2,078,990)
Financial income	43	313,698	-	1,253	314,995
Financial expenses	(546,732)	(5,090,125)		(336,845)	(5,973,702)
Unallocated expenses					(7,165,063)
Profit before tax from continuing operations	(2,068,638)	9,655,778	-	1,891,632	(853,853)
Profit before tax from discontinued operations			979,776		979,776

2023	Education	Cloud&Infra	Cybersecurity (Discontinued)	BA & Software	Total
Total revenue	14,106,165	327,820,937	-	24,430,309	366,357,411
Inter-segment revenue	(494,072)	(4,666,726)	-	(2,107,426)	(7,268,223)
Revenues from contracts with clients	13,612,094	323,154,211	-	22,322,883	359,089,188
Cost of sales	(7,157,491)	(273,751,861)	-	(15,166,994)	(296,076,346)
Gross margin	6,454,603	49,402,350	-	7,155,889	63,012,842
Allocated sales costs	(4,712,228)	(11,343,858)	-	(1,188,173)	(17,244,260)
Other income	(815,935)	1,509,928	-	29,672	723,665
Allocated operating expenses	(4,397,589)	(17,812,620)	-	(3,417,052)	(25,627,261)
EBITDA	-3,471,150	21,755,801	-	2,580,336	20,864,987
Depreciation	(1,698,164)	(5,721,166)	-	(673,233)	(8,092,563)
Segment Operating profit	(5,169,314)	16,034,635	-	1,907,103	12,772,424

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Other expenses					(1,763,267)
Impairment					-
Financial income	91	306,803	-	7	306,901
Financial expenses	(767,005)	(5,340,032)	-	(220,510)	(6,368,179)
Unallocated expenses					(5,723,612)
Profit before tax from continuing operations					(775,732)
Profit before tax from discontinued operations			2,510,733		2,510,733

EBITDA per business segment was calculated as segment operating profit plus depreciation and amortisation.

Unallocated sales costs, other revenue, operating expenses and other expenses pertain to the activity of the listed company Bittnet Systems (e.g. marketing and investor relations expenses, legal and corporate governance expenses, M&A pre-acquisition costs) and cannot be allocated to any of the operating business segments.

ASSETS / LIABILITIES

2024	Education	Cloud&Infra	Cybersecurity	BA & Software	Total
Assets per segment	15,288,478	258,114,864	-	21,547,047	294,950,388
Unallocated assets	-				40,210,383
Total Assets					335,160,771
Liabilities per segment	11,342,577	208,519,792	-	7,217,246	227,079,614
Unallocated liabilities					30,885,839
Total liabilities					257,965,453

2023	Education	Cloud&Infra	Cybersecurity	BA & Software	Total
Assets per segment	17,156,272	212,954,510	-	25,690,283	255,801,065
Unallocated assets	-				16,144,291
Total Assets					271,945,356
Liabilities per segment	14,768,108	144,952,982	-	7,990,730	167,711,820
Unallocated liabilities					24,388,157
Total liabilities					192,099,977

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Main unallocated liabilities are bonds issued by Bittnet Systems on the regulated market in Romania.

Main unallocated assets are right of use assets and financial assets pertaining to Bittnet Systems.

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NOTE 7. REVENUES FROM CONTRACTS WITH CLIENTS

Revenues from contracts with customers for the financial years 2023-2024 are detailed in the following table:

	<u>2024</u>	<u>2023</u>
Training services	10,491,166	12,722,158
IT solutions integration services	78,655,474	72,990,075
Revenues from the provision of services	89,146,640	85,712,233
Merchandise sales IT solutions integration	236,264,751	232,668,514
Licenses	77,880,118	39,748,170
Licenses recognized on net basis (*)	821,535	960,271
Sale of goods	314,966,404	273,376,955
Total	404,113,044	359,089,188

* In 2024, the Group acted as Agent for total sales of software licenses worth 7,905,144 ron (2023: 7,236,139 ron) and, as such, recognized the revenues resulting from the resale of these software licenses on a "net" basis, i.e. the resulting gross margin worth 821,535 ron (2023: 960,271 ron) was recognized in full as revenue, with zero selling costs.

Timing of recognition method is detailed in the following table:

	<u>2024</u>	<u>2023</u>
Revenue recognized at point in time	399,056,249	358,563,192
Revenue recognized over time	5,056,795	525,996
Total	404,113,044	359,089,188

Revenue from geographical perspective

Services are predominantly rendered and goods delivered to entities in Romania.

Essential reasoning

The Group has analysed in the light of the provisions of IFRS 15 whether it acts in its own name („Principal”) in relation to the customers, namely whether it controls the promised goods and services before transferring the good or service to a customer.

Analysing the contracts for the sale of goods (hardware equipment and software licenses), Bittnet Group considers that in most cases it has the obligations in its own name and therefore acts as “Principal” and not as an intermediary (“Agent”). To reach this conclusion, the Group analysed the ordering and delivery processes of the equipment and licenses, the moment of transfer of rights by the supplier to the Group and from the Group to the customer, and the occurrence of the risks associated with the control.

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The Group sells the rights over the goods produced by the producers in combination with its own value-added services. These services are advisory and know-how services (often governed and certified by our partnership status with manufacturers), ensuring that the solutions sold to customers meet their specific requirements and needs. These services are an integral and essential part of our obligations to our clients, because these services do not provide separate value to clients and are not billed separately. The combination of qualified consulting services (pre-sales and post-sales) and the goods produced by the manufacturers is, in fact, what ensures the benefit to the customers, as a solution tailored to their specific needs (e.g. providing various upgrade options and maximum flexibility) and law compliant. Also, even after the conclusion of the contract, during the whole duration of the contract, the Group is the sole point of contact and the sole responsible to the customer for any problems (in which case the Group's team solves the deficiencies and/or liaises with the manufacturer to rectify the problems) or additional requirements (e.g. software upgrade).

Even if the IT equipment or software licenses sold by the Group are produced by other entities, the Group's promise to its customers is not to produce those goods, but to deliver them, and often also to perform additional activities such as installation, customization, combination, activation, configuration, optimization and maintenance during operation – these being key elements of the performance obligations undertaken towards customers. From the customer's perspective, the Group's promise represents a single performance obligation (i.e. the delivery of a customised and law compliant solution) and the Group undertook the performance risk for the entire solution, which attests to the Group's control over the products in the delivery flow. Regarding the delivery to the customer, this is performed by the Group – which takes actual possession of the goods (including the software activation keys) and transmits them to the final customer, along with the specific internal activation processes in the intended portals (processes performed by the Group team). Also, by means of the contracts concluded with manufacturers, the Group receives, according to its status as an authorized partner, the right to use the manufacturer's intellectual property, which is separate from the actual licenses sold to customers; as such, the Group controls the entire promise to the customer prior to delivery.

Although the Group does not normally incur inventory risk prior to receiving the order from the customer, from that moment on the Group takes over the inventory risk until the final transfer of control of the goods to the final customer. Even if by definition there is only one manufacturer for each type of equipment or software license sold to customers, the Group may decide to buy directly from the manufacturer, or from any other authorized supplier (distributor, importer, European, global wholesaler etc.). If, for any reason, the delivery to the customer is not completed, or is not successful (according to the obligations undertaken towards the customer), the Group will remain in possession of the goods without being able to return them to the supplier or sell them to another customer. Also, in certain situations the Group places advance orders with suppliers (i.e. before receiving the order from the customer) to secure volume discounts or to take advantage of favourable prices (thus voluntarily assuming the inventory risk) and subsequently transfers goods to customers as they confirm their purchase intentions.

In summary, the Group makes a promise to customers to deliver the goods, takes possession and control of the goods, and sets the selling prices through negotiation processes. The Group is free to set prices with customers; thus, the Group may grant additional discounts, or may request price increases to reflect currency risks, speed of delivery, risk of non-receipt from the customer, etc. In other words, to customers, the Group is the supplier of the goods, even if they are produced by manufacturers and/or delivered by distributors, and the Group is fully responsible for the proper delivery of agreed projects.

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In addition, the Group bears the full credit risk for the entire value of the goods (hardware and software) – orders once placed with suppliers (either directly with the manufacturer or with authorised intermediaries) are non-refundable. In assessing the decision to initiate and/or continue business relations with customers, the Group only analyses the ability and the intention/goodwill of customers to pay invoices in due time. The Group has full control over the sales strategy, decides what goods and services to provide, deliver and ultimately implement/configure.

Notwithstanding the above, and taking into account also those mentioned in the interpretation (“agenda decision”) provided by the IFRS Interpretation and Maintenance Committee (“IFRIC - IFRS Interpretation Committee”) in May 2022 regarding the resale of software licenses (“software resellers”), the Group analyses its commercial relationships with its customers in order to identify those cases where, during the year, only made occasional transactional deliveries of software licenses to a specific customer. The Group considers that such transactions represent resale of standard software licences, in the sense that in these cases the Group does not sell the rights associated with these software licences in combination with its own value-added services, but only intermediates their sale from manufacturers/distributors to end customers.

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NOTE 8. COST OF SALES

The sales costs for the financial years 2023-2024 are presented in the following table:

	<u>2024</u>	<u>2023</u>
Selling cost of IT goods and licenses	269,880,931	242,043,149
Other direct materials	425,940	330,171
Cloud services	3,280,954	5,347,206
Staff expenditure	25,195,600	19,607,793
Expenses with subcontractors	9,786,698	9,368,509
Services provided by third parties	21,432,539	19,379,518
Total	330,002,661	296,076,346

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NOTE 9. OTHER INCOME and OTHER EXPENDITURE

a) Other income

	2024	2023
Subsidies	704,286	669,856
Sale & lease-back IT equipment	-	-
Other	1,658,809	1,293,139
Total	2,363,095	1,962,994

Subsidies

The government grants are mainly represented by the European Funds project run by Fort (formerly Global Resolutions Experts), which has developed an innovative solution based on artificial intelligence. The value of the whole project was RON 7.34 million, of which the European funding represented RON 5.74 million. The project was completed in 2023. In 2023, Fort recognized income from operating subsidies in the amount of RON 2,981,956 related to covering the costs of the research phase of the project.

b) Other expenses

	2024	2023
Pre-acquisition costs for business combinations	45,510	689,691
'Equatorial Gaming' trademark impairment (<i>Note 17</i>)	650,000	-
Impairment of associate (<i>Note 19</i>)	1,428,990	-
Total	2,124,500	689,691

Following a review of the cost recognition principles in accordance with IFRS 3, "Business Combinations", pre-acquisition costs for business combinations (specialised M&A consulting, financial and legal due-diligence services, legal services, etc.) were fully recognised in the period in which the services were rendered.

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NOTE 10. SALES EXPENSES

The sales expenses for the financial years 2023-2024 are presented in the following table:

	<u>2024</u>	<u>2023</u>
Staff expenditure	12,541,160	8,354,786
Expenses with subcontractors	4,895,800	6,171,263
Commissions and fees	1,161,333	427,586
Advertisement	2,200,204	2,668,632
Total	<u>20,798,497</u>	<u>17,622,267</u>

Contract Costs – Practical Expedient

The Group applies the practical expedient in paragraph 94 of IFRS 15 and expenses incremental costs of obtaining a contract when the amortization period of the asset that would have been recognized is one year or less. These costs are recognized as an expense when incurred.

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NOTE 11. GENERAL AND ADMINISTRATIVE EXPENSES

The administrative expenses for the financial years 2023-2024 are detailed in the following table:

	2024	2023
Materials	1,525,592	1,709,993
Staff expenditure	12,182,231	11,703,619
Provisions for unused leave	(298,899)	410,692
Expenses with subcontractors	8,384,780	5,711,686
Depreciation and amortization	10,261,013	8,628,619
Headquarters rent	118,341	352,066
Rental of equipment and machines	234,518	209,973
Travel and transportation	733,243	682,596
Insurance	498,977	597,908
Post and telecommunications	360,628	386,933
Donations	137,894	546,132
Receivables adjustments	(7,098)	230,877
Inventory adjustments	(111,516)	94,994
Bank fees	493,217	374,448
Other third party services	6,171,550	7,030,766
Other expenditures	3,350,079	195,530
Total	44,034,551	38,866,832

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NOTE 12. CLASSIFICATION OF EXPENDITURE BY TYPE

The classification of total operational expenses, by nature, for the financial years 2023-2024 is detailed in the following table:

	<u>2024</u>	<u>2023</u>
Materials and goods	207,737,184	211,859,617
Licenses	64,095,279	31,893,525
Staff expenditure	49,918,991	39,666,198
Provisions for unused leave	(298,899)	410,692
Expenses with subcontractors	23,067,278	21,251,458
Amortization	10,261,013	8,628,619
Cloud services	3,280,954	5,347,206
Rentals	352,859	562,039
Commissions and fees	1,161,333	427,586
Advertisement	2,200,204	2,668,632
Travel and transportation	733,243	682,596
Insurance	498,977	597,908
Post and telecommunications	360,628	386,933
Donations	137,894	546,132
Receivables adjustments	(7,098)	230,877
Stock adjustments	(111,516)	94,994
Bank fees	493,217	374,448
Services provided by third parties	27,604,089	26,410,284
Other expenditures	3,350,079	525,703
Total operating expenses, excluding other expenses	<u>394,835,709</u>	<u>352,565,445</u>

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NOTE 13. INCOME AND FINANCIAL EXPENSES

Details of revenues and expenses for the financial years 2023-2024 are presented in the following table:

INCOME/FINANCIAL EXPENSES	2024	2023
	<hr/>	<hr/>
Interest income	461,056	547,343
Gain from sale of securities	(157,685)	97,282
Income/expenses from valuation of securities at FVTPL (note 20)	(4,024,130)	(2,167,698)
Bank interest	(2,569,509)	(2,829,974)
Factoring costs	-	(10,892)
Interest on issued bonds	(2,985,021)	(2,426,672)
Leasing interest	(1,321,496)	(1,300,102)
Net income/expenses exchange rate differences	266,543	(360,940)
Total	(10,330,242)	(8,451,723)
	<hr/>	<hr/>

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NOTE 14. INCOME TAX

Details regarding the income tax for the financial years 2023-2024 are presented in the following table:

	<u>2024</u>	<u>2023</u>
Current tax	1,815,029	3,139,839
Deferred tax (see below)	(291,780)	(2,524,447)
Income tax expense	<u>1,523,249</u>	<u>(615,392)</u>

	<u>2024</u>	<u>2023</u>
Profit before tax on continuing operations	(853,853)	(775,732)
Romanian corporate tax rate of 16% (2023: 16%)	(136,616)	(124,711)

Tax effect of non-deductible expenses when determining taxable profit:

Depreciation	6,440	-
Accruals	83,519	216,700
Protocol expenses	130,966	101,395
Other	5,838,521	1,122,815

Tax effect of non-taxable income in determining taxable profit:

Dividends income	-	-
Legal reserve	(181,408)	(4,946)
Reversal of accruals	(191,720)	(42,090)
Others	(3,725,299)	(1,354,596)
Sponsorship	(54,250)	(211,949)
Fiscal credits	(246,904)	(355,517)
Tax expense of the year	1,523,249	(652,315)
Micro income tax	-	36,923
Total tax expense	<u>1,523,249</u>	<u>(615,392)</u>

The Group has fiscal tax losses that arose in Romania that are available for 7 years for offsetting against future taxable fiscal profits of the companies in which the losses arose. The fiscal tax losses will expire in 2026-2030.

Deferred tax assets have been recognised in respect of these losses as they may be used to offset taxable profits elsewhere in the Group and there is evidence of recoverability in the near future (i.e 3-5 years).

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Details regarding the expiration date per years of the fiscal tax loss at 31.12.2024 are presented in the table below:

Total fiscal loss, out of which recoverable by:	Fiscal loss	Deferred tax asset (16%)
31 december 2026	356,444	57,031
31 december 2027	731,225	116,996
31 december 2029	5,411,873	865,900
31 december 2030	13,886,106	2,221,777
Total	20,385,648	3,261,704

Deferred tax

Payable and recoverable deferred taxes are valued at the effective 16% tax rate. Payable and recoverable deferred taxes as well as deferred tax expense/(income) recognized in the statement of comprehensive income are attributable to the fiscal loss, the recognition in the consolidated financial statements of the pre-acquisition costs of participation interests and leasing adjustments according to IFRS 16 provisions.

Details regarding the change in deferred tax assets during the years 2023-2024 are presented in the following table:

Deferred tax assets

related to:	Fiscal loss	M&A pre-acquisition costs	IFRS 16 RoU adjustments	Total
1 January 2023	865,818	329,323	76,683	1,271,824
Registered/(credited) to the account of profit and loss	2,221,777	221,348	81,322	2,524,447
31 december 2023	3,087,595	550,671	158,005	3,796,271
Registered/(credited) to the account of profit and loss	174,109	7,282	110,389	291,780
31 december 2024	3,261,704	557,953	268,394	4,088,051

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NOTE 15. DISCONTINUED OPERATIONS

At the end of December 2024, the Group sold its entire participation in Fort SA and its subsidiaries, GRX Advisory and ISEC Associates (see Note 17).

	<u>2024</u>	<u>2023</u>	The
Revenues from contracts with customers	14,497,445	16,442,991	
Cost of sales	(9,374,620)	(13,313,054)	
Gross profit	5,122,825	3,129,937	
Other income	92,832	3,206,771	
Sales related expenses	(914,800)	(810,266)	
General and administrative expenses	(3,299,823)	(2,868,088)	
Other expenses	-	-	
Financial income	47	70	
Financial expenses	(21,304)	(147,692)	
Profit before income tax	979,776	2,510,732	
Income tax	(157,105)	(295,947)	
Net Profit from operating activities	822,671	2,214,785	
Gain on sale of discontinued operation (see Note 17)	10,673,256	-	
Profit from discontinued operation, net of tax	11,495,927	2,214,785	

results of the discontinued operations in 2023 - 2024 are presented below:

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NOTE 16. GOODWILL

Details on goodwill are presented in the following table:

	31 Dec 2024	31 Dec 2023
		restated
Goodwill – EQUATORIAL GAMING	5,630,411	2,886,334
Goodwill – CLC (*)	-	2,756,124
Goodwill – DENDRIO	17,353,258	17,353,258
Goodwill – DATAWARE	16,513,103	16,961,891
Goodwill – TOP TECH	15,126,475	10,687,350
Goodwill – 2NET COMPUTER (**)	-	4,439,126
Goodwill – IT PREPARED	3,395,739	3,395,739
Goodwill – FORT & GRX- A (***)	-	8,781,392
Goodwill – ISEC ASSOCIATES (***)	-	1,901,660
Goodwill – ELIAN	348,385	348,385
Goodwill – KEPLER	4,894,344	4,879,536
Goodwill – NENOS & NONLINEAR	4,688,289	4,688,289
	67,950,00	79,079,08
Total	4	3

(*) Computer Learning Center has been absorbed into Equatorial Gaming as of 30.12.2024

(**) 2Net Computer has been absorbed into Top Tech as of 31.12.2024

(***) The Group has sold its entire participation in Fort and its subsidiaries (GRX Advisory and ISEC Associates) at the end of December 2024

Goodwill calculation

Goodwill related to the transactions carried out by the Group in 2023 was calculated as follows:

	Dataware Consulting (May 2023)	Kepler Management (November 2023)	Total
Intangible assets	206,484	231,079	437,563
Tangible fixed assets	4,350,827	4,498	4,355,325
Other financial assets	14,293	12,611	26,904
Inventory	40,512,783	-	40,512,783
Trade receivables and other receivables	49,186,750	1,007,730	50,194,480
Deferred tax assets	-	-	-
Cash and cash equivalents	1,812,679	889,258	2,701,937
Bank loans	(17,222,636)	-	(17,222,636)
Leasing liabilities	(472,720)	-	(472,720)
Trade liabilities and other liabilities	(73,660,503)	(1,347,130)	(75,007,633)
Profit Tax liabilities	(588,522)	-	(588,522)

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Total Net Assets	4,139,434	798,046	4,937,480
Participation acquired (%)	70%	100%	
Net assets acquired	2,897,604	798,046	3,695,650
Consideration paid	19,859,495	5,692,390	25,551,885
Goodwill (Investment – Net assets acquired) at 31.12.2023	16,961,891	4,894,344	21,856,235
PPA adjustments			
Tangible fixed assets	807,088		807,088
Prepayments	(165,962)		(165,962)
Adjusted Net assets acquired	3,346,392		3,346,392
Goodwill (Investment – Adjusted Net assets acquired) at 31.12.2024	16,513,103		16,513,103

For the acquisitions completed in 2024, the Group carried out a purchase price allocation (PPA) exercise with an independent evaluator during 2024. Following the PPA, the fair value of the tangible fixed assets of Dataware Consulting was positively adjusted with 807,088 lei, while the prepayment related to profit tax was negatively adjusted with (165,962) lei, leading to a total adjustment of 641,126 lei in the goodwill calculation for the Dataware transaction.

Goodwill recognition and Impairment testing for CGUs containing goodwill

Goodwill arises in a business combination and is the excess of the consideration transferred to acquire a business over the underlying fair value of the net identified assets acquired. Such goodwill is tested annually for impairment or whenever there are impairment indicators, and is carried at cost less accumulated impairment losses.

The company's management analysed the recoverable value of the CGUs/ reportable segments, based on the future cash flows projections.

Following a business combination, goodwill is allocated to a cash-generating unit or to a group of cash-generating units that are expected to benefit, among others, from the synergies of the business combination.

The Group's cash-generating units (CGU) are defined on the basis of the type of products they make and sell. For the purpose of impairment testing, the Group's cash-generating units are aggregated into an operating segment, which is the level reviewed by the Group CFO (i.e. chief financial decision maker).

Management has used the value in use approach to calculate the recoverable amount of the cash-generating unit. The aggregated recoverable amount of the operating segment is then compared to its aggregated carrying amount. An impairment loss is recognized if the aggregated carrying amount of the operating segment exceeds its aggregated recoverable amount. The value in use is determined based on future discounted cash flows using the weighted average cost of capital (WACC). The discount rate reflects the current assessment of the time value of money and the risks specific to the CGU.

The cash flow projections are generally based on a five-year financial planning period using business plans approved by management. The business plans include among others, management's current view on market growth, pricing and costs. In any event, the growth rate used to extrapolate cash flow projections

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beyond the planning period does not exceed the long-term average growth rate for the relevant market for the products and country in which the cash-generating unit operates.

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Sales volume	Sales volumes for the next 5 years were projected taking into account past data and expectations of demand for the next 5 years. Average growth rate for sales volume is of 10%.
Sales price	A sales prices were assumed to increase in line with inflation and industry specific growth rates; increases took into account management strategy and expectations for variations in price as a result of variation in CAGR for each segment. Average value increase in sales is of approximatively 1%.
Budgeted EBITDA margin	Based on past performance of each segment and expectation for improvement in operational costs as a result of synergies at Group level.
Other operating costs	Fixed costs of the CGUs, which do not vary significantly with sales volumes or prices. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost-saving measures. The amounts disclosed above are the average operating costs for the five-year forecast period.
Annual capital expenditure	Expected cash costs in the CGUs. This is based on the historical experience of management, and the replacement expenditure. No incremental revenue or cost savings are assumed in the value in use model as a result of this expenditure.
Weighted average cost of capital	This is the weighted average cost of capital used to extrapolate cash flows beyond the budget period. To calculate the discount rate, the Group used Weighted Average Cost of Capital ("WACC"), which reflects the optimal funding structure applied to the flows in the numerical order.
Pre-tax discount rates	Reflects the specific risks related to the relevant segments and to the country.
Long-term growth rate	Long term growth rate used in impairment testing is of 3% for all subsidiaries. The long term growth rate was determined by an independent evaluator as at 31 December 2024.

Education

The recoverable amount of Education of RON 14,946 thousand was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 14.58% and cash flows beyond the five-year period are extrapolated using a 3% growth rate. As a result of the analysis, there is headroom of RON 2,942 thousand and management did not identify an impairment for this CGU in 2024 or 2023.

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Cloud & Infrastructure (Digital Infrastructure)

The recoverable amount of Cloud & Infrastructure CGU of RON 208,869 thousand was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 14.58% and cash flows beyond the five-year period are extrapolated using a 3% growth rate. As a result of the analysis, there is headroom of RON 104,812 thousand and management did not identify an impairment for this CGU in 2024 or 2023.

Business applications & Software development

The recoverable amount of Business applications & software development CGU of RON 54,270 thousand was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 14.58% and cash flows beyond the five-year period are extrapolated using a 3% growth rate. As a result of the analysis, there is headroom of RON 20,750 thousand and management did not identify an impairment for this CGU in 2024 or 2023.

Operating segments (2024)	Carrying amount of goodwill and intangible with undetermined Useful life (thou RON)	Pre-tax WACC	Long-term growth rates	Adjusted EBITDA margins Terminal value
Education	5,630	14.58%	3%	21.5%
Cloud & Infrastructure	78,357	14.58%	3%	7.8%
Business applications & software development	9,931	14.58%	3%	23.1%

Operating segments (2023)	Carrying amount of goodwill and intangible with undetermined Useful life (thou RON)	Pre-tax WACC	Long-term growth rates	Adjusted EBITDA margins Terminal value
Education	5,642	13.78%	3%	21.2%

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Cloud & Infrastructure	63,157	13.78 %	3%	5.5%
Cybersecurity	10,683	13.78 %	3%	33.8%
Business applications & software development	9,916	13.78 %	3%	35.1%

A sensitivity analysis was performed on the discount rate, revenue growth rate and EBITDA variation for terminal value at the cash-generating units' level for goodwill impairment purposes.

Operating segments (2024)	Amount by which value in use exceeds carrying amount (thou RON)	Increase required In discount rate (%)	Decrease in terminal value revenues (%)	Terminal value EBITDA decrease (%)
Education	2,942	2.3%	(7.2%)	(17%)
Cloud & Infrastructure	104,812	9%	(22.7%)	(50%)
Business applications & software development	20,750	15%	(23.5%)	(75%)

Operating segments (2023)	Amount by which value in use exceeds carrying amount (RON)	Increase required In discount rate (%)	Decrease in terminal value revenues (%)	Terminal value EBITDA decrease (%)
Education	12,307	8.8%	(20.7%)	(40%)
Cloud & Infrastructure	42,340	4.4%	(11.4)	(46%)
Cybersecurity	32,228	24%	(52.3%)	(77.9%)
Business applications & software development	43,962	31.8%	(34.6%)	(50%)

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NOTE 17. BUSINESS COMBINATIONS

Transactions 2024

a) Education Division

Equatorial Gaming - change of legal form and shareholder structure in April 2024

At the end of April 2024, Bittnet decided (together with the founding shareholder of Equatorial Gaming who still owned 1% of the company at that time) to change the legal form of organization of Equatorial Gaming from a joint stock company (SA) to a limited liability company (SRL). The founding shareholder also agreed to transfer, at the nominal value, the minority holding it still had at that time in Equatorial Gaming to Bittnet Systems, namely the transfer of all 1,430 shares held, with a face value of 1 leu and a total value of 1,430 lei. Following the registration operation at the Trade Register, Equatorial Gaming SRL is 100% owned by Bittnet Systems SA.

Computer Learning Center (CLC) – share capital increase by converting receivables held by Bittnet Systems in June 2024

In June 2024, Bittnet Systems SA (as the unique shareholder) decided to increase the capital of CLC by the amount of 2,286,896 lei by converting some certain, liquid and due receivables resulting from: the intragroup loan in the amount of 1,780,000 lei according to the intragroup loan agreement and subsequent addendums, the interest related to this loan in the amount of 235,653 lei, as well as commercial debts of CLC to its sole shareholder resulting from current activity, in the amount of 271,243 lei.

Merger process of companies from the Education pillar, December 2024: Equatorial Gaming – Equatorial Training – Computer Learning Center

On August 20th, 2024, the merger project between the companies part of the Education pillar of the Group was submitted to the Trade Register, namely between Equatorial Gaming SRL (as the absorbing company) and Equatorial Training SRL and Computer Learning Center SRL (as the absorbed companies). The merger project was completed on 30th December 2024 and at the end of it the shares of the 2 absorbed companies were canceled, and the assets and liabilities were absorbed into Equatorial Gaming SRL. All ongoing contracts with partners, customers, suppliers and employees from Equatorial Training and Computer Learning Center were taken over by Equatorial Gaming SRL.

b) Cloud & Infrastructure division (Digital Infrastructure)

Consolidation of holdings within the pillar under Dendrio Solutions and capital increase operation – April 2024

As part of the restructuring and simplification strategy of Bittnet group, in April 2024 the Group management and Dendrio's minority shareholders decided to consolidate the holdings within the Digital Infrastructure pillar under the legal entity Dendrio Solutions. Thus, Agista Investments and Bittnet Systems, shareholders in both Dendrio Solutions and Top Tech, transferred their holdings in the company Top Tech to Dendrio Solutions. The price for the acquisition of 14% of Top Tech from Agista Investment was negotiated by the Group on an arm's length basis at 3,750,000 lei.

Bittnet Group purchased Dataware in May 2023, initially settling an amount of RON 19,859,495 lei for 70% of the shares, while the remaining 30% was acquired in December 2024 for a total price of EUR 3,000,000

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(5,000,000 lei paid in cash by Bittnet Systems in January 2024, 5,000,000 lei in Dendrio shares, and 5,000,000 lei paid in cash by Dendrio Solutions in February 2025).

As a result of these transactions, Dendrio Solutions individually and directly owns 100% of the shares of Top Tech and Dataware Consulting, considering the profiles of IT&C solutions and services integrators that the 3 companies have.

Following the transactions described above, the sellers (Agista Investments and Bittnet Systems) were allocated shares in Dendrio Solutions as part of a share capital increase through the conversion of the relevant receivables (debt to equity conversion at the level of Dendrio Solutions).

The total impact on Non-controlling interests resulted from the above-mentioned capital increase operation was an increase by RON 4,997,572 (see note 25).

Acquisition of minority stake in Dendrio Solutions (from Agista Investments) – December 2024

In December 2024, Bittnet Systems signed the closing certificates regarding the acquisition of 11.7765% stake in Dendrio Solutions from Agista Investments for the amount of 16,828,603 lei (paid in cash). In this regard, Bittnet acquired, in two tranches (on 20.12.2024 and 24.12.2024), a number of 90,014 shares in Dendrio Solutions, each with a face value of 10 lei and a total nominal value of 900,140 lei.

The transfer of shares was carried out after fulfilling some suspensive clauses specific to these types of transactions, including obtaining the approval from the Foreign Direct Investment Review Commission (CEISD – FDI) and was based on the consolidating strategy of holdings in the Digital Infrastructure pillar. Thus, with the exit of the investment fund from the Dendrio Solutions shareholder base, the shareholding structure in the company is as follows: Bittnet Systems – 96.501%, Constantin Savu and Cătălin Georgescu – 3.499%.

Rebranding October-November 2024

As part of the strategy to consolidate the holdings and businesses in the Digital Infrastructure pillar around Dendrio Solutions, and also to simplify the group structure, the Group decided to rebrand the companies Dataware Consulting and TopTech. Thus, at the end of October 2024, the company Dataware Consulting became Dendrio Innovations, and the company Top Tech became Dendrio Technology, changes also made at the Trade Register.

Merger project in the Digital Infrastructure pillar – December 2024: Dendrio Technology (formerly named Top Tech) – 2Net Computer

On August 12, 2024, the merger project was submitted to the Trade Register together with the rest of the supporting documents necessary for this operation. The merger between Dendrio Technology SRL (as the absorbing company) and 2Net Computer SRL (as the absorbed company) is in line with the Group's plans to simplify the structure and streamline the operations of the Digital Infrastructure pillar. The project was completed on December 31st, 2024, and at the end of it the shares of 2Net Computer were cancelled, the company's assets and liabilities being absorbed into Dendrio Technology (formerly Top Tech).

c) Cybersecurity Division

FORT SA: share capital increase and dividend distribution – August/September 2024

On July 2nd 2024, Fort shareholders voted in the first General Meeting organized as a public company, listed on the Bucharest Stock Exchange, AeRO-SMT market. In the General meeting, dividends related to 2023

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profits in the total amount of 1,008,836 lei (out of which lei 414,984 payable to NCI) were approved and a share capital increase through the allocation of free shares – through the capitalization of issue premiums – was also approved. In August 2024, the distribution of 0.99 lei/share was made and, in September 2024, the allocation of free shares was made, 10 free shares for 1 held on the registration date .

Sale of the Cybersecurity pillar – December 2024

In December 2024, Bittnet Systems (as the seller) and Agista Investmens, together with Impetum Investments fund (as the buyers), signed the closing certificates regarding the transaction of 6,598,350 Fort SA shares (58.8650% of the share capital and voting rights), representing Bittnet's entire holding in Fort SA, for the amount of RON 23,490,126 lei. This sale represented the first exit of a company which was part of Bittnet Group and this is part of the Group's publicly declared strategy to simplify the group's structure and create value for its shareholders, including through the sale of subsidiaries or business units.

The actual transfer of Bittnet Systems' ownership in Fort was carried out through the capital market mechanisms, at a price of 3.56 lei/share, and the trading orders were executed on the DEALS market of the Bucharest Stock Exchange (BVB) on 20.12.2024, 27.12.2024 and 30.12.2024. For the last tranche of the sale of Fort SA, Bittnet Sytems granted a loan to Impetum Investments, the counterparty in the transaction, in the amount of 5,150,000 lei, a loan granted for a period of 6 months and with an interest rate of 6% per year.

Proceeds from the sale of the subsidiary in the statement of cash flows are shown net of segment cash at the date of disposal and net of loan granted to related parties for segment disposal in the amount of 5,150,000 lei, thus reaching a total amount of 13,862,761.

All 3 companies that constituted the Group's Cybersecurity division were deconsolidated at balance sheet level on 31.12.2024, following the full sale of the Group's shareholding to Agista Investments and Impetum Investments funds.

Assets and liabilities sold pertaining to the Cybersecurity division, deconsolidated at 31.12.2024, are presented below:

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	Fort	GRX Advisory	ISEC Associates	Total
ASSETS				
Fixed assets				
Intangible assets	226,689	11,726	2,114	240,529
Tangible fixed assets	557,230	496,674	148,450	1,202,354
Investments accounted for using the equity method	2,851,000	-	-	2,851,000
Other financial assets	8,679	-	-	8,679
Deferred tax	6,483	3,240	560	10,283
Total fixed assets	3,650,081	511,639	151,124	4,312,845
Current assets				
Inventory	145,584	-	-	145,584
Prepayments	771,826	28,777	7,834	808,438
Trade receivables and other receivables	3,115,652	499,105	242,603	3,857,360
Financial assets at fair value	-	-	-	-
Cash and cash equivalents	3,140,049	1,097,889	168,952	4,406,889
Total current assets	7,173,111	1,625,770	419,389	9,218,271
TOTAL ASSETS	10,823,192	2,137,410	570,514	13,531,116
Long-term liabilities				
Bank loans	-	-	-	-
Leasing liabilities	362,105	358,248	112,891	833,245
Total long-term liabilities	362,105	358,248	112,891	833,245
Current liabilities				
Bank loans	-	-	-	-
Leasing liabilities	128,544	101,713	32,164	262,421
Dividends payable	-	533,802	-	533,802
Profit tax liabilities	-	57,682	(712)	56,970
Deferred income	750,609	-	3,955	754,564
Trade liabilities and other liabilities	2,181,020	360,678	80,200	2,621,897
Provisions	-	-	-	-
Total current liabilities	3,060,173	1,053,875	115,606	4,229,654
Total LIABILITIES	3,422,278	1,412,123	228,498	5,062,899
TOTAL NET ASSETS	7,400,914	725,287	342,016	8,468,217
Group's share of total net assets (58.87%)				(4,984,819)
NCI (41.13%) (note 25)				(3,483,398)

The gain on disposal of the Cybersecurity division was calculated as follows:

GAIN ON DISPOSAL OF CYBERSECURITY DIVISION

Consideration received	23,490,126
Goodwill derecognition, net of interdivision holdings	(7,832,052)
Net carrying amount of divisions assets and liabilities	(4,984,819)
Gain on disposal of Cybersecurity division	10,673,256

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d) Business applications & Software development division

Eliau Solutions - capital increase operation in May 2024

At the end of May 2024 Bittnet Systems transferred its 24.2% minority holding in Kepler Management Systems to Eliau Solutions for the total amount of 1,429,651 lei. The price for the intragrup transaction was based on the total acquisition cost for Kepler Management of 5,950,800 lei (i.e. consideration paid plus M&A preacquisition costs), by which the Group acquired 100% of Kepler Management from the original shareholders in November 2023. Following the registration of the new capital structure in the Trade Register, Kepler Management Systems is 100% owned by Eliau Solutions.

Also at the end of May, Bittnet Systems together with the other 2 shareholders of Eliau Solutions, decided to increase the share capital of Eliau Solutions with the value of the Bittnet Systems's receivable resulting from the transfer of the holding in Kepler Management to Eliau Solutions, as well as by converting into capital the intragroup loan in the amount of 3,100,000 lei granted by Bittnet Systems to Eliau Solutions in November 2023 for the acquisition of Kepler Management Systems.

Following these operations, the equity of Eliau Solutions was increased by 4,529,651 lei through the conversion of Bittnet Systems's receivables (a debt to equity conversion operation at the level of Eliau Solutions), and the share of Bittnet Systems' holding in Eliau Solutions increased from 51% to 61.69% after registering the capital increase at the Trade Register. The pre-capitalization value of Eliau Solutions and its wholly owned subsidiary Kepler Management was negotiated by the Group with the 2 minority shareholders of Eliau Solutions on an arm's length basis at 16.2 million lei, using a 6.5x EV/Net profit multiplier based on figures for FY 2023.

The total impact on Non-controlling interests resulted from the above-mentioned capital increase operation was an increase by RON 1,573,964 (see note 25).

Kepler Management – settlement of 2nd and 3rd installments in January / April 2024

In November 2023, the Group informed investors and the market about the signing of the share purchase agreement for the acquisition of Kepler Management Systems. The transaction price assumed a payment tranche in BNET shares in the equivalent 1,000,000 lei, shares which would have been allocated to former Kepler shareholders in a future capital increase. Through an addendum to the share purchase agreement, the parties agreed that this installment would be paid in cash and the corresponding payment was made during January 2024.

Additionally, the transfer price also included a variable component determined by Kepler's individual EBITDA value for 2023, an instalment that amounted to 1,560,215 RON that has been paid in April 2024, after the closing of Kepler's individual annual financial statements for 2023.

Transactions 2023

M&A transactions 2023

The Group has purchased two of its subsidiaries (Dataware Consulting and Kepler Management) in 2023 from third parties. The Group has decided to account for transactions in accordance with provisions of IFRS 3 – Business combinations accounting, according to which the acquirer is a separate entity in its own right

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and should not be confused with the economic group as a whole. The accounting policy has been applied consistently in both acquisitions.

Acquisition of Dataware Consulting ("Dataware") in May 2023

Dataware Consulting entered the Bittnet group as of June 2023 through the acquisition by the Group of a 70% stake of the shares (following the M&A transaction, Bittnet Systems owned 18.87% and Dendrio Solutions owned 51.13%). The total price of the transaction amounted to RON 19,859,495, out of which the equivalent of RON 5,000,000 was payable in BNET shares. Through an addendum to the share sale and purchase agreement, the parties agreed the cash payment of this instalment in June 2023.

In December 2023, the Group's Management decided to fully acquire the minority interests in Dataware Consulting from its founders, namely the remaining percentage of 30%. At year end, the ownership percentages in Dataware Consulting were: Dendrio Solutions – 71.13% and Bittnet Systems SA – 28.87% of the share capital and voting rights.

The purchase price was set at EUR 3,000,000, to be paid as follows: partially in cash by Bittnet Systems (5,000,000 lei, instalment paid in January 2024), partially in shares of Dendrio Solutions (5,000,000 lei, which have been allocated to the two founders of Dataware within an operation of share capital increase which was completed in May 2024) and partially in cash by Dendrio Solutions (EUR 1,000,000, an amount that was paid in RON at the exchange rate from the date of the bank transfer, during February 2025).

Acquisition of Kepler Management ("Kepler") in November 2023

In November 2023, the Group informed investors and the market about the signing of the share purchase agreement for the acquisition of Kepler Management Systems. The transaction price assumed a mix of cash and BNET shares (RON 3,132,175 in cash and RON 1,000,000 in Bittnet Systems shares - through an addendum to the share purchase agreement, the parties agreed to the cash payment of this instalment, the payment of which was made during January 2024). Additionally, the transfer price also included a variable component determined by Kepler's individual EBITDA value for 2023, an instalment that amounted to 1,560,215 RON that has been paid in April 2024.

Considering the above-mentioned, the total consideration paid for the acquisition of 100% of shares in Kepler Management was 5,692,390 lei (3,132,175 lei paid in 2023 and 2,560,215 lei paid in 2024).

Total payments for acquisitions of subsidiaries in 2023-2024 are presented below:

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Consideration paid		
Dataware Consulting	5,000,000	19,859,495
Kepler Management	2,560,215	3,132,175
Dendrio Solutions	16,878,579	-
IT Prepared	-	2,894,526
Nenos Software	-	2,425,000
Top Tech	-	2,000,000
Equatorial Gamng	1,430	-
Total consideration paid	24,440,224	30,311,196

M&A pre-acquisition costs

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Dataware Consulting	-	476,791
Kepler Management	45,510	212,900
Total pre-acquisition costs	45,510	689,691
Less cash acquired		(2,701,937)
Total payments for acquisitions of subsidiaries, less cash acquired	24,485,734	28,298,984

Acquisitions in 2023 - Assets and liabilities taken over

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Other transactions 2023

	Dataware Consulting	Kepler Managemen t	Total
ASSETS			
Fixed assets			
Intangible assets	206,484	231,079	437,563
Tangible fixed assets	4,350,827	4,498	4,335,325
Other financial assets	14,293	12,611	26,903
Total fixed assets	4,571,603	248,188	4,819,791
Current assets			
Inventory	40,512,783	-	40,512,783
Prepayments	974,277	-	974,277
Trade receivables and other receivables	48,212,473	1,007,730	49,220,203
Cash and cash equivalents	1,812,679	889,258	2,701,937
			93,409,20
Total current assets	91,512,212	1,896,988	0
TOTAL ASSETS	96,083,815	2,145,176	98,228,991
Long-term liabilities			
Bank loans	-	-	-
Leasing liabilities	-	-	-
Total long-term liabilities	-	-	-
Current liabilities			
Bank loans	17,222,636	-	17,222,636
Leasing liabilities	472,720	-	472,720
Profit tax liabilities	588,522	-	588,522
Deferred income	2,737,415	7,263	2,744,678
Trade liabilities and other liabilities	67,373,731	1,339,867	68,713,599
Provisions	3,549,357	-	3,549,357
Total current liabilities	91,944,381	1,347,130	93,291,512
Total LIABILITIES	91,944,381	1,347,130	93,291,512
TOTAL NET ASSETS	4,139,434	798,046	4,937,480

a) Education division

E-Learning Company – settlement of the 2nd payment installment in March 2023

The Group acquired 23% of the share capital of The E-Learning Company (ELC) in January 2021. The total value of the transaction was RON 2.5 million. The payment to the founders of the E-Learning Company was made in two stages (850,000 lei paid in cash in 2021 and 1,682,690 respectively - calculated following the closing of the financial statements as at 31.12.2021 - paid 50% in cash in April 2022 and the remaining 50% in cash in March 2023).

b) Cloud & Infrastructure division

Top Tech – settlement of the 2nd payment installment in March-April 2023

The total value of the transaction price for the acquisition of Top Tech was RON 12,874,306, of which RON 5,000,000 (2nd instalment) should have been settled in BNET shares in a future capital increase; the cash

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component, worth RON 7,874,306 (1st instalment), was paid in full in September 2022. In March 2023, the parties signed an additional document to the share sale and purchase agreement, by which they agreed that the amount of RON 2,000,000.11, related to 2nd instalment, should be paid in cash by payment order, while the amount of RON 2,999,999.89 would be converted into BNET shares in the capital increase carried out in the 1st quarter of 2023. The bank transfer was made in March 2023, and the allocation of BNET shares to the founder of Top Tech in April 2023.

IT Prepared – settlement of the 2nd and 3^d payment installments in March / June 2023

The transaction price amounted to USD 776,290 for 50.2% of the company's share capital and was paid in 3 instalments (USD 265,200 paid in cash in 2021, USD 368,290 paid in March 2023, and RON 1,078,768 - amount updated following the closing of IT Prepared's financial statements on 31.12.2022 - paid in cash in June 2023.

c) Cybersecurity division

ISEC capital increase – September 2023

In September 2023, the shareholders of ISEC Associates agreed to convert into capital the amount of RON 716,990, the registrations being also made with the Trade Register. The Group maintained its participation in ISEC Associates after this operation (69.99% of shares held by Bittnet Systems), with Mr. Andriescu Alexandru and Provision Software owning the remaining 30.01%.

Acquisition of ISEC by Fort – October 2023

Considering the new operational organization of the group in the 4 business segments, but also taking into account the fact that a listing on the AeRO market of BVB was aimed for the Cybersecurity pillar the management of the Group decided to organize all the companies that have the same activity, namely cybersecurity, under the the listed legal entity Fort. . Thus, ownership of ISEC Associates, was transferred from the direct control of Bittnet Systems (which owned 69.99% of the capital), to Fort. Additionally, the minority shareholders of ISEC Associates (which owned 30.01% of the capital) also sold their participation to Fort.

In this respect, the assignment contract of 26.10.2023 was signed between the former associates of ISEC Associates (Bittnet Systems, Mr. Andriescu Alexandru and Provision Software) as sellers and Fort as buyer. The agreement provided for the sale of 100% of shares of ISEC Associates to Fort for the amount of RON 2,850,000.

According to the share transfer agreement, the sellers agreed that in exchange for the transaction price, FORT shares will be allocated to them in a future operation to increase the share capital by converting the resulting receivables. Consequently, the transaction price did not involve the payment of any amount in cash by Fort for the full purchase of ISEC Associates.

Fort capital increase – November 2023

In November 2023, the share capital of FORT SA was increased by the amount of RON 8,550, from RON 90,000 up to RON 98,550, by allocating a number of 85,499 shares to the sellers of ISEC Associates (Bittnet Systems, Mr. Alexandru Andriescu and Provision Software). In addition to the subscribed and paid social capital, this operation also generated an increase in Fort's own capital, by recording the amount of RON 2,841,414 as share premiums.

Fort private placement – December 2023

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In December 2023, Bittnet Group informed the market about the successful completion of a private placement in order to increase the share capital through new cash contributions in FORT SA, an operation prior to the listing on the AeRO-SMT market. The placement was closed at the price of RON 50 per share. Thus, the share capital increased by the amount of RON 1,676,350, divided into RON 3,352.70 share capital and RON 1,672,997.30 share premiums. Following the placement, Bittnet Systems' ownership in Fort was 58.87%.

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NOTE 18. OTHER INTANGIBLE ASSETS

Intangible assets include mainly Bittnet Brand and software licenses.

	Brands	Licenses and other intangible assets	Total other intangible assets
Net value			
On 31 December 2022	6,440,355	2,636,646	9,077,001
Business combinations		437,563	437,563
Additions	-	1,268,780	1,268,780
Assignments/Transfer	-	(211,385)	(211,385)
Amortization	-	(918,405)	(918,405)
On 31 December 2023	6,440,355	3,213,198	9,653,553
Business combinations		(240,529)	(240,529)
Additions	-	1,659,840	1,659,840
Assignments/Transfer	-	(633,566)	(633,566)
Amortization	-	(1,127,377)	(1,127,377)
Impairment	(650,000)	-	(650,000)
On 31 December 2024	5,790,355	2,871,565	8,661,920

Key management judgements - Bittnet Brand (Recognition, Evaluation, Registration)

Bittnet brand

The Group controls the Bittnet Brand with a carrying value of RON 5.8 million, with the ability to obtain future economic benefits from the underlying resource and to restrict others' access to those benefits. The ability to control future economic benefits derives from legal rights the enforcement of which can be upheld in court - pursuant to the 8th Copyright Act.

Equatorial brand

After the successful merger between Equatorial Gaming (as absorbing entity) and Equatorial Training and Computer Learning Center (as absorbed entities) at the end of December 2024, the Group decided to rename Equatorial Gaming as 'Bittnet Training'. As such, Group management considers that it can no longer obtain future economic benefits from the Equatorial brand. Thus, the Equatorial brand has been fully impaired at 31.12.2024.

Key management judgements – indefinite lifetime

The Bittnet brand was acquired from third parties. It has been established that it has an indefinite useful life as there is no intention to abandon the brand name. The Group has the ability to maintain brand value for an indefinite period of time. Thus, the brand is not amortised but it is tested annually for impairment. As brands do not generate largely independent cash inflows, they are allocated to the Group's CGUs (Training) for goodwill impairment testing as part of the assets of the business.

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NOTE 19. TANGIBLE ASSETS

Tangible assets mainly include office space layouts and equipment necessary for operational activities. Movements within tangible assets are presented in the table below.

	Leased spaces and fittings	Technical installations and machinery	Other equipment and furniture	Total fixed assets
Cost				
On 31 December 2022	3,184,888	4,893,171	1,472,362	9,550,421
Business combinations	2,133,709	2,029,259	190,503	4,353,471
Additions	2,570,331	1,991,945	633,812	5,196,087
Disposal	(3,147,902)	(307,002)	(241,408)	(3,696,311)
On 31 December 2023	4,741,026	8,607,373	2,055,269	15,403,668
Business combinations	(153,654)	(233,125)	(313,552)	(700,331)
Additions	70,078	1,432,579	144,911	1,647,569
Disposal	(21,132)	(1,219,705)	(246,833)	(1,487,671)
On 31 December 2024	4,636,318	8,587,122	1,639,795	14,863,235
Depreciation				
On 31 December 2022	223,626	4,095,690	621,526	4,940,843
Depreciation expense	259,444	1,330,405	709,115	2,298,965
Disposal	(20,623)	(314,094)	(73,897)	(408,615)
On 31 December 2023	462,447	5,112,001	1,256,745	6,831,193
Depreciation expense	424,103	1,877,260	401,248	2,702,611
Business combinations	(40,765)	(198,441)	(279,823)	(519,028)
Disposal	(10,000)	(1,005,289)	(194,539)	(1,209,827)
On 31 December 2024	835,785	5,785,531	1,183,632	7,804,948
Net value				
On 31 December 2024	3,800,533	2,801,591	456,163	7,058,287
On 31 December 2023	4,278,579	3,495,372	798,524	8,572,475
On 31 December 2022	2,961,262	797,481	850,835	4,609,578

No mortgages or guarantees were established regarding the tangible assets held.

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NOTE 20. SECURITIES

a) Investments accounted for using the equity method

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
E-Learning Company		
Initial	2,797,884	2,918,939
Dividend distribution	(57,500)	-
Profit/loss investmens accounted equity method	(39,541)	(121,055)
Impairment	(1,428,990)	
Total	<u>1,271,853</u>	<u>2,797,884</u>

The E-Learning Company

Bittnet Group owns a 23% stake in E-Learning Company. The investment was accounted for using the equity method.

In 2024, the Group recorded through equity accounted securities the share of ownership (23%) of the net loss realized by E-Learning Company.

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The following tables illustrate the summarised financial information of the Group's investment in E-Learning Company at B/S and P/L level:

	31 Dec 2024	31 Dec 2023
ASSETS		
Fixed assets		
Other intangible assets	473,619	744,089
Tangible fixed assets	21,708	24,492
Total fixed assets	495,327	769,032
Current assets		
Inventory	313,488	-
Prepayments	204,002	313,200
Trade receivables and other receivables	208,881	983,768
Cash and cash equivalents	42,478	100,215
Total current assets	768,849	1,397,183
TOTAL ASSETS	1,264,176	2,166,214
EQUITY AND DEBTS		
Share capital	90,000	90,000
Reserves	18,000	18,000
Accumulated losses / retained earnings	166,463	1,141,242
Total equity and reserves	274,463	1,249,242
Current debts		
Dividends payable	134,880	-
Deferred income	211,498	31,567
Trade liabilities and other liabilities	643,735	885,405
Total current debts	989,713	916,972
Total liabilities	989,713	916,972
TOTAL EQUITY AND DEBTS	1,264,176	2,166,214

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	2024	2023
Revenues from contracts with customers	2,210,695	1,905,352
Sales Cost	(858,122)	(1,098,080)
Gross margin	1,352,574	807,272
Other revenues	1,223	13,535
Sales expenses	(211,441)	119,368
General and administrative expenses	(1,283,681)	(1,210,587)
Other expenses	(19,840)	(38,718)
Financial income/expenditure	(10,751)	(10,621)
Gross profit /(loss)	(171,917)	(558,488)
Tax Profit	-	(13,411)
Net profit (loss)	(171,917)	(571,899)

The Group's investment in E-Learning Company is tested annually for impairment. Management has used the value in use approach to calculate the recoverable amount of the investment. The aggregated recoverable amount of the investment is then compared to its aggregated carrying amount. An impairment loss is recognized if the aggregated carrying amount of the investment exceeds its aggregated recoverable amount. The value in use is determined based on future discounted cash flows using the weighted average cost of capital (WACC). The discount rate reflects the current assessment of the time value of money and the risks specific to the investment.

The recoverable amount of E-Learning Company of RON 5,489 thousand was determined based on a value in use calculation using cash flow projections from financial forecasts covering a five-year period. The pre-tax discount rate applied to cash flow projections is 14.58% and cash flows beyond the five-year period are extrapolated using a 3% growth rate. As a result of the analysis, the recoverable amount of the Group's investment in E-Learning Company is RON 1,272 thousand. Consequently, the Group has recorded an impairment of RON 1,429 thousand at 31.12.2024.

b) Other financial assets (securities) at fair value

	31 Dec 2024	31 Dec 2023
Softbinator Technologies	5,710,669	9,600,543
Arctic Stream	-	1,756,201
Total	5,710,669	11,356,744

Details of the evolution of securities at fair value in 2024 are shown in the table below:

	Arctic Stream	Softbinator Technologies	Total
Value 31.12.2023	1,756,201	9,600,543	11,356,744
Acquisitions	-	-	-
Disposals	(1,620,755)	(1,190)	(1,621,945)
Re-valuation	(135,446)	(3,888,684)	(4,024,130)
Value 31.12.2024	-	5,710,669	5,710,669

Softbinator Technologies

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

Softbinator is involved in the development of software products, web and mobile solutions for digitizing the education process, lifestyle/medical and health, e-payments, e-commerce, online gaming and has ticked in 2020 areas unexplored in previous years through digital banking (including crypto), the Internet of Things (IoT), Automotive and it explored a new vertical in e-commerce expertise: marketplaces.

Bittnet holds a total of 188,980 shares, representing 18.898% of the total shares of Softbinator Technologies.

At 31.12.2024, the investment in Softbinator Technologies shares was revalued using the average trading price on the AeRO market on 31.12.2024.

Arctic Stream

Arctic Stream is an IT integrator focused on the technologies of the American manufacturer Cisco Systems, competitor of Dendrio Solutions in this market segment.

During the third quarter of 2024, the Group liquidated its holding in Arctic Stream (AST), so that at the end of the reporting period the Group no longer held AST shares in its portfolio. The total sale value of the Group's holding in AST shares amounted to 1,471,321.

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NOTE 21. INVENTORY

Details of inventories are presented in the following table:

	31 Dec 2024	31 Dec 2023
	<hr/>	<hr/>
Materials	90,330	252,523
Goods	4,721,426	3,974,313
	<hr/>	<hr/>
Total	4,811,756	4,226,836

Reconciliation of stock adjustments:

	2024	2023
	<hr/>	<hr/>
1 January	115,694	20,700
Adjustments during the period	-	94,994
Disposal of stocks	-	-
	<hr/>	<hr/>
31 December	115,694	115,694

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NOTE 22. TRADE RECEIVABLES AND OTHER RECEIVABLES

Trade receivables and other receivables are presented in the following table:

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Trade receivables		
Customer receivables	106,619,318	59,428,081
Adjustments for customer receivables	(698,898)	(698,898)
Customer receivable net	105,920,420	58,729,183
Other trade receivables		
Other projects receivable	5,054,356	4,456,880
Related party loans (<i>Note 28</i>)	5,617,966	637,438
Subsidies	43,125	2,891,562
Warranties	378,633	685,309
Other receivables	4,297,421	4,983,185
Advances to suppliers	1,401,586	323,814
Receivables from the state budget	1,724,147	691,896
Total other receivables, of which:	18,517,234	14,670,083
Non-current assets	378,633	695,988
Current assets	18,138,601	13,974,095

Work in progress

If the selling price of a contract includes a separate, contractually specified amount for the subsequent provision of services (as in the case of revenue from the sale of producer guarantee services or vendor warranties), that amount is deferred (account 472 "Contract liability") and recognised as revenue during the period in which the services are rendered, but no later than the end of the period for which the subsequent provision of services was contracted. Conversely, the related expenses are deferred (account 471, "Work in progress") and recognised in the same period in which the services are rendered.

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Work in progress	15,324,838	6,858,701

Statement of customers' net receivables per seniority:

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Not due	95,148,667	33,265,206
0-30	3,348,684	9,932,553

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31-90	4,048,682	12,422,854
91-180	1,707,304	142,597
181-360	228,856	2,904,186
over 360	1,438,228	61,789
Total	105,920,420	58,729,184

Reconciliation of customer receivables adjustments:

	<u>2024</u>	<u>2023</u>
1 January	698,898	413,256
M&As adjustments input	-	412,768
Adjustments during the period	-	31,510
Receivables cancellation	-	-
Resume adjustments	-	(158,636)
31 December	698,898	698,898

Significant estimates

Impairment analysis for trade and other receivables is carried out by the Group by separating receivable into 2 categories: trade receivable from private companies, trade receivable from government agencies. In this process, the probability of non-payment of trade receivables is assessed, based on historical experience regarding the non-payment risk. The experience of the previous years has shown that the risk of non-collection is low, with no significant losses in recent years. However, management looked at receivable buckets for each category (Not due, 1-90 days, 91-180, 181-365 and above 365); specific provisions were made where recoverability was considered low. Based on this analysis, management decided not to record any additional provision in the financial statements.

Loss rates are presented below:

	ECL% Companies	ECL % Government
Not due	0.22%	0.43%

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1-90 days	1.10%	0.11%
91-180	9.63%	0.84%
181-365	30.75%	3.35%
above 365	100.00%	90.09%%

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NOTE 23. CASH AND CASH EQUIVALENTS

Details on cash and cash equivalents are presented in the following table:

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Bank in RON	63,295,511	60,710,941
Bank in RON – cash collateral	7,268,426	4,382,728
Bank in foreign currency	2,419,805	3,872,527
Bank in foreign currency – cash collateral	310,483	973,658
Cash in Cash Register	61,178	73,317
Total	<u>73,355,404</u>	<u>70,013,171</u>

Cash collateral deposits represent restricted cash - collateral related with cash and non-cash facilities contracted with bank lenders (Procredit Bank and Banca Transilvania).

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NOTE 24. CAPITAL AND RESERVES

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

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Share capital	63,417,672	63,417,672
Issue premiums	31,934,768	31,934,768
Other equity items	(28,669,257)	(16,150,032)
Legal reserves	2,104,581	1,355,734
Retained earnings	(3,752,793)	(1,429,278)
Current period result	5,333,845	(6,285,048)
Total	<u>70,368,816</u>	<u>72,843,816</u>

a) Share capital

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

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

Shareholders and % shareholding	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
AGISTA INVESTMENTS S.R.L.	13.75%	13.75%
IMPETUM INVESTMENTS S.A.	13.33%	13.33%
Mihai Logofătu	8.77%	8.77%
Cristian Logofătu	8.59%	8.47%
Others	55.56%	55.68%
Total	<u>100%</u>	<u>100%</u>

Share capital	<u>2024</u>	<u>2023</u>
In issue 1 st of January	634,176,71	528,480,59
	4	5
Exercise of share options	-	-
Issued in business combinations	-	9,677,419
Issued in share capital increase	-	96,018,700
In issue 31 st of December	634,176,71	634,176,71
	4	4

*Share
capital*

increase through new contributions and debt conversion - March 2023

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In the first 3 months of the year, a new capital increase operation was successfully carried out, as a result of which Bittnet's capital increased by the amount of RON 32,765,796.89, related to 105,696,119 new shares. Within this financing operation, 96,018,700 new shares worth RON 29,765,797 (90.84% of the entire volume of the bid) were subscribed with cash contributions at the price of RON 0.31 per share, the difference representing the conversion of receivables in the amount of RON 2,999,999.89, resulting from the transaction for the acquisition of Top Tech (2nd installment, see Note 16). The receivables were converted into shares at the price of RON 0.31 per share.

Following the completion of the procedures required for the registration of the new share capital and the new number of shares with the Trade Registry Office, the Financial Supervisory Authority, the Central Depository and the Bucharest Stock Exchange, the subscribed and paid-up share capital of Bittnet Systems SA is worth RON 63,417,671.40, corresponding to 634,176,714 ordinary shares.

b) Issue premiums

Issue premiums were established on the occasion of capital increases and can be used to increase the share capital.

c) Legal reserve

According to Law 31/1990, each year at least 5% of the profit is taken to form the reserve fund, until it reaches at least one fifth of the share capital. Reserves representing tax facilities may not be distributed with implications on the recalculation of corporate income tax.

d) Other equity items

The Group recognises through other equity items mainly:

- acquisition/sale of treasury shares held
- loss resulting from the recognition and measurement of SOPs
- the impact of operations related to the implementation of the SOP

Treasury shares held

TREASURY SHARES

Balance at 01.01.2023	23,970,745
Sales 2023	14,723,545
Balance at 31.12.2023	9,247,200
Sales 2024	9,247,200
Purchases 2024	4,000,000
Balance at 31.12.2024	4,000,000

During 2023, the Group sold 14,723,545 shares at a total price of RON 4,550,607.

During January 2024, the Group sold all its treasury shares held at 31.12.2023 for a total amount of RON 2,857,998.15.

Share repurchase program – August 2024

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On August 07th 2024 Bittnet Systems informed the investors and the capital market about the Decision of the Board of Directors from August 06th 2024 regarding the start of a share repurchase program, starting with August 07th 2024.

The period for the program was set at 18 months from the date of registration of the EGMS Decision 04 of 2024 approving the repurchase operation, a term that began to run from 08.05.2024. The maximum number of shares repurchased was set at 10,000,000 BNET ordinary shares, within the limit of a maximum budget allocated for this operation of 2,000,000 ron.

The intermediary through which this market operation is carried out is BRK Financial Group and the maximum daily volume repurchased is within the limit of 25% of the average daily quantity of shares traded on the market, calculated according to the applicable legislation, according to art. 3 paragraph (3) letter b) of the EU Delegated Regulation 2016/1052.

The price at which the repurchases are carried out is within the range established by the EGMS Decision no. 04 of April 25th 2024: the minimum repurchase price 0.1 RON/share (respectively the face value of the BNET share), and the maximum repurchase price 0.25 RON/share. The implementation of the repurchase program is carried out from own sources.

By the end of the year, the Group repurchased 4,000,000 shares with at a total price of 766,058 ron.

SOP Recognition and Measurement

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

The Group settles transactions by issuing to 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 pre-emptive right and on the basis of the Director's Decision.

As a result, although at an intermediate stage the "debt" is valued with respect to the settlement of the SOP, the economic substance of the transaction is that they are settled in shares. As a result, the Group has recognised the SOP transactions as being settled in shares, and has recognised and measured the services received in the Statement of Comprehensive Income and the corresponding increase directly in equity.

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

Significant estimates - SOP assessment

Fair value measurement at grant date (as per 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:

- the spot price at the GMS date, i.e. the average split-adjusted price at t-1
- the strike price (at the reference date) according to each plan
- volatility, according to the analysis of the daily price of BNET shares, adjusted for splits

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- risk-free interest rate, i.e. ROBOR 12M published at t-1
- number of shares of the company at grant date
- the dilution percentage of the Stock Option Plan

The full value of each plan is recognised in costs over the vesting period of each plan.

SOP 2021

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

Main coordinates of the SOP2021 incentive plan:

- effective date: date of approval by the EGMS, i.e. 27.04.2021;
- duration: 2 years from the effective date;
- option date: 10.05 – 10.06.2023;
- exercise price: the purchase price of a share for which the option is exercised will be established on the date of exercise of the option, taking into account the total number of shares of the Company on the exercise date, so that the Company's capitalization is equal to the company's capitalization on the reference date: April 14, 2021.

The fair value assessment on the grant date (according to IFRS 2) – the date of approval of the plan by the OGMS, 27.04.2021 – was performed using the Black-Scholes model, using the following values for the model:

- spot price on the OGMS date, i.e. average price adjusted for splits at t-1: 0.711
- strike price, i.e. average price adjusted for splits on the reference date, 14.04.2021: 0.674
- volatility, according to the analysis of the daily price of BNET shares, adjusted for splits, from listing on the market until t-1: 3.72%
- risk-free interest rate, i.e. ROBOR 12M published at t-1: 1.74%
- maturity: 2 years
- number of company shares at the grant date: 247,228,275
- dilution percentage from the Stock Option Plan: 5%

The total value of the plan – equal to the Black-Scholes value (0.061) * number of company shares * dilution percentage = 754,046 ron – was recognized as cost over the lifetime of the plan, i.e. for a period of 2 years, May 2021 – April 2023. In 2024, the Group recognized an expense with SOP 2024 in the amount of 0 ron (2023: 125,674 ron).

In May 2023 key persons did not exercise their option given the execution conditions of the plan, so the SOP2021 plan expired unexercised.

SOP 2022

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

Main coordinates of the SOP 2022 plan:

- effective date: 11.04.2022;
- duration: 2 years from the effective date;
- option exercise date: 10.05 – 10.06.2024;

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- exercise price: the purchase price of a share for which the call option is exercised will be established on the date of exercise of the option, taking into account the total number of shares of the Company on the exercise date, so that the Company's capitalization is equal to the company's capitalization on the reference date: 11 April 2022.

The fair value assessment on the grant date (according to IFRS 2) – the date of approval of the plan by the OGMA, 20.04.2022 – was performed using the Black - Scholes model, using the following values for the model:

- spot price on the OGMA date, i.e. average price adjusted for splits at t-1: 0.3153
- strike price, i.e. average price adjusted for splits at the reference date, 11.04.2022: 0.3194
- volatility, according to the analysis of the daily price of BNET shares, adjusted for splits, from listing on the market until t-1: 4.28%
- risk-free interest rate, i.e. ROBOR 12M published at t-1: 4.95%
- maturity: 2 years
- number of company shares at grant date: 480,436,904
- dilution percentage from Stock Option Plan: 5%

The total value of the plan – equal to the Black-Scholes value (0.027) * number of company shares * dilution percentage = RON 754,046 – was recognized as cost over the lifetime of the plan, i.e. over a period of 2 years, May 2022 – April 2024. In 2024, the Group recognized an expense with SOP 2022 in the amount of 108,098 lei (2023: 324,295 lei).

In May 2024 key persons did not exercise their option given the execution conditions of the plan, so the SOP2022 plan expired unexercised.

SOP 2023-2026 (Long Term Incentive Plan through Equity Participation in the Company)

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

Main coordinates of the plan (SOP 2023):

- effective date: 13.04.2023;
- duration: 3 years from the effective date;
- option exercise date: 10.05 – 10.06.2026;
- exercise price: the purchase price of a share for which the call option is exercised will be established on the date of exercise of the option, taking into account the total number of shares of the Company on the exercise date, so that the Company's capitalization is equal to the company's capitalization on the reference date: 13 April 2024.

The fair value assessment on the grant date (according to IFRS 2) – the date of approval of the plan by the OGMA, 20.04.2022 – was performed using the Black - Scholes model, using the following values for the model:

- spot price on the OGMA date, i.e. average price adjusted for splits at t-1: 0.299
- strike price, i.e. average price adjusted for splits at the reference date, 13.04.2023: 0.2989
- volatility, according to the analysis of the daily price of BNET shares, adjusted for splits, from listing on the AeRO market until t-1: 4.08%
- risk-free interest rate, i.e. ROBOR 12M published at t-1: 7.25%
- maturity: 3 years

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- number of company shares at grant date: 634,176,714
- dilution percentage from Stock Option Plan: 7.5%

The total value of the plan – equal to the Black-Scholes value (0.027) * number of company shares * dilution percentage = RON 2,806,232 – will be recognized as cost over the lifetime of the plan, i.e. over a period of 3 years, May 2023 – April 2026. In 2024, the Group recognized an expense with SOP 2023 in the amount of 935,411 ron (2023: 623,607 ron).

Details regarding the SOP expense registered in 2023-2024 are presented in the table below:

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
SOP 2021	-	125,674
SOP 2022	108,098	324,295
SOP 2023	935,411	623,607
Total	<u>1,043,509</u>	<u>1,073,576</u>

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NOTE 25. NON-CONTROLLING INTERESTS

Details regarding the non-controlling interests for the financial years 2023-2024 are presented in the following table:

Non-controlling interests	Dendrio Solutions	Elian & Kepler	Equatorial	IT Prepared	Nenos & Nonlinear	Top Tech & zNet	Dataware	Fort & GRX-A & ISEC	Total
1 January 2023	336,452	786,658	17,738	919,750	268,586	288,378	-	1,206,380	3,823,943
Net profit	(593,098)	762,006	(2,891)	429,353	(117,942)	311,512	5,442,080	877,690	7,108,710
Dividends	-	-	-	(634,412)	-	-	(813,601)	(641,600)	(2,089,614)
Share capital increases	-	-	-	-	-	-	-	2,037,402	2,037,402
Business combinations	-	296,289	-	-	-	-	1,589,253	-	1,885,543
Acquisitions	-	-	-	-	-	-	(4,347,040)	30,156	(4,316,884)
31 december 2023	(256,645)	1,844,954	14,847	714,691	150,644	599,890	1,870,691	3,510,027	8,449,099
Net profit	1,043,889	635,370	(1,370)	490,014	89,459	368,210	771,053	388,356	3,784,979
Dividends	-	(326,086)	-	(427,683)	-	-	-	(414,984)	(1,168,753)
Share capital increases	4,997,572	1,573,964	-	-	-	-	-	-	6,571,537
Purchase of NCI	(4,459,456)	-	(13,476)	-	-	(780,721)	(2,073,308)	-	(7,326,961)
Disposal of subsidiary (note 17)	-	-	-	-	-	-	-	(3,483,398)	(3,483,398)
31 december 2024	1,325,359	3,728,202	-	777,022	240,103	187,380	568,437	-	6,826,502

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	Dendrio Solutions		Elian&Kepler		Dataware		Fort	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Non-current assets	87,434,258	60,802,704	9,592,342	7,667,963	6,906,246	6,523,743	4,312,845	4,718,151
Current assets	94,554,517	34,285,416	6,734,229	7,748,073	58,095,216	60,268,421	9,218,271	10,883,059
Non-current liabilities	16,125,604	26,499,631	2,117,983	1,800,504	2,110,068	1,709,495	833,245	949,755
Current liabilities	127,995,757	70,728,985	4,477,503	9,612,681	46,650,348	49,480,572	4,229,654	6,118,503
Revenue	166,843,686	89,618,223	25,442,375	19,023,453	95,993,487	120,935,974	14,911,381	16,442,991
Net profit	6,108,624	(4,946,605)	2,514,067	1,598,724	5,047,644	14,174,668	822,671	2,214,786

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NOTE 26. BONDS

Details of bond issues are presented in the following table:

	31 Dec 2024	31 Dec 2023
BNET26E	9,715,173	9,689,651
BNET27A	4,928,204	4,899,486
BNET28	9,806,770	9,751,562
BNET28A	6,268,326	-
Accrued interest	167,365	47,458
Total, of which:	30,885,839	24,388,157
Long-term fraction	30,718,474	24,340,699
Short-term part (interest)	167,365	47,458

In 2016, 2017, 2018, 2022, 2023 and 2024, the Group carried out bond offerings maturing in 2019, 2022, 2023, 2026, 2027 and 2028, through which it raised "committed" financing of over RON 50 million from the capital market (all issues are listed on the BSE).

BNET26E

From December 21st to December 27th 2022, the issuer conducted a private placement offering of corporate bonds issue in euro, in which 20,596 bonds were subscribed by 53 individual, legal and professional investors. The amount raised in this bond financing round is EUR 1,961,144. The sale price within this offer, on the first day of the offer/subscription period was at a discount, respectively in 21.12.2022, the discounted price was 95% of the face value of the instrument, respectively 95 euros/bond. Thus, on the first day, a number of 18,334 bonds were subscribed, representing a subscription value of 1,741,730 euro. The sale price within the subscriptions made in the following days of the offer was 97% of the nominal/face value, respectively 97 euros/bond. Thus, between 22.12.2022 and 27.12.2022, a number of 2,262 bonds were subscribed, representing a subscription value of 219,414 euro. The face value of the BNET26E instrument is EUR 100/bond and the total nominal amount of the issue (that it will be reimbursed at maturity) is EUR 2,059,600.

The annual fixed interest is 9% per year and is paid quarterly via the T2S mechanism and the Central Depository. Repayment of the nominal amount is at 3.5 years from issuance date and will take place on June 30th 2026. BNET26E bonds are traded on the BSE Reregulated Market, category dedicated to corporate bonds, as at March 07th 2023.

The total issuance costs for this bond issue amounted to RON 735,718 and were registered at balance sheet level on the date of the bond issue, thereby decreasing the total debt value. The issuance costs are subsequently expensed throughout the tenor of the bond issue, increasing the total carrying amount of the bond debt.

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BNET27A

During the period 30 May - 21 June 2023, Bittnet Systems carried out the first public offering of corporate bonds on the Bucharest Stock Exchange when it offered for sale a maximum number of 50,000 corporate bonds, unsecured, with a nominal value of 100 ron, each interested investor having the possibility to subscribe in the price range RON 96 – 104 per bond, i.e. between 96% and 104% of the nominal value of the instrument.

During the offer period, a total of 803 purchase orders were placed, with 71,814 bonds subscribed at the closing price of the offer of 100 ron, and 14,393 bonds subscribed at prices higher than the offer price. According to the Offer Prospectus, the allocation of shares in respect of accepted subscriptions (placed at the offer price and at higher prices) was made pro-rata, the allocation index being 0.579993040. Purchase orders at prices lower than the issuance price were canceled.

The transaction date was June 24th, 2024, and the transaction settlement date was June 26th, 2024. Following the establishment of the closing price of the offer at 100 ron/bond, the BNET27A issue consists of a number of 50,000 bonds with a total nominal value of 5,000,000 ron, the Issuer raising through this capital market operation the amount of 5,000,000 ron.

The interest is fixed at 10% per year, payable quarterly through the Central Depository. The issuance maturity is on June 26th 2027. On 19 July 2023, BNET27A bonds started trading on the Regulated Market administered by the BSE.

The total issuance costs for this bond issue amounted to RON 114,873 and were registered at balance sheet level on the date of the bond issue, thereby decreasing the total debt value. The issuance costs are subsequently expensed throughout the tenor of the bond issue, increasing the total carrying amount of the bond debt.

BNET28

From 27 November to 12 December 2023, a maximum number of 100,000 corporate bonds, unsecured, with an individual nominal value of RON 100 and a total nominal value of RON 10,000,000 were put up for sale, with each interested investor having the possibility to subscribe in the price range of RON 94-106 per bond, i.e. between 94% and 106% of the nominal value.

A total of 530 subscription orders were placed during the offering period across all price levels of the range, totalling an aggregate volume of 185,602 bonds. Given the Issuer's setting of the issue price at the nominal value of the bond (RON 100) and in accordance with the Offering Circular, the volumes subscribed at prices above the issue price were fully settled at the issue price (RON 100). Thus the volume of 87,446 bonds represents the guaranteed allocation in the offering according to the Offering Circular. For the volume of bonds subscribed at the price of RON 100/bond (i.e. for 71,050 bonds) the allocation was made pro-rata, the allocation index being 0.1766924701, resulting in a volume of 12,554 bonds. Purchase orders priced below the issue price were not executed.

The transaction date was December 13th, 2024, and the transaction settlement date was December 15th, 2024. Following the establishment of the closing price of the offer at 100 ron/bond, the BNET28 issue consists of a number of 100,000 bonds with a total nominal value of 10,000,000 ron, the Issuer raising through this capital market operation the amount of 10,000,000 ron.

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On February 02nd 2024, BNET28 bonds were admitted to trading on the Regulated Market administered by the BSE. The interest is fixed 9.6% per year, payable quarterly through Central Depository. The maturity of this bond issuance is June 15th 2028.

The total issuance costs for this bond issue amounted to RON 248,438 and were registered at balance sheet level on the date of the bond issue, thereby decreasing the total debt value. The issuance costs are subsequently expensed throughout the tenor of the bond issue, increasing the total carrying amount of the bond debt.

BNET28A

During the period: April 02nd – April 15th, 2024, a maximum number of 150,000 corporate bonds, unsecured, non-convertible with an individual face value of 100 ron were offered for sale, each interested investor having the opportunity to subscribe in the range price of: 94 ron – 106 ron per bond, respectively between 94% and 106% of the face value of the instrument, according to the Offering Prospectus.

During the offering period, 501 subscription orders were received across all price levels, totaling an aggregate volume of 111,025 bonds. Given the Issuer's setting of the issue price at 96 ron and in accordance with the Offering Prospectus, the volumes subscribed at prices higher than the issue price (i.e. at prices 97, 98, 99, 100, 101, 102, 103, 104, 105, 106 ron/bond), were fully settled at the issue price (96 ron) together with the subscriptions placed at the price of 96 ron/share. The purchase orders placed at prices lower than the issue price (95 and 94 ron/bond) were not executed.

The transaction date was April 16th, 2024, and the transaction settlement date was April 18th, 2024. Following the establishment of the closing price of the offer at 96 ron/bond, the BNET28A issue consists of a number of 66,249 bonds with a total nominal value of 6,624,900 ron, the Issuer raising through this capital market operation the amount of 6,359,904 lei, due to the discounted issue price at 96 ron/bond.

The BNET28A bonds bear a fixed interest of 9% per year, payable quarterly through the Central Depository system, with maturity being 4 years from issuance, respectively in April 2028. As of 23.05.2024, the BNET28A bonds are tradable on the regulated market administered by the Bucharest Stock Exchange.

The total issuance costs for this bond issue amounted to RON 427,889 and were registered at balance sheet level on the date of the bond issue, thereby decreasing the total debt value. The issuance costs are subsequently expensed throughout the tenor of the bond issue, increasing the total carrying amount of the bond debt.

NOTE 27. BANK LOANS

Details of the bank loans are shown in the following table:

in RON				31-Dec-24		31-Dec-23	
Secured bank loan	Currency	Nominal interest rate	Year of maturity	Amount granted	Carrying amount	Amount granted	Carrying amount
ProCredit long-term loan (DEND)	RON	ROBOR 6M+3%	2026	4,500,000	2,524,818	4,500,000	3,940,619
BT investment loan (DEND)	RON	ROBOR 3M+2.5%	2029	9,724,885	5,795,836	9,724,885	7,016,012
ProCredit investment loan (DEND)	RON	ROBOR 6M+2.5%	2030	10,000,000	8,241,818	10,000,000	9,381,614

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BT short-term loan (DEND)	EUR	EURIBOR 6M+2.15%	2024	-	-	1,800,000	3,610,154
ING Credit line (DEND)	RON	ROBOR 1M+2.2%	2025	5,000,000	1,446,666	-	-
BRD IMM Invest/short-term (TT)	RON	ROBOR 3M+1.5%	2024	10,000,000	59,548	3,000,000	2,406,335
BT short-term loan (DTW)	RON	ROBOR 3M+2.75%	2025	15,000,000	9,082,867	17,000,000	-
Raiffeisen credit line (2NET)	RON	ROBOR 6M+2%	2025	2,500,000	1,347,667		905,351
Raiffeisen IMM Invest (2NET)	RON	ROBOR 6M+2%	2024	2,000,000	-		258,621
Total interest bearing liabilities					28,499,222		27,518,706
Long-term fraction					12,525,113		18,976,363
Short-term fraction					15,974,109		8,542,343

The bank lending structure of the Group is mainly made up of revolving overdrafts aimed at short-term financing of specific projects. On the date of this report, the Group has loans to finance its current activity, both in national currency and in euro, with the following financial institutions: ProCredit Bank, Banca Transilvania, BRD and ING Bank as well as several non-cash products for the issuance of various types of bank guarantee letters contracted from Procredit Bank and Banca Transilvania.

ProCredit Bank

In July 2023, Dendrio Solutions SRL signed the conversion of the revolving credit line of 4.5 million ron (contracted since 2019 from ProCredit Bank) into a loan with monthly repayments. Repayment will be made over a period of 36 months and the interest is: ROBOR6M+3%. At the same time, the cash collateral deposit for this product was released. Last installment will be in July 2026.

In May 2023, Dendrio Solutions contracted from ProCredit Bank, an investment loan in the amount of RON 10,000,000, for a period of 7 years, with monthly repayments of principal and interest for the purpose of acquiring the majority stake in Dataware Consulting SRL. The annual interest rate is ROBOR6M+2.50%. The guarantees provided are: mortgage on Dendrio Solutions accounts opened with ProCredit Bank, mortgage on the shares acquired by Dendrio Solutions (51.13% of Dataware), guarantee from Bittnet Systems SA as co-signer and as well as collateral cash deposit for the amount of RON 2,500,000.

In May 2023, Dendrio Solutions contracted a non-cash bank product from Procredit Bank in the maximum ceiling amount of RON 2,300,000. The validity period is 36 months. The product is intended for the issuance of various types of BGL (bank guarantee letters for participation in tender procedures; performance guarantee letters, etc.). Dendrio uses this product in order not to tie up its own cash in issuing BGL. This product was extended till a maximum ceiling of RON 3,300,00 in September 2024.

In October 2023 Top Tech SRL contracted a non-cash product from ProCredit Bank in the maximum amount of RON 1,400,000 for a period of 12 months with the possibility of extension. The facility is used in the current activity for the constitution of bank guarantees of participation in tender procedures or of good

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performance for commercial contracts requiring such instruments. Top Tech uses this product in order not to tie up its own cash in issuing BGLs.

Banca Transilvania (BTRL)

On 06.09.2022 Dendrio Solutions contracted an investment loan from Banca Transilvania in the maximum amount of 11,000,000 lei for the financing of 75% of the price of the transactions for the acquisition of shares of Top Tech SRL and 2NET Computer SRL. The investment loan has been contracted for a period of 7 years and is repayable in monthly instalments. The annual interest rate is variable and consists of the 3-month ROBOR index plus the Bank's fixed margin of 2.50%. The guarantees provided for this loan product are: mortgage on the Dendrio Solutions accounts opened with Banca Transilvania, mortgage on the shares acquired in the two companies, a guarantee from Bittnet Systems as co-signer. Dendrio Solutions made 2 drawdowns from this investment loan during 2022, after signing the closing documents with the selling shareholders of the two target companies, Top Tech and 2NET Computer, paying the consideration for the shares. The 2 drawdowns amounted to RON 9,724,885 and the repayment of the loan is made over a period of 7 years.

On 20.10.2022, Dendrio Solutions signed a credit agreement with Banca Transilvania in the form of revolving overdraft facility in the amount of EUR 1,800,000 for the financing of working capital. The maturity was initially set at 12 months with the possibility of extension and interest at EURIBOR 6M+2.15% per year. In October 2023, Dendrio Solutions made the decision to restructure the outstanding balance of the credit line at the time (around EUR 900,000) and converted it into a loan with 12 monthly installments. Last installment was paid in October 2024.

In December 2023, the extension and supplement of a loan product contracted by Dendrio Innovations (previously named Dataware Consulting) from Banca Transilvania was signed under the following conditions: Increase of the working capital financing product by RON 15,000,000, from RON 2,500,000 to RON 17,500,000. This banking product is used by Dataware for project financing needs. The guarantees are: mortgage on bank accounts opened with Banca Transilvania, assignment of receivables resulting from the financed contracts and guarantee from Dataware Consulting's majority shareholder, Dendrio Solutions. The interest rate for this product is ROBOR3M+2.75% applied to the actual balance drawn from the loan. The product is used on a revolving basis, through successive drawdowns, to provide the project pre-financing component - where applicable - for contracts with a long implementation cycle and involving the delivery of complex IT&C integration solutions. In December 2024, this ceiling was resized at 15,000,000 RON and prolonged for a period of 12 months.

Also in December 2023, Dendrio Innovations signed an addendum with Banca Transilvania for the additional amount of RON 3,000,000 as non-cash limit for issuing of bank letters of guarantee. The product is used in the current activity for the constitution of bank guarantees of participation in tender procedures or of good performance for commercial contracts requiring such security instruments. In December 2024, this non-cash ceiling was resized at 7,000,000 RON.

In October 2023 Dendrio Solutions contracted a non-cash product from Banca Transilvania in the maximum amount of RON 2,000,000 for a period of 12 months with the possibility of extension. The limit is used in the current activity for the constitution of bank guarantees of participation in tender procedures or of good performance for commercial contracts requiring such instruments. In December 2024, this non-cash ceiling was resized at 7,000,000 RON.

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In October 2023 Top Tech contracted a non-cash product from Banca Transilvania in the maximum amount of RON 3,000,000 for a period of 12 months with the possibility of extension. The limit is used in the current activity for the constitution of bank guarantees of participation in tender procedures or of good performance for commercial contracts requiring such instruments. This ceiling was prolonged until December 2025.

OTP Bank

In July 2023 the addendum for the extension of the revolving overdraft credit product for working capital financing between Dataware Consulting and OTP Bank was signed. The total amount of the facility is RON 1,500,000, the maturity is 12 months and the interest rate is ROBOR3M +2.5%. In July 2024, this credit line was closed.

Unicredit Bank

In February 2023 Elian Solutions signed the addendum to extend and supplement the loan product - revolving overdraft for working capital financing - contracted with Unicredit Bank. The agreement was extended for a period of 12 months and the amount was increased from 800,000 lei to 1,600,000 lei under the same conditions as the additional extension agreement signed in 2022, namely: interest rate: ROBOR3M+3%; maturity of the facility: February 2024; use of proceeds: to finance working capital and current activity. The structure of the guarantees consists of a mortgage on the accounts of Elian Solutions SRL opened with Unicredit Bank, assignment of receivables and corporate guarantee letter issued by the majority shareholder Bittnet Systems SA. This product has been successively extended for a period of 12 months, the current maturity being February 2026.

Raiffeisen Bank

In August 2020, Equatorial Gaming contracted a credit facility from Raiffeisen Bank through the government's program 'IMM Invest' in the total amount of RON 495,000. The interest rate of the loan is ROBOR3M+2.5% per year and the maturity is 36 months. The last instalment was paid in August 2023.

In November 2023 the addendum of extension of the credit facility that zNet Computer had contracted with Raiffeisen Bank was signed. The new maturity is 12 months. The extension was made under the same conditions as the original agreement. The amount of the facility is RON 2,500,000 and is intended to finance the working capital and the current activity of the borrower. In October 2024 this credit line was closed.

BRD

In August 2024 Dendrio Technology (previously named TopTech) supplemented the revolving-overdraft ceiling from BRD - Groupe Societe Generale, from RON 6 million up to a maximum amount of 10,000,000 RON. The credit product can be used both for cash and non-cash withdrawals in order to finance the working capital and current activity and to issue letters of bank guarantee. The lending and guarantee conditions remained unchanged, the period of use is 12 months with the possibility of extension and the interest rate is ROBOR 3M+1.5% per year, calculated on the balance used from the loan.

ING Bank

In October 2024, the Issuer informed about the signing of a credit agreement by Dendrio Solutions with ING Bank N.V. Amsterdam – Bucharest Branch. The agreement involves a revolving-overdraft credit line for working capital and current activity in the maximum amount of RON 5,000,000. The guarantees for this overdraft are constituted by Dendrio Solutions – general assignment of receivables and mortgage on the

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accounts opened by Dendrio Solutions at ING Bank. The interest rate for this product is ROBOR1M+2.2% per year.

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NOTE 28. LEASING LIABILITIES

The Group has concluded a long-term rental contract for the existing headquarter with final term May 2029 and long-term operational leasing contracts for technical equipment with final terms in 2025-2027.

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Short-term fraction	6,422,410	6,419,839
Long-term fraction	<u>17,479,202</u>	<u>19,184,756</u>
Total	<u>23,901,612</u>	<u>25,604,595</u>

The reconciliation of lease liabilities and rights of use recognised as a result of the application of IFRS 16 is presented in the following tables:

Leasing liabilities	Spaces	Equipment	Cars	Total
On 1 January 2023	18,934,297	3,493,409	1,556,547	23,984,253
Additions	2,402,676	2,096,172	2,891,091	7,389,939
Cancellations	-	-	(70,653)	(70,653)
Interest	1,225,835	320,252	151,886	1,697,973
Exchange rate differences	(121,854)	(30,739)	(12,450)	(165,043)
Leasing payments	(4,183,871)	(1,771,564)	(1,276,438)	(7,231,873)
On 31 December 2023	18,257,083	4,107,530	3,239,983	25,604,596
Additions	3,789,003	863,056	2,141,885	6,793,944
Cancellations	(1,368,994)	(58,292)	(72,390)	(1,499,675)
Interest	934,273	191,839	195,384	1,321,496
Exchange rate differences	(2,111)	19,107	18,182	35,178
Leasing payments	(4,614,345)	(2,099,278)	(1,640,304)	(8,353,927)
On 31 December 2024	16,994,909	3,023,963	3,882,741	23,901,612

Rights of use	Spaces	Equipment	Cars	Total
On 1 January 2023	18,542,440	3,427,582	1,228,867	23,198,889
Additions	2,402,676	2,096,173	2,319,100	6,817,949
Cancellations	-	-	(68,962)	(68,962)
Amortization	(3,503,725)	(1,561,105)	(755,959)	(5,820,788)
On 31 December 2023	17,441,392	3,962,650	2,723,046	24,127,088
Additions	3,789,003	863,056	1,891,446	6,543,505
Cancellations	(1,268,595)	(54,508)	(30,683)	(1,353,786)
Amortization	(3,910,958)	(1,897,388)	(1,095,839)	(6,904,185)
On 31 December 2024	16,050,841	2,873,811	3,487,970	22,412,622

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NOTE 29. TRADE LIABILITIES AND OTHER LIABILITIES

Trade and other liabilities are detailed in the following table:

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Trade liabilities		
Supplier liabilities	136,778,390	95,460,369
Other liabilities		
Employee debts	3,271,970	3,494,169
Other liabilities	219,900	234,451
Debts for the purchase of shares (<i>Note 16</i>)	5,000,000	17,545,407
Advances to customers	9,947	3,902
VAT	6,090,617	3,467,892
Other budget liabilities	1,666,150	<u>1,672,742</u>
Total other liabilities, of which:	16,258,583	26,418,563
Long-term debt (acquisition of shareholdings)	-	5,000,000
Current debts	<u>16,258,583</u>	<u>21,418,563</u>

Contract liabilities

If the selling price of a contract includes a separate, contractually specified amount for the subsequent provision of services (as in the case of revenue from the sale of producer guarantee services or vendor warranties), that amount is deferred (account 472 "Contract liabilities") and recognised as revenue during the period in which the services are rendered, but no later than the end of the period for which the subsequent provision of services was contracted. Conversely, the related expenses are deferred (account 471, "Work in progress") and recognised in the same period in which the services are rendered.

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Contract liabilities	19,038,100	7,878,495

Provisions

Provisions are mainly composed of: provision for litigation Bucharest Mall & Development RON 105,831; provision for Fraher litigation 186,137 lei; penalties for EES Dataware project RON 972,570 (2023: provision for litigation Bucharest Mall & Development RON 105,831; provision for Fraher litigation 186,137 lei; penalties for EES Dataware project RON 1,139,237).

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	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Provisions	1,264,538	1,431,205

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NOTE 30. INFORMATION ON RELATIONS WITH RELATED PARTIES

Details of balances and transactions with related parties are provided below.

Remuneration paid to Key Management (identified in Note 1) is as follows:

	<u>2024</u>	<u>2023</u>
Management contracts	3,886,775	2,836,799
SOP expenditure	967,840	733,463
Total	<u>4,854,615</u>	<u>3,570,262</u>

As at 31 December 2024 the liabilities related to management contracts are in the amount of 354,143 LEI (31 December 2023: RON 210,844).

Receivables and loans	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Impetum Investments - loan	5,150,000	-
Impetum Investments - interest	1,693	-
E-Learning Company - loan	450,000	600,000
E-Learning Company - interest	16,273	37,438
Total	<u>5,617,966</u>	<u>637,438</u>

For the last tranche of the sale of Fort SA, Bittnet Sytems granted a loan to Impetum Investments, the counterparty in the transaction, in the amount of 5,150,000 lei, a loan granted for a period of 6 months and with an interest rate of 6% per year (see Note 16).

The loan to The E-Learning Company was granted to finance working capital for a period of 1 year and at an interest rate of 10% per annum.

NOTE 31. CONTINGENT LIABILITIES

a) Risk associated with changing legislation and taxation in Romania

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 Group'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. In order to minimize this risk, the Group regularly reviews changes to these regulations and their interpretations.

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. The Group considers that it has paid all its fees, taxes, penalties and penalty interest on time and in full, as far as appropriate. In Romania, the fiscal year remains open for verification for 5 years.

b) Bank guarantee letters

As of December 31, 2024, the Group had issued bank guarantee letters in the amount of EUR 195,726 (good payment SGB issued by Bittnet Systems in favor of One Controceni Park) and RON 12,530,833.90 (bid bonds and performance bonds for commercial contracts, issued by Dendrio Solutions – 5,349,453.91 RON, Dataware Consulting – 4,338,790.51 RON and Top Tech – 2,842,589.58 RON). All guarantees are issued from non-cash ceilings.

As of December 31, 2023, the Group had issued bank guarantee letters in the amount of EUR 195,726 (payment bond issued by Bittnet Systems in favor of One Controceni Park) and RON 6,283,231 respectively (bid bonds and performance bonds for commercial contracts, issued by Dendrio Solutions – 1,929,955 RON, Dataware Consulting – 2,602,012 RON and Top Tech – 1,751,264 RON, respectively) All the guarantee letters are issued from non-cash facilities contracted from ProCredit Bank, BRD and Banca Transilvania.

c) Disputes

In the context of day-to-day operations, the Group is at risk of litigation, inter alia, as a result of changes and the legislation development. In addition, the Group may be affected by other contractual claims, complaints and disputes, including from counterparties with which has contractual relations, customers, competitors or regulatory authorities, as well as by any negative advertising it attracts. The Group management considers that these disputes will not have a significant impact on the Group's operations and financial position.

File 30598/3/2021 – litigation București Mall Development and Management S.R.L.

During 2021, the Group became aware of the existence of case 30598/3/2021 on the Bucharest Court's docket, in contradiction with the owner of the former office space - București Mall Development and Management S.R.L. ("Anchor" or "the Owner").

During February 2022, the Group (or "Tenant") became aware of the contents of this file and the amount of the claims, as follows:

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- i) RON 267,214.96 representing rent, service charge 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 (penalty clause).

On 04.08.2023 the court ruled on the case. The solution in brief: "Admit in part the application as specified. Orders the defendant to pay the plaintiff the amount of RON 102,627.51 by way of late payment penalties. Dismisses the other claims as unfounded. Orders the defendant to pay to the plaintiff the sum of EUR 3 203.92 by way of costs. Appeal within 30 days of service. The appeal shall be lodged with the Bucharest Court - Civil Division VI.

On 04 November 2024, the decision was communicated to the parties, with the right to appeal within 30 days of communication. The plaintiff filed an appeal request registered on 09 December 2024, which is the subject of file no. 30598/3/2021 (250/2025) pending before the Bucharest Court of Appeal, 5th Civil Section. The appeal request has been communicated on 24.02.2025 and the Group filled a counterstatement on 10.03.2025. The Court will establish the first date of the trial.

The Group has recorded a provision in the amount of 105,831.42 lei in the financial statements as at 31.12.2023, being the best estimate for the cash outflows following this dispute.

File 30598/3/2021 – dispute Fraher Distribution

By application registered at the Court of Tulcea - Civil, Administrative and Fiscal Division on June 4th, 2020 under no. 665/88/2020, the plaintiff FRAHER DISTRIBUTION S.R.L., in adversarial proceedings against the defendant ELIAN SOLUTIONS S.R.L., requested to declare the termination of Contract no. 201/29.12.2017, with the consequence of putting the parties back in the previous situation, by the repayment by the defendant of the amount of RON 541,490.08; to declare the termination of Contract no. 202/29.12.2017, with the consequence of putting the parties back in the previous situation, by the repayment by the defendant of the amount of RON 344,886.00 and order the defendant to pay the contractual penalties for late payment, as well as the amount of RON 129,103.38 by way of damages; declare that Contract No 240/21.03.2019 has been terminated and order the defendant to pay the amount of RON 33,868.59 by way of damages; order the defendant to pay the costs.

On 14.02.2024, the Bucharest Court of Appeal by Judgment No. 251/2024 admitted the appeal as follows:

- Partially reverses the judgment under appeal in that it orders the termination in part of contract No 201/29.12.2017 and orders the defendant to pay to the appellant-plaintiff the amount of RON 186,137.
- Admits the request of the forensic expert and order an increase in his fee of RON 5,000. Orders the appellant-plaintiff to pay the expert's fee of RON 5,000.
- Forces the respondent to pay the amount of RON 15,925 as court costs to the appellant-plaintiff, of which the amount of RON 5,000 under the condition of proof by the appellant-plaintiff of paying the increased fee of the forensic expert.
- The appellant-plaintiff is ordered to pay the amount of RON 5,672 as court costs to the respondent-defendant. Partially compensates the court costs up to the amount of RON 5,672.
- Subject to appeal within 30 days of communication. The application for exercising the right of appeal is submitted to the Bucharest Court of Appeal, Civil Section VI.

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The Court judgment has been communicated to the parties on 10.03.2025, with a 30 day term for filling of an appeal by any of the parties..

The Group has recorded a provision in the amount of 186.137 lei in the financial statements as at 31.12.2023, being the best estimate for the cash outflows following this dispute.

File 19985/3/2024 – litigation General Inspectorate of Border Police

During June 2024, the Group became aware of the existence of file 19985/3/2024 pending at the Bucharest Court, Administrative and Fiscal Litigation Section, in opposition to the General Inspectorate of the Border Police ("IGPF"), as follows:

Subject: litigation regarding public procurement.

Plaintiff: General Inspectorate of the Border Police ("IGPF")

Defendant: The association formed by Dataware Consulting SRL - leader ("Dataware") and Idemia Identity & Security France ("Idemia").

Details of the action are given below:

The action in court was brought regarding the Contract for public purchase of products no. 281/2021, for:

- (i) payment of penalties in the amount of 4,296,351.84 lei; and
- (ii) the repair of the alleged damage in the amount of 4,844,605 lei, consisting in the loss of non-refundable external financing as a result of the non-delivery of 409 mobile EES control devices;

At the first term of 21.08.2024 in the file 19985/3/2024 (subject to the payment of penalties in the amount of 4,296,351.84 lei and the repair of the alleged damage in the amount of 4,844,605 lei), to which the file 22473/3 was also connected /2024 (subject to canceling the termination of the contract no. 281/2021 with the IGPF), the court adjourned the case at the request of Idemia, who requested the introduction and communication of the IGPF action, in order to formulate an appearance. The next set deadline was 04.10.2024, when the court postponed the trial in order to take note of the documents submitted to the file.

On the court terms of 15.11.2024 and 21.11.2024, the court postponed the ruling. On the deadline of 29.11.2024, the court admitted the exception of the lateness of the counterclaim filed by Border Police (IGPF) in the related file (no. 22473/3/2024) and found that the Border Police is deprived of the right to file the counterclaim; also, the court rejected the exception of the substantive right to action invoked by Border Police by responding to the related claim (appeal together with the merits). On the court terms of 06.12.2024 and 07.02.2025, the case was postponed due to the lack of an expert report. The next court meeting for this trial is 11.04.2025.

Considering the current stage of the procedure as of the date of this report (March 2025) and the complexity of the evidence, the Group Management does not consider an outflow of economic resources probable, therefore no provision was recorded in the financial statements.

Competition Council investigation of the Romanian IT market

On 05.06.2024 Bittnet Systems SA informed investors about the launch of an investigation by the Competition Council regarding possible anti-competitive practices committed by participants in the IT market in Romania. The companies Dendrio Solutions SRL (Dendrio) and Dataware Consulting SRL -

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currently called Dendrio Innovations SRL (Dataware) - companies part of the Bittnet group, are also involved in the investigation.

After the unannounced inspection carried out between July 4-5, 2024 at the headquarters of the Dendrio and Dataware companies, each of the companies submitted their point of view regarding the confidential information contained in the documents raised by the competition inspectors, and this point of view represents a standard stage in within the investigation procedure.

Thus, until the date of this report, no investigation report or an official position of the Competition Council has been communicated to Dendrio or Dataware, the competition authority still being in an early phase of analyzing the information selected during the unannounced inspections. In the absence of an official position issued by the competition authority in the form of an investigation report, there is no presumption regarding a potential violation of the competition rule.

Usually, the Competition Council's investigations are of longer duration (on average between 2 and 4 years, depending on the number of parties involved and the volume of information that needs to be processed by the investigation team), so the investigation team's analysis is not expected to be completed earlier than the end of 2025.

d) Environmental aspects

The implementation of environmental regulations in Romania is in the development phase and the application procedures are reconsidered by the authorities. Bittnet's professional activity has no direct impact on the environment. Acting in the field of 'services', our activity consists of acquiring knowledge and transferring it to customers, either during training courses or through consultancy, design and implementation services.

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NOTE 32. SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies adopted when drawing up the consolidated financial statements are presented below.

a) Basis for consolidation

If the Group has control over an investee company, it is classified as a subsidiary. The group controls the investee company if all three of the following elements are present: it has control over the investee company, there is exposure to variable returns from the investee company and the investee company has the ability to use its power to affect those variable returns. Control is reviewed whenever facts and circumstances indicate that there may be a change in any control elements.

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they were a single entity. Transactions between companies and balances between group companies are therefore eliminated in their entirety. The consolidated financial statements include the results of the business combination by the acquisition method. In the statement of financial position, the assets, liabilities and contingent liabilities of the purchasing entity are initially recognized at their fair values at the acquisition date. The results of the purchased transactions shall be included in the consolidated statement of comprehensive income as of the control acquisition date. Subsidiaries shall be deconsolidated from the date on which control ceases.

b) Non-controlling interests

Non-controlling interests are disclosed in the consolidated financial position statement, within equity, separately from the shareholders' equity of the Parent Company. Changes in a parent's shareholding in the equity of a subsidiary that do not result in the loss of control by the parent over the subsidiary are equity transactions (i.e. transactions with shareholders in their capacity as shareholders).

c) Associated entities

If the Group has significant influence (but not control) over the financial and operational policy decisions of another entity, it is classified as an associate entity.

Associated entities are initially recognized in the statement of consolidated financial position at cost. Subsequently, the associates are accounted for using the equity method, in which the Group's share of post-acquisition profits and losses and other comprehensive income is recognized in the consolidated profit and loss statement and other comprehensive results (except for losses exceeding the Group's investments in the associate entity, unless there is an obligation to offset those losses).

Profits and losses arising from transactions between the Group and its associates are recognized only to the extent of the interests of unrelated investors within the associate. The investor's share in the associate's profits and losses arising from these transactions is eliminated in relation to the carrying amount of the associate.

Any surplus paid to an associate above the fair value of the group's participation in identifiable assets, liabilities and contingent liabilities shall be capitalized and included in the carrying amount of the associated entity. Where there is objective evidence that the investment in an associate is not recoverable, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

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d) Goodwill

Goodwill represents the excess cost of a business combination over the Group's interest in the fair value of acquired and assets, liabilities and identifiable contingent liabilities.

The cost comprises the fair value of the assets given, liabilities assumed and capital instruments issued, plus the value of any minority shareholdings in the acquirer.

The contingent consideration shall be included in the cost at fair value at the acquisition date and, in the case of contingent consideration, classified as a financial liability, subsequently revalued at profit or loss.

Goodwill is capitalized as an intangible asset and any impairment of net asset value is recorded in the consolidated statement of comprehensive income.

Where the fair value of identifiable contingent assets, liabilities and liabilities exceeds the fair value of the paid consideration, the excess shall be credited in full to the consolidated statement of comprehensive income at the acquisition date.

e) Revenue recognition

The Group acts on its own behalf when it is a party that controls a good or service before it is transferred to a customer, in which case it should recognize all revenue invoiced to customers and the cost of goods resold to customers. In contrast, an intermediary merely arranges for the provision of goods or services by another party, without exercising control over those goods or services before their transfer to a customer, in which case it should recognize as revenue only the margin earned on such transactions.

The Group recognizes revenues in an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to the customer.

The Group is engaged in the sale of licenses and broadly defined IT services, and distinguishes the following types of revenues:

- revenues from training services,
- revenues from the sale of third-party licenses and services, and sale of goods.

Training services

Revenues from training services include experts' access to technology through the teaching of IT skills, from basic ones (e.g.: Microsoft Office Suite) to the most advanced ones (Cloud, DevOps, Cybersecurity). The business training portfolio includes project management, IT service 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.

Income is recognised at a specific point in time, on completion of the training following fulfilment of the performance obligation.

IT solutions integration services, goods and licenses

The IT solutions provided by the Group include: general consulting services, IT assessment services, complex infrastructure implementation services (including the provision of goods and licenses), migration services, maintenance and support services, warranty services, infrastructure optimization services. The integrator

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business involves offering solutions and services from the initial analysis, design, implementation and testing phase resulting in turnkey projects for companies with different IT needs.

Revenue from services rendered is recognised in the period in which they are rendered and in line with the stage of completion. The provision of services includes the execution of works and any other operations that cannot be considered as the delivery of goods.

The stage of completion of the work is determined on the basis of the statement of work accompanying the invoices, acceptance reports or other documents proving the stage of completion and acceptance of the services rendered.

If the selling price includes a separate, contractually specified amount for the subsequent provision of services (as in the case of revenue from the sale of producer guarantee services), that amount is deferred (account 472 "Contract liabilities") and recognised as revenue during the period in which the services are rendered, but no later than the end of the period for which the subsequent provision of services was contracted. Conversely, the related expenses are deferred (account 471, "Contract assets") and recognised in the same period in which the services are rendered.

The Group recognises a percentage of receivables, depending on the specifics of each project, as guarantees, to be received when the projects are finalized. No provision for guarantees is recognized as the Group does not have any history of faults or any other issues, with past projects.

Revenue from the sale of goods and licences is recognised when the customer obtains control of the assets transferred. The Group sells goods and licenses within complex IT infrastructure solutions (such as: data networks, block & file storage, storage area network, disaster recovery and business continuity solutions, forensic software and communications security solutions, data processing, physical security systems) from vendors with which it has partnerships at the highest standards, such as Fujitsu, Cisco, Brocade, Dell, HP, Xerox or Microsoft, Google, Amazon Web Services.

Obligations to be fulfilled and revenue recognition methodology

Most of the Group's revenues come from the provision of IT services and training and integration, including the sale of goods, with revenues recognized at the time when control over the goods or services was transferred to the customer.

The performance obligations identified in Group's contracts are generally limited to the goods or services explicitly stipulated in that contract, without any tacit promises as a result of usual business practices, published policies or other specific statements.

If the selling price includes a separate, contractually specified amount for the subsequent provision of services (as in the case of revenue from the sale of producer guarantee services), that amount is deferred (account 472 "Contract liabilities") and recognised as revenue during the period in which the services are rendered, but no later than the end of the period for which the subsequent provision of services was contracted. Conversely, the related expenses are deferred (account 471, "Contract assets") and recognised in the same period in which the services are rendered.

Determination of transaction price

Most of the income of the group is obtained from fixed price contracts and therefore the income amount to be obtained from each contract is determined by reference to fixed prices. In the estimation of

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contractual revenues, the component related to discounts granted to customers is deducted, when they are likely to decrease the value of the revenues.

Allocation of amounts to be executed

For most contracts, there is a fixed unit price for each product or service sold. Therefore, there are no judgements applied in allocating the contract price for each product or service.

Costs for obtaining contracts

Most contracts are short-term, so any incremental commissions paid to sales personnel for the work performed to obtain the contracts are directly recognized in the comprehensive income statement, without being capitalized.

f) Subsidies

Grants are recognised when there is sufficient certainty that the Group will comply with the conditions of the grant and the grant will be received.

Grants for assets, including non-monetary grants at fair value, are recorded in the accounts as investment grants and they shall be recognised in the balance sheet as deferred income. Deferred income shall be recognised in the profit and loss account as depreciation expense is recognised or on the disposal of assets.

Grants that compensate the Group for expenses incurred shall be recognised in the income statement on a systematic basis in the same periods in which expenses are recognised and are presented in the income statement as items of operating income.

g) Impairment of non-financial assets (excluding inventories, real estate investments and deferred taxes)

Impairment tests on goodwill and other intangible assets with undetermined useful economic life shall be carried out annually at the end of the financial year. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount cannot be recovered. If the carrying amount of an asset exceeds its recoverable amount (i.e. higher value of use and fair value less selling costs), the asset is reduced accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is performed on the smallest group of assets to which it belongs, for which there are separately identifiable cash flows - its cash-generating units. Goodwill is allocated to the initial recognition of each of the Group's cash-generating units that are expected to benefit from a business combination giving rise to goodwill.

Impairment adjustments are included in profit or loss, except that a recognized impairment loss on goodwill is not reversed.

h) Balances and transactions in foreign currency

Transactions carried out by Group entities in other currency than the currency of the primary economic environment in which they operate (the "functional currency") are recorded at the rates at the time of the transactions. Monetary assets and liabilities in foreign currency are converted at the rates at the reporting date.

Exchange rate differences arising on the restatement of foreign currency monetary assets and liabilities shall be recognized immediately in profit or loss.

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i) Financial assets

The Group's accounting policy for the classification of financial assets is as follows.

Amortized cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments and not listed on an active market. They are included in current assets, except those with a maturity of more than 12 months after the end of the reporting period. These are classified as non-current assets.

These assets come mainly from the provision of goods and services to customers (e.g. trade receivables), but also include other types of financial assets where the objective is to hold these assets to collect contractual cash flows and contractual cash flows are exclusively principal and interest payments. Except for trade receivables without a significant financing component, which are initially recognised based on the IFRS 15 transaction price, financial assets (other than those at FVTPL) are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently accounted for at amortized cost using the effective interest rate method, less adjustments for impairment.

Impairment adjustments for trade and other receivables are recognized on the basis of the simplified approach in IFRS 9, using an adjustment provision matrix in determining expected losses. The likelihood of non-payment of trade receivables is assessed in this process. This probability is then multiplied by the amount of expected loss resulting from non-payment to determine the expected credit loss for trade receivables. For trade receivables, these adjustments are recorded in a separate adjustment account, the loss being recognized within the general and administrative costs in the comprehensive income consolidated statement. Upon confirmation that the trade receivable cannot be collected, the gross carrying amount of the asset is written off against the associated adjustments.

Claims impairment adjustments with related parties and loans to related parties are recognized on the basis of a general credit loss model. The methodology used to determine the amount of the adjustments is based on the existence of a significant increase in credit risk since the initial recognition of the financial asset.

For those for which the credit risk has not increased significantly since the initial recognition of the financial asset, credit losses expected for twelve months together with gross interest income are recognized. For those for which credit risk has increased significantly, estimated losses on receivables together with gross interest income are recognized. For those that are determined as obvious credit impairments, expected losses on receivables, together with interest income on a net basis, are recognized.

The Group's financial assets measured at amortized cost comprise trade receivables and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents include cash in hand, term deposits with banks, other extremely liquid short-term investments with initial maturities of three months or less, and - for the purpose of cash flow statement - bank overdrafts. Banking disclosures are presented in loans and loans in current liabilities in the consolidated statement of financial position.

Financial assets at fair value

The Group holds financial assets in the form of equity securities, which are recognised in the financial statements at fair value with changes in fair value recognised in the consolidated statement of comprehensive income.

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j) Financial liabilities

The Group's accounting policy for the classification of financial liabilities is as follows:

Bank loans and loans from the Group's reimbursable bond issue are initially recognized at fair value, net of any transaction costs directly attributable to the issuance of the instrument. Interest-bearing liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that any interest expense in the repayment period is at a constant rate on the balance of the liability recorded in the consolidated financial position statement.

Loans are classified as current liabilities unless the Group has an unconditional right to defer payment of the debt for a minimum of 12 months from the end of the reporting period.

For each financial liability, interest expenses shall include the initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable over time.

The Group does not hold derivative liabilities to be accounted for in the consolidated financial statement at fair value, with changes in fair value recognized in the consolidated statement of comprehensive income and has no trading obligations nor has it designated financial liabilities as at fair value through profit or loss.

k) Share-based payments (SOP)

The Group grants options for purchasing shares settled from equity to employees and collaborators.

The fair value of options at the date of granting shall be systematically recorded in the consolidated statement of comprehensive income for the period up to the vesting period of the option. Non-market-based service conditions of entry shall be taken into account by adjusting the number of equity instruments expected to be recorded at each reporting date so that ultimately the cumulative amount recognized in the vesting period is based on the number of options that may vest. The conditions of non-qualification and the conditions of entry into rights are included in the fair value of the granted options. Cumulative expenditure shall not be adjusted for failure to fulfil a condition of entitlement or where a condition of non-qualification is not fulfilled.

l) Leasing

In accordance with IFRS 16, a contract is or contains leasing if it conveys the right to control the use of an identified asset for a period of time in exchange for a mandatory payment. For such contracts, the new model requires a lessee to recognize a right-of-use asset and a lease liability. The right-of-use asset is depreciated and the debt accrues interest.

The Group applies the following exceptions and does not account for the following as leases under IFRS 16:

- leases with a lease term of 12 months or less and which do not contain purchase options, and
- leases where the underlying asset has a low value ('low value' leasing transactions).

The Group has analysed all leasing contracts for the rental of equipment and premises where operates.

The Group recognized the rights to use of the leasing assets and liabilities as follows:

Rights of use	Leasing liabilities
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Assets from rights of use are measured at an amount equal to the leasing liability, adjusted by the value of any amounts paid in advance, initial direct costs incurred or pre-empted.	<p>Measured at the present value of the lease payments, discounted using rate implicit in the lease or, if not readily determinable, the Company's Incremental borrowing rate.</p> <p>The Incremental borrowing rate of the Company is the rate at which a loan could be obtained from an independent donor on comparable terms and conditions. The average rate applied was 5% p.a.</p>
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m) External purchased intangible assets

Intangible assets acquired externally are recognized initially at cost and subsequently amortized linearly over the useful economic life: Licenses – 3-5 years, with the exception of the brands which are tested annually for impairment.

n) Tangible fixed assets

Tangible assets comprise premises, equipment, machines furnishing and other assets used for the current activity. Tangible assets are initially recognized at acquisition cost and subsequently at cost less accumulated depreciation and impairment, if any.

The acquisition cost includes the directly attributable costs and the estimated present value of any unavoidable and future costs of dismantling and disposing those items. The corresponding obligation is recognized in the provisions.

The depreciation of other tangible assets shall be calculated on the basis of the linear method with a view to allocating their cost less the residual value, over their useful life, as follows: Premises - for the duration of the lease contract, Other fixed assets - 2-5 years.

o) Inventory

Inventories are recognized initially at cost and subsequently at the lowest cost and net realizable value. The cost comprises all acquisition costs, conversion costs and other costs incurred in bringing the inventories to their current location and condition. Specific identification is used to determine the cost of interchangeable items.

p) Provisions

Provisions are recognized when the Group has a legal or implicit obligation as a result of the previous events, when the settlement of the obligation requires a resource outflow incorporating economic benefits and for which a credible estimate of the value of the obligation can be made. Where there are a number of similar obligations, the likelihood that a resource outflow will be required for settlement is established following the assessment of the liability class as a whole. The provision is recognized even if the likelihood of a resource outflow related to any item included in any class of obligations is low. Where the Company expects repayment of a provision, for example through an insurance contract, repayment is recognized as a separate asset, but only when repayment is theoretically certain.

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Provisions are valued at the present value of the expenses estimated to be necessary to settle the obligation, using a pre-tax rate reflecting current market assessments of the time value of the money and the risks specific to the obligation. The increase in the provision due to the time passing is recognized as interest expense.

q) Employee benefits

In the normal course of business, the Group makes payments to the Romanian State on behalf of its employees for health, pension and unemployment funds. All employees of the Company are members of the Romanian state pension plan, which is a fixed contribution plan. These costs are recognized in the profit and loss account with the recognition of salary expenses.

r) Current and deferred profit tax

Tax expense for the period includes current and deferred tax and is recognized in profit or loss, unless it is recognized in other comprehensive income or direct equity because it relates to transactions that are themselves recognized in the same period or in another period, in other comprehensive income or direct equity.

Current income tax expense is calculated based on the tax regulations in force at the end of the reporting period. The management periodically assesses the positions in the tax returns in relation to situations where the applicable tax regulations are interpretable and constitute provisions, where applicable, based on the amounts estimated to be due to the tax authorities.

Deferred income tax is recognized, based on the method of the balance sheet obligation, for temporary differences between the tax bases of assets and liabilities and their accounting values in the financial statements. However, deferred income tax resulting from the initial recognition of an asset or liability in a transaction, other than a business combination, which at the transaction date does not affect the accounting profit or the taxable profit, is not recognized. Deferred corporate tax is determined on the basis of the tax rates (and legal regulations) in force until the end of the reporting period and are to be applied during the period in which the deferred tax to be recovered will be capitalized or the deferred tax will be paid.

Deferred tax to be recovered is recognized only to the extent that a taxable profit is likely to be derived in the future from which temporary differences are deducted.

IFRIC 23 provides guidance on the accounting of current and deferred liabilities and taxes and assets under circumstances where there is uncertainty about corporate tax treatments. The interpretation provides as follows:

- It must be determined whether uncertain tax treatments should be considered separately, or together as a group, depending on the approach that provides better predictions about resolution;
- Determine whether tax authorities are likely to accept uncertain tax treatment; and
- If uncertain tax treatment is unlikely to be accepted, the tax uncertainty will be measured according to the most likely amount or expected value, depending on any method that better predicts the resolution of the uncertainty. The measurement should be based on the assumption that each of the tax authorities will examine the amounts they are entitled to examine and have full knowledge of all the information related to these examinations.

Following the application of the provisions of IFRIC 23, no impact on corporate tax liabilities was identified.

NOTE 33. RUSSIA - UKRAINE CONFLICT

I. Russia-Ukraine conflict

The invasion of Ukraine by the Russian Federation and the subsequent global response to these military actions could have a significant impact on some companies, especially companies with physical operations on the territory of Ukraine, Russia and Belarus, but also entities with indirect interests (e.g. those that they have suppliers and customers, investments and creditors, with operations on the territory of these countries). Also, the sanctions imposed on the Russian government, Russian entities and Russian persons in many jurisdictions could affect societies, such as through the loss of access to financial resources and trade, but also through the collateral effects of the sanctions on global prices (e.g. oil, natural gas and other products derived from oil). The effects of the conflict are large-scale and rapidly evolving. Companies that do not have operations in Russia and Ukraine could still be affected by the conflict, the effects including but not limited to:

- Destruction, confiscation or abandonment of tangible and intangible property;
- Sanctions imposed on a company that may impact its ability to operate (e.g. access to funds, banking systems, etc.);
- Sanctions imposed on a company's customers, which may impact its ability to sell goods and services and collect debts;
- Sanctions imposed on a company's suppliers, which may impact its ability to obtain raw materials, goods and services, or which may indirectly increase the costs of obtaining these elements from alternative sources;
- Sanctions imposed on creditors and/or banks of an entity, which may limit its ability to access funds and credits;
- Changes in the approach to clients and consumers regarding companies with ties to Russia, Belarus or other jurisdictions related to the Russian Federation, which could reduce demand for the products of those companies;
- Changes in risk appetite that can lead to the situation where creditors and investors withdraw their financial support for companies with ties to Russia, resulting in an increased liquidity risk and/or doubts regarding the continuity of the respective companies' activity;
- Volatility in the prices of financial instruments and goods, including oil, natural gas, other products derived from oil and minerals, but also volatility in exchange rates.

Based on the information available up to this moment, the Company's Management has not identified concrete potential risks related to the Russia-Ukraine conflict and thus, at this moment, it does not expect a significant impact in terms of the current operations. The direct exposure of the Company to third parties affected by the sanctions imposed since the initiation of the conflict (customers, suppliers, banking institutions with which the Company collaborates, which have been directly affected by the sanctions) does not exist. The indirect exposure (customers, suppliers with whom the Company collaborates, with links with third parties affected by sanctions, as well as risks related to the future volatility of commodity prices or currency exchange rates) is unquantifiable, the Company's Management not having received until this moment any sign of regarding any significant impact on the Company's activity.

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NOTE 34. SUBSEQUENT EVENTS

I. Name change from Kepler Management Systems to Elian Development Systems

As part of the process of simplifying the Group structure, Kepler Management Systems went through a rebranding process and changed its trade name, thus becoming Elian Development Systems. The name change was registered in the Trade Register in February 2025. In 2024, following the same strategy of unification and restructuring of the companies within the group, Elian Solutions became the sole shareholder of Elian Development Systems, holding 100% of the shares and voting rights.

II. Name change from Equatorial Gaming to Bittnet Training

As part of the process of simplifying the Group structure and brand integration, Equatorial Gaming, part of the Education pillar of the group, went through a rebranding process and changed its trade name, thus becoming Bittnet Training. The name change was registered in the Trade Register in March 2025.

NOTE 35. RESTATEMENT OF OPENING BALANCES

During 2023, the Group acquired Dataware Consulting in two stages. In May 2023, the Group acquired a 70% stake in Dataware Consulting for a total consideration of RON 19,859,495. As part of this transaction, goodwill of RON 16,961,891 was recognized. Remaining 30% of Dataware shares were subsequently purchased for a consideration of RON 15 million.

Nature of the Error

Under IFRS 3 "Business Combinations," the subsequent acquisition of a non-controlling interest should be accounted for as an equity transaction and should not result in the recognition of additional goodwill. However, in December 2023, the Group erroneously recognized additional goodwill of RON 10,319,371 on acquiring the remaining 30% interest.

Restatement Adjustments

To correct this error, the following adjustments have been made to the comparative information (31 December 2023):

- The additional goodwill of RON 10,319,371 recorded in December 2023 has been eliminated.
- Consequently, the consolidated goodwill balance relating to the Dataware Consulting acquisition has been restated to RON 16,961,891 –the amount originally recognized at the time of the initial 70% acquisition.
- The corresponding adjustment has been recognized as a prior period adjustment, with a reduction to Other equity items for the comparative period ending 31 December 2023.

The financial statements from page [3] to page [103] were approved and signed on 28 March 2025.

Mihai Logofatu

Adrian Stanescu

CEO

CFO



KPMG Audit SRL
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Independent Auditors' Report

To the Shareholders of Bittnet Systems SA

Sergent Ion Nuțu Street, no.44, One Cotroceni Park, Corp A și Corp B, floor 4, district 5, Bucharest, Romania

Unique Registration Code: 21181848

Report on the Audit of the Separate Financial Statements

Opinion

1. We have audited the separate financial statements of Bittnet Systems SA ("the Company"), which comprise the separate statement of financial position as at 31 December 2024, the separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.
2. The individual financial statements as at and for the year ended 31 December 2024, approved by the Board of Directors on 1 April 2025, are identified as follows:
 - Net assets/Total equity: RON 92,764,764
 - Net profit for the year: RON/ 9,791,750
3. In our opinion, the accompanying individual financial statements give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2024, and of its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union and Order of Minister of Public Finance No. 2844/2016 for approval of accounting regulations in accordance with International Financial Reporting Standards and related amendments ("OMPF no. 2844/2016").

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing ("ISAs"), Regulation (EU) no. 537/2014 of the European Parliament and of the Council and related amendments ("the Regulation") and Law no. 162/2017 and related amendments ("the Law"). Our responsibilities under those standards and regulations are further described in the *Auditors' Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with *International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") together with the ethical requirements that are relevant to our audit of the separate financial statements in Romania, including the Regulation and the Law and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of investments in subsidiaries

Carrying amount of investments in subsidiaries as at 31 December 2024: RON 70.468 thousand (RON 52.356 thousand as at 31 December 2023)

See Notes 3 "Essential estimates and accounting reasoning", 16 "Investment in subsidiaries" and 28 d) "Significant accounting policies – Financial assets" to the separate financial statements.

The key audit matter

As presented in Note 28, investments in subsidiaries are carried at cost less impairment losses, and subsequently, at the reporting date, they are tested for impairment by estimating their recoverable amount.

As presented in Note 16, as part of its accounting policy, the Company annually estimates the recoverable amount of investments in subsidiaries in order to assess

How the matter was addressed in our audit

Our audit procedures, performed, where relevant, with the assistance of our own valuation specialists, included, among others, the following:

- Evaluating the model used by the Company to estimate the recoverable amount of investments and any necessary impairment adjustments as of the reporting date, in the context of the relevant requirements of the applicable financial reporting standards;

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potential impairment. For the purpose of the impairment testing, as further described in Note 16, management analyses impairment for subsidiaries at segment level. The recoverable amount is determined using an approach based on the value in use, which involves estimating the future cash flows for each major operating segment and applying appropriate discount rates. The aggregated recoverable amount of the operating segments is then compared to its aggregated carrying amount, with an impairment loss being recognized if the aggregated carrying amount of the operating segment exceeds its aggregated recoverable amount.

The estimation of the recoverable amount of investments in subsidiaries involves significant judgments regarding assumptions such as future cash flows, growth rates, gross and net operating margins, net working capital requirements and discount rates, as well as economic assumptions, such as the evolution of costs and wages in the economic context and inflation.

Considering the above factors, the estimation of the recoverable amount of investments was considered an area associated with a significant risk of material misstatement to the separate financial statements and required increased attention from us during the audit, thereby being considered as a key audit matter.

- Critically evaluating the method of grouping the subsidiaries' assets into cash-generating units and further at operating segment level, based on our understanding of their operations and lines of business, to assess the reasonableness of the judgments made by the Company and their consistent application.
- Performing a sensitivity analysis of the impairment model to changes in key assumptions, such as forecast growth rates, discount rates and cash flows, to identify assumptions at greater risk of subjectivity or inconsistency in application;
- Evaluating the subsidiaries' budgeting process by comparing historical budgets with their subsequent actual results;
- With the assistance of our valuation specialists, challenging the key assumptions used to determine the discount rate, operating cash flows, growth rate, operating margins, working capital requirements and capital expenditures. In this context, we evaluated whether certain assumptions on which the evaluation was based, at the individual level and taken as a whole, took into account: i) the economic environment of the subsidiaries and industries in which these operate; ii) available market information; iii) the subsidiaries' business plans, including management expectations; iv) the risks associated with the cash flows, including the possible variability of the value and the moment of the occurrence of the cash flows and their effect on the sensitivity of the discount rate; v) specific requirements of the relevant financial reporting standard; vi) a comparison with the general performance of similar companies and with the performance and historical financial trends of the companies in the group;
- Testing the mathematical accuracy of the discounted cash flow model;
- Evaluating the accuracy, completeness, and relevance of the disclosures regarding the recoverable amount and the impairment of investments in subsidiaries, in the notes to the separate financial statements, based on the requirements of the relevant financial reporting framework.

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Revenue recognition

Revenue from contracts with customers: RON 9,218 thousand for the year ended 31 December 2024 (RON 12,519 thousand for the year ended 31 December 2023)

Trade receivables – RON 3,857 thousand as at 31 December 2024 (RON 5,713 thousand as at 31 December 2023).

See Notes 6 “Revenues from contracts with clients”, 18 “Trade receivables and other receivables” and 28 a) “Significant accounting policies – Revenue recognition” to the separate financial statements.

The key audit matter

As presented in Note 6, the Company generates revenue primarily from the provision of training services.

While the application of revenue recognition principles under International Financial Reporting Standards as adopted by the European Union and OMPF no. 2844/2016 can be complex, in the Company's case, most training service contracts are standard and relatively straightforward. However, revenue recognition represents an area of significant risk, primarily due to management pressure to meet set financial targets. This pressure may influence the timing or manner in which revenue is recorded, especially close to the end of the financial year, period over which we identified and assessed as significant the risk of material misstatement, resulting from fraud. As a result of the above matters, we considered revenue recognition to be associated with a significant risk of material misstatement to the separate financial statements. Therefore, this matter required increased attention during the audit and was considered a key audit matter.

How the matter was addressed in our audit

Our audit procedures included, among others:

- Obtaining an understanding of the Company's revenue recognition process and evaluating the design and implementation of selected controls, including those related to the recognition of revenue in the correct period;
- Assessing the compliance of the Company's revenue recognition criteria with the relevant requirements of the financial reporting framework;
- Inspecting a sample of sales contracts with customers to gain an understanding of their key terms, including delivery and acceptance terms and any potential agreements regarding variable consideration;
- For a sample of customers, independently obtaining confirmations from them regarding outstanding receivable balances as at 31 December 2024;
- Testing, on a sample basis, individual sales transactions recognized near the end of the financial year (before and after the reporting date), to primary supporting documents (such as invoices and service performance notes) and by reference to the related contractual terms (including pricing and delivery terms), to determine whether revenue was recognized at the correct amount and in the appropriate period, based on our assessment of when control was transferred to the customer;
- Evaluating whether the disclosures in the notes to the separate financial statements regarding

the Company's revenue recognition adequately address the quantitative and qualitative requirements of the relevant financial reporting framework.

Other matter – Corresponding figures

6. The separate financial statements of the Company as at and for the year ended 31 December 2023 were audited by another auditor who expressed an unqualified opinion on those statements on 22 March 2024.

Other information

7. The Board of Directors is responsible for the preparation and presentation of other information. The other information comprises the Annual report - "Universal Registration Document" which includes also the information required by OMPF no. 2844/2016, points 15 -19, pertaining to the Board of Directors' report ("the Board of Directors' report"), and the Remuneration report, but does not include the separate financial statements and our auditors' report thereon.

Our opinion on the separate financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Reporting Responsibilities Related to Other Information – Board of Directors' Report

With respect to the Board of Directors' Report we read and, based solely on the work required to be undertaken in the course of the audit of the separate financial statements, we report, as required by OMPF no. 2844/2016, that, in our opinion:

- a) The information given in the Board of Directors' Report for the financial year for which the separate financial statements are prepared is consistent, in all material respects, with the separate financial statements;
- b) The Board of Directors' Report has been prepared, in all material respects, in accordance with OMPF no. 2844/2016, articles 15 – 19 of the accounting regulations in accordance with International Financial Reporting Standards.

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In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of our audit we are required to report if we have identified material misstatements in the Board of Directors' Report. We have nothing to report in this regard.

Other Reporting Responsibilities Related to Other Information – Remuneration Report

With respect to Remuneration Report, we read the Remuneration Report in order to determine whether it presents, in all material respects, the information required by article 107, alin (1) and (2) of the Law no. 24/2017 regarding the issuers of financial instruments and market operations and related amendments. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

8. Management is responsible for the preparation of separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and OMPF no. 2844/2016 and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Separate Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.
12. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our

opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements - Report on Compliance with the ESEF Regulation

16. In accordance with Law no. 162/2017 on statutory audits of annual financial statements and consolidated financial statements and amendment of certain regulations, we are required to express an opinion on compliance of the separate financial statements, as included in the Annual report and authorized by the Board of Directors with the requirements of the



Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format and related amendments (the “RTS on ESEF”).

Responsibilities of Management

17. Management is responsible for the preparation of the separate financial statements in a digital format , that complies with the RTS on ESEF. This responsibility includes the preparation of the separate financial statements in the applicable xHTML format, including ensuring consistency between the digital format and the signed separate financial statements and the design, implementation and maintenance of internal controls relevant to the application of the RTS on ESEF.

Auditors' Responsibilities

18. Our responsibility is to express an opinion on whether the separate financial statements, included in the Annual report and approved by the Board of Directors, comply, in all material respects, with the RTS on ESEF, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the RTS on ESEF. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in the RTS on ESEF, whether due to fraud or error. Our procedures included evaluating the appropriateness of the digital format of the separate financial statements and assessing consistency between the digital format and the signed and audited separate financial statements, stamped by us for identification purposes.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

19. In our opinion, the separate financial statements of the Company , as included in the Annual report and approved by the Board of Directors, as at and for the year ended 31 December 2024, have been prepared, in all material respects, in accordance with the requirements of the RTS on ESEF.



Report on Other Legal and Regulatory Requirements - Public Interest Entities

20. We were appointed by the General Shareholders' Meeting on 16 December 2024 to audit the separate financial statements of Bittnet Systems SA for the year ended 31 December 2024. Our total uninterrupted period of engagement is 1 year, covering the period ending 31 December 2024.

21. We confirm that:

- our audit opinion is consistent with the additional report presented to the Audit Committee of the Company, which we issued on the same date as the date of issuance of this independent auditors' report. We also remained independent of the audited entity in conducting the audit.
- we have not provided to the Company the prohibited non-audit services (NASs) referred to in Article 5(1) of EU Regulation (EU) No 537/2014.

The engagement partner on the audit resulting in this independent auditors' report is MIHALI HORATIU MIHALI.

For and on behalf of KPMG Audit S.R.L.:



MIHALI HORATIU MIHALI

registered in the electronic public register of financial auditors and audit firms under no AF3354



KPMG Audit SRL

registered in the electronic public register of financial auditors and audit firms under no FA9

Cluj-Napoca, 1 April 2025

BITTNET SYSTEMS SA

SEPARATE FINANCIAL STATEMENTS

PREPARED IN ACCORDANCE WITH THE
ORDER OF THE MINISTRY OF PUBLIC FINANCE
NO 2844/2016 FOR THE APPROVAL OF THE
ACCOUNTING REGULATIONS IN ACCORDANCE
WITH ORDER OF MINISTRY OF FINANCE NO.
2844/2016("OMFP NR. 2844/2016")

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BITTNET SYSTEMS SA
SEPARATE FINANCIAL STATEMENTS for the financial year 2024
(all the amounts shall be expressed in RON, unless otherwise provided)

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	2024	2023
Revenues from contracts with customers	[6]	9,217,903	12,518,949
Cost of sales	[7]	(4,604,591)	(6,740,634)
Gross profit		4,613,312	5,778,315
Other income	[8]	32,684	230,502
Sales related expenses	[9,11]	(4,262,527)	(4,703,296)
General and administrative expenses	[10,11]	(7,994,175)	(10,192,693)
Impairment	[8]	(1,428,990)	-
Equity accounted investees		(39,541)	(121,055)
Financial income	[12]	22,425,716	2,593,502
Financial expenses	[12]	(4,016,001)	(3,608,757)
Profit/ (loss) before tax		9,330,479	(10,023,482)
Income tax	[13]	461,271	1,182,152
Net profit:		9,791,750	(8,841,330)
Earnings per share	[5]		
basic		0.0153	(0.0145)
diluted		0.0142	(0.0132)

The financial statements on page [3] to page [77] were approved and signed on 28 March 2025.

Mihai Logofatu

Adrian Stanescu

CEO

CFO

BITTNET SYSTEMS SA
SEPARATE FINANCIAL STATEMENTS for the financial year 2024
(all the amounts shall be expressed in RON, unless otherwise provided)

SEPARATE STATEMENT OF FINANCIAL POSITION

	Notes	31 Dec 2024	31 Dec 2023
ASSETS			
Fixed assets			
Intangible fixed assets	[14]	6,340,337	6,704,201
Tangible fixed assets	[15]	534,741	662,671
Rights of use assets	[24]	6,642,437	6,330,137
Investments in subsidiaries and other related parties	[16]	70,468,278	52,356,500
Other financial assets	[18]	23,657,055	37,685,497
Deferred tax	[13]	2,081,100	1,619,829
Total fixed assets		109,723,948	105,358,835
Current assets			
Inventory	[19]	5,216	397
Prepayments	[18]	810,819	967,190
Trade receivables	[18]	3,856,996	5,712,744
Other receivables	[18]	9,747,134	5,572,288
Financial assets at fair value	[17]	5,710,669	11,356,744
Cash and cash equivalents	[20]	15,329,850	3,535,970
Total current assets		35,460,684	27,145,333
TOTAL ASSETS		145,184,633	132,504,168
EQUITY AND DEBTS			
Share capital		63,417,671	63,417,671
Issue premiums		31,934,768	31,934,768
Other equity items		(12,156,041)	(15,291,490)
Reserves		1,442,164	956,462
Retained earnings		8,126,201	(1,179,845)
Total equity and reserves	[21]	92,764,764	79,837,566
Long-term debts			
Bonds	[22]	30,718,474	24,340,699
Bank loans	[23]	-	-
Leasing liabilities	[24]	13,095,069	15,118,732
Deferred tax	[13]	-	-
Total long-term liabilities		43,813,543	39,459,431
Current debts			
Bonds	[22]	167,365	47,458
Bank loans	[23]	-	-
Leasing liabilities	[24]	3,897,322	3,472,827
Income tax liabilities	[13]	-	-
Deferred income	[25]	463,881	48,992
Trade liabilities	[25]	3,571,151	2,639,778
Other liabilities	[25]	400,775	6,892,284
Provisions	[25]	105,831	105,831
Total current debts		8,606,326	13,207,171
Total liabilities		52,419,869	52,666,602
TOTAL EQUITY AND DEBTS		145,184,633	132,504,168

BITTNET SYSTEMS SA
SEPARATE FINANCIAL STATEMENTS for the financial year 2024
(all the amounts shall be expressed in RON, unless otherwise provided)

SEPARATE STATEMENT OF CASH FLOW

	2024	2023
Profit before income tax	9,330,479	(10,023,482)
Adjustments for:		
Depreciation expenses	2,115,786	2,019,273
Impairment	1,428,990	-
Expenses related to disposed assets	-	-
Benefits granted to SOP employees	1,043,509	1,073,576
Expected credit losses on receivables	-	(3,764)
Provisions		105,831
Interest expenses and other financial costs	3,061,569	2,491,138
Interest on leasing liabilities	937,340	1,023,279
Interest income and other financial income	(3,133,882)	(2,662,125)
(Gain)/loss from investments at FVTPL	(19,291,832)	68,622
Share of loss/gain on equity accounted investees	39,541	121,055
Operating profit before working capital change	(4,468,501)	(5,786,597)
Change in trade and other receivables	6,158,919	2,222,016
Change in inventory	(4,818)	51,565
Change in trade and other payables	1,228,741	(2,194,829)
Cash generated from operation	2,914,341	(5,707,845)
Profit tax paid	-	-
Net cash from operating activities	2,914,341	(5,707,845)
Investment activities:		
Payments for the purchase of participation interests	(23,268,595)	(13,891,956)
Proceeds from the sale of participating interests	23,419,650	-
Loans granted to related entities	407,498	(10,143,083)
Acquisitions of tangible and intangible assets	(1,179,799)	1,034,362
Other investments in financial instruments	-	(119,072)
Proceeds from other financial investments	1,467,912	413,635
Dividends received	2,501,753	89,949
Interest received	4,722,050	1,294,497
Net cash from investment activities	8,070,470	(21,321,668)
Financing activities:		
Proceeds from share issue	-	29,701,386
Sales of treasury shares	2,857,998	4,550,607
Repurchases of treasury shares	(766,058)	
Drawings from bank loans	-	-
Repayments of bank loans	-	(167,937)
Proceeds from bond issue	6,197,011	14,636,689
Repayments of bond issues	-	(24,403,700)
Interest on leasing liabilities	(937,340)	(1,023,279)
Payments of leasing liabilities	(3,781,643)	(3,058,284)
Interest paid	(2,760,899)	(3,140,128)
Net cash from financing activities	809,070	17,095,354
Net increase in cash and cash equivalents	11,793,881	(9,934,159)
Cash and cash equivalents at the beginning of the financial year	3,535,970	13,470,129
Cash and cash equivalents at the end of the financial year	15,329,851	3,535,970

BITTNET SYSTEMS SA
SEPARATE FINANCIAL STATEMENTS for the financial year 2024
(all the amounts shall be expressed in RON, unless otherwise provided)

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Issue premiums	Other equity items	Legal reserves	Reported result	Total capital
1 Jan 2023	52,848,060	9,738,583	(20,851,261)	956,462	7,661,485	50,353,329
Net profit/ (loss)	-	-	-	-	(8,841,330)	(8,841,330)
Other elements of the global result	-	-	-	-	-	-
Total Global result	-	-	-	-	(8,841,330)	(8,841,330)
Share capital increase	10,569,612	22,196,185	(64,411)	-	-	32,701,385
Repurchases of treasury shares	-	-	-	-	-	-
Sales of treasury shares	-	-	4,550,607	-	-	4,550,607
Benefits granted to SOP employees	-	-	1,073,576	-	-	1,073,576
Distribution of the legal reserve	-	-	-	-	-	-
31 Dec 2023	63,417,672	31,934,768	(15,291,490)	956,462	(1,179,845)	79,837,567
Net profit/ (loss)	-	-	-	-	9,791,750	9,791,750
Other elements of the global result	-	-	-	-	-	-
Total Global result	-	-	-	-	9,791,750	9,791,750
Share capital increase	-	-	-	-	-	-
Repurchases of treasury shares	-	-	(766,058)	-	-	(766,058)
Sales of treasury shares	-	-	2,857,998	-	-	2,857,998
Benefits granted to SOP employees	-	-	1,043,509	-	-	1,043,509
Distribution of the legal reserve	-	-	-	485,702	(485,702)	-
31 Dec 2024	63,417,672	31,934,768	(12,156,041)	1,442,164	8,126,201	92,764,764

BITTNET SYSTEMS SA
INDIVIDUAL FINANCIAL STATEMENTS for the financial year 2024
(all the amounts shall be expressed in RON, unless otherwise provided)

NOTE 1. GENERAL INFORMATION

Operational activities

The financial statements include the individual financial information of the company Bittnet Systems (the "Company" or the "Issuer"), headquartered in Bucharest, 44 Sergent Nutu Ion street, building ONE Cotroceni Park, A&B wing, 4th floor, 5th District. The company has the following subsidiaries registered in Romania:

	31 Dec 2024	31 Dec 2023
SUBSIDIARIES - % ownership		
Dendrio Solutions	96.5%	88.001%
Dendrio Innovations (formerly Dataware Consulting)	96.5%	88.001%
Dendrio Technology (formerly Top Tech)	96.5%	75.69%
2Net Computer (*)	-	88.001%
IT Prepared	50.2%	50.2%
Equatorial Gaming	100%	98.99%
Equatorial Training (**)	-	98.99%
Computer Learning Center (**)	-	100%
Fort SA (formerly Global Resolution Experts) (***)	-	58.87%
GRX Advisory (***)	-	58.87%
ISEC Associates (***)	-	58.87%
Eliau Solutions	61.69%	51.02%
Kepler Management Systems, 100% owned by Eliau Solutions	61.69%	62.87%
Nenos Software	60.97%	60.97%
Nonlinear	60%	60%
(*) 2Net Computer has been absorbed into Top Tech as of 31.12.2024		
(**) Equatorial Training and Computer Learning Center have been absorbed into Equatorial Gaming as of 30.12.2024		
(***) The Company has sold its entire participation in Fort SA (Fort SA and subsidiaries GRX Advisory and ISEC Associates) during December 2024		

ASSOCIATES

E-Learning Company	23%	23%
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Bittnet was established in 2007 and 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.

The process of continuous evolution of the group, both through the launch of new products and services and through continuous acquisitions, has led to the current dimension where the activity is organised in more independent centres ("cells"), in areas of interest - "development pillars" or "business units" (Training, Cloud & Infrastructure, Cybersecurity and Business applications & Software development), which represent sub-areas of activity in the IT&C Services area. Bittnet is today a conglomerate offering investors exposure to the entire IT&C industry in Romania.

Bittnet shares (BNET symbol) are listed on the BVB Regulated Market and are part of the main BVB indices.

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During the year 2024, the average number of employees of the Company was 17. The following table shows the division by functional departments at the end of the fiscal years 2023-2024:

Department	31.dec.2024	31.dec.2023
Delivery	2	3
Sales	9	8
Administrativ	6	13
Total	17	24

The management of the company

Given the current size of the Company, the General Meeting of 20th April 2023 approved the extension of the Board of Directors from 3 to 5 members. The composition of the Board according to the election dated 20th April 2023 was as follows:

- 1) **Ivylon Management SRL** – Executive Director, by **Mihai Alexandru Constantin Logofătu**. On 31.12.2023, Mihai Logofătu held 55,651,882 shares, which represents 8.77% of the share capital. Mihai Logofatu is the co-founder of Bittnet Systems.
- 2) **Cristian Ion Logofătu** – non-executive administrator. On 31.12.2023, Cristian Logofătu held 53,592,812 shares, which represents 8.45% of the share capital. Cristian Logofatu is the co-founder of Bittnet Systems.
- 3) **Anghel Lucian Claudiu** – non-executive director, who holds 5,468,395 shares of the Issuer on 31.12.2023, i.e. 0.86% of the share capital.
- 4) **Rudolf Paul Vizental** – non-executive director, does not hold as at 31.12.2023 shares of the Issuer.
- 5) **Dynamic Data Drawings SRL** – non-executive director, through Anca Mănițiu. Anca Mănițiu holds on 31.12.2023 a number of 763,237 shares of the Issuer, representing 0.12% of the share capital.

Given the approaching expiration of the Board of Directors' mandates, at the end of January 2024, Bittnet Systems convened the General Meeting of Shareholders for January 25th, 2024 to elect a new Board. Following the casting of votes, the shareholders elected the New Board of Directors for a 4-year mandate, which has the following composition:

- 1) **Ivylon Management SRL** – executive director, through **Mihai Alexandru Constantin Logofătu**. On 31.03.2024, Mihai Logofătu held a number of 55,651,882 shares, which represented 8.77% of the share capital. Mihai Logofătu is a co-founder of Bittnet Systems.
- 2) **Anghel Lucian Claudiu** – non-executive director, who held a number of 5,468,395 shares of the Issuer on 31.03.2024, i.e. a percentage of 0.86% of the share capital.
- 3) **Eccleston Square Capital Limited** represented by **CIUCU BOGDAN-ANDREI** – non-executive director. At the date of his election as a member of the Board of Directors, Mr. Ciucu or the company Eccleston did not hold shares of Bittnet Systems.
- 4) **CONSTANTINESCU GABRIEL-CLAUDIU** – non-executive director. At the date of his election as a member of the Board of Directors, Mr. Constantinescu did not hold shares of Bittnet Systems.
- 5) **Quercus Solutions SRL** represented by **MICHEȘ PAUL** – non-executive director. At the date of his election as a member of the Board of Directors, Mr. Micheș or the company Quercus Solutions did not hold shares of Bittnet Systems.

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The operational management of Bittnet Systems is provided by: **Mihai Logofătu** – CEO and co-founder and **Adrian Stănescu** – CFO, together with **Cristian Herghelegiu** – VP Technology and **Cristina Ratiu** – CEO Education. The 4 persons are identified as key management from the IFRS perspective.

NOTE 2. BASIS FOR DRAWING UP THE FINANCIAL STATEMENTS

a) Declaration of conformity

The Issuer's individual financial statements were prepared in accordance with International Financial Reporting Standards adopted by the European Union ("EU IFRS"), and in accordance with OMFP 2844/2016, as amended and supplemented, "for the approval of accounting regulations in accordance with International Financial Reporting Standards".

The Issuer has prepared and published on 28 March 2025 consolidated financial statements developed in compliance with EU IFRS and Order no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting.

The individual financial statements were prepared on the basis of the historical cost convention, except for financial assets carried at fair value through profit or loss (FVTPL) and on going concern basis. The financial statements are presented in RON, which is also the functional currency of the Issuer.

The main accounting policies adopted in the preparation of the financial statements are set out at Note 28 "Significant accounting policies".

b) Business continuity

The year 2024 was characterized by a slower traction, a prolonged period of project implementation and a greater requirement for the customization of delivered solutions. It was a year in which the IT industry felt cost-cutting strongly, and customers kept their budgets tight in the first part of the year, were more carefully in purchases and investing more cautiously.

This situation could have generated 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 Company closely monitors liquidity indicators - conversion of receivables into cash, transactions with customers and suppliers, etc.

Based on analysis of future cash flows and analysis of outstanding obligations, as well as on the current year results, the Company's Management considers that the going concern principle is properly applied in the preparation of these consolidated financial statements at 31 December 2024.

c) New standards and interpretations not yet adopted

A number of new and amended accounting standards are effective for annual reporting periods beginning after 1 January 2024 and earlier application is permitted. However, the Company has not early adopted the following new or amended accounting standards in preparing these financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following major changes in requirements:

A more structured statement of profit or loss

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IFRS 18 introduces newly defined 'operating profit' and 'profit or loss before financing and income tax' subtotals and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities: operating, investing and financing.

Under IFRS 18, companies are no longer permitted to disclose operating expenses only in the notes. A company presents operating expenses in a way that provides the 'most useful structured summary' of its expenses by either nature, function; or using a mixed presentation.

If any operating expenses are presented by function, then new disclosures apply.

Companies are discouraged from labelling items as 'other' and are required to disclose more information if they continue to do so.

MPMs – Disclosed and subject to audit

IFRS 18 also requires some 'non-GAAP' measures to be reported in the financial statements. It introduces a narrow definition for Management Performance Measures ("MPMs"), requiring them to be:

- a subtotal of income and expenses;
- used in public communications outside the financial statements; and
- reflective of management's view of financial performance.

For each MPM presented, companies need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.

Other changes applicable to the primary financial statements

IFRS 18 sets operating profit as a starting point for the indirect method of presenting cash flows from operating activities and eliminates the option for classifying interest and dividend cash flows as operating activities in the cash flow statement (this differs for companies with specified main business activities). It also requires goodwill to be presented as a new line item on the face of the balance sheet.

The Company plans to apply the new standard from 1 January 2027. The Company expects that the new standard, when initially applied, will have a material impact on its financial statements. The Company is still in the process of assessing the potential impact of the new standard on its financial statements, particularly with respect to the structure of the v's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

d) Other standards

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- Lack of Exchangeability (Amendments to IAS 21)
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards – Volume 11
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

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The Company anticipates that the adoption of these new standards and amendments to the existing standards will not have a significant impact on the financial statements of the Company during the initial application period.

NOTE 3. ESSENTIAL ESTIMATES AND ACCOUNTING REASONING

The Company makes certain estimates and assumptions about the future. Estimates and reasoning shall be assessed on an ongoing basis, considering the historical experience and other factors, including expectations of future events that are considered reasonable in those circumstances. In the future, the real experience may differ from these estimates and assumptions. Estimates and assumptions that present a significant risk of generating a material adjustment to the carrying amounts of assets and liabilities in the next financial year are discussed below.

Essential reasoning

- Revenue recognition (Note 6) – principal/agent relationship with respect to resale of software licenses;
- Bittnet brand recognition (Note 14);
- Recognition of the employee/collaborator loyalty program by offering actions - "SOP" (Note 21)

Estimates and assumptions

- Assessment of the consideration related to the employee/collaborator loyalty program by offering actions – "SOP" (Note 21)
- Adjustments assessment of the receivables impairment (Note 17)
- Estimation of the recoverable amount of investments in subsidiaries for the assessment of a possible impairment

Except for the valuation of financial assets held for sale and future value of trade receivables, the Company does not have any assets and liabilities included in the financial statements that require measurement and/or disclosure of fair value.

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NOTE 4. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Currency risk
- Other market price risks and
- Liquidity risk.

Along with all other businesses, the Company is exposed to risks arising from the use of its financial instruments. This note describes the risk management objectives, policies and processes and the methods used to assess risks. Additional quantitative information on these risks is presented below, in these financial statements.

There haven't been any substantial changes over the reported periods in terms of the Company's exposure to the risks of financial instruments, its risk management objectives, policies and processes, or the methods used to assess them in prior periods, unless otherwise stated in this note.

(i) Main financial instruments

The main financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Receivables and loans;
- Cash and cash equivalents;
- Variable rate bank loans;
- Bank loans and fixed-rate bonds;
- Business debts and other liabilities.

(ii) Financial instruments by category

FINANCIAL LIABILITIES	31 Dec 2024	31 Dec 2023
Bond issue loans	30,885,839	24,388,157
Leasing liabilities	16,992,391	18,591,558
Bank loans	-	-
Trade liabilities and other liabilities	3,903,875	9,443,564
Total	51,782,105	52,423,279

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FINANCIAL ASSETS	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Receivables and loans receivables	36,884,609	48,867,950
Investments at FVTPL	5,710,669	11,356,744
Cash and cash equivalents	<u>15,329,850</u>	<u>3,535,970</u>
Total	<u>57,925,128</u>	<u>63,760,665</u>

(iii) Financial instruments not measured at fair value

Financial instruments that are not measured at fair value include cash and cash equivalents, receivables and loans, trade and other liabilities, bank loans and bonds.

Due to the short-term nature, the net asset value of cash and cash equivalents, trade and other receivables as well as trade and other liabilities, including loans (which have a variable interest rate linked to Romanian Banks loan index), is close to their fair value.

General objectives, policies and processes

The Board of Directors has overall responsibility for determining the Company's risk management objectives and policies and, while retaining accountability for them, has delegated authority for the design and operation of the processes that ensure effective implementation of the objectives and policies to the Company's finance function. The Board receives monthly reports from the Society's CFO reviewing the effectiveness of the processes implemented and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to establish policies that seek to reduce risks as far as possible without unduly affecting the Company's competitiveness and flexibility. More details on these policies are given below:

Credit risk

Credit risk is the risk that the Company's debtors may not be able to meet their obligations as they fall due, because of a deterioration in their financial situation. The Company is less exposed to this risk due to the specific nature of the products and services sold, which are aimed at companies of a certain size with a particular financial situation.

The Company analyses new customers using specialised tools (specific customer credit analysis websites) and has a strict procedure for documenting orders and the 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.

Additional relevant information on trade and other receivables, which are neither due or impaired, is provided at Note 18.

Cash in bank deposits and short-term deposits

The Company regularly monitors bank credit ratings and at the reporting date no losses from counterparties'

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non-performance are expected. For all financial assets for which impairment requirements have not been applied, the net asset value represents the maximum exposure to the credit loss.

Market risk

Market risk arises from the Company's use of interest-bearing, tradable and foreign currency financial instruments. There is a risk that the fair value or the future cash flows of a financial instrument may fluctuate due to changes in the interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Interest rate risk

The Company is exposed to the risk of rising interest rates, having contracted bank loans and from the issuance of bonds, all in RON. Any increase in the interest rate will be reflected by the increase in financial costs. The Company regularly monitors the market situation in order to foresee the interest rate risk.

All of the amounts borrowed currently have fixed annual interest (bonds and leasing). The weighted cost of borrowed capital is just under 9% per annum. We believe that the next financial period will be a period in which the fact that, for the most part, the price of the borrowed capital has been fixed will constitute a competitive advantage.

	31 Dec 2024	31 Dec 2023
Variable interest	-	-
Fixed interest	47,878,230	42,979,716
Total	47,878,230	42,979,716

On 31 December 2023, if interest rates on RON loans had been 1 percentage point higher/lower, with all other variables held constant, gross profit for the year would have been the same (31 December 2023: idem), mainly as a result of higher/lower interest expense on variable rate loans.

Currency risk

An important element of the market risk is the risk of exchange rate fluctuation. The Company aims to be neutral to the risk of exchange rate fluctuations. The activities carried out in this respect are:

- The company avoids as much as possible the submission of "cross currency" sales offers (offers with the sales price expressed in another currency than the purchase price);
- Most of the sale prices from the contracts are expressed in a foreign currency and are invoiced in RON at the exchange rate on the delivery date, in order to avoid the risk of foreign currency fluctuation.

On 31 December, the Company's net exposure to currency risk was as follows (amounts in LEI equivalent):

Net financial assets/(liabilities) in foreign currency	31 Dec 2024	31 Dec 2023
	<hr/>	<hr/>

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EUR	(16,465,644)	(6,332,628)
USD	<u>256,262</u>	<u>625,547</u>

On 31 December 2024, if the EUR/RON exchange rate had been 1 percentage point higher/lower, with all other variables held constant, gross profit for the year would have been 164,656 lower/higher (31 December 2023: 63,326), mainly due to the revaluation of net financial assets denominated in EUR.

Other market risk

The Company holds some equity investments in other listed companies. Management believes that the exposure to market risk from this activity is acceptable in the circumstances of the Company, but it is much higher than the risk associated with an investment in government securities or investment fund shares, mainly due to the volatility and unpredictable movement in share prices, both in the short and long term.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and financial expenses and principal repayments of its debt instruments. There is a risk that the Company may encounter difficulties in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to enable it to meet its liabilities as they fall due. To achieve this objective, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days. The Company also seeks to reduce liquidity risk by fixing interest rates (and therefore cash flows) on a portion of its long-term borrowings, and this is noted in the "interest rate risk" section above.

The following table shows contractual maturities (representing contractual cash flows of financial liabilities):

31 December 2024	Carrying amount	Up to 2 months	2 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Bond issue loans	30,885,839	167,365	-	9,715,173	21,003,301	-
Leasing liabilities	16,992,391	441,325	3,455,997	3,703,185	9,391,883	-
Bank loans		-	-	-	-	-
Trade liabilities and other liabilities	3,903,875	3,903,875	-	-	-	-
Total	51,782,105	4,512,565	3,455,997	13,418,359	30,395,184	-

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31 December 2023	Carrying amount	Up to 2 months	2 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Bond issue loans	24,388,157	47,458	-	-	24,340,699	-
Leasing liabilities	18,591,558	655,622	2,817,205	3,500,246	10,367,459	1,251,026
Bank loans		-		-		-
Trade liabilities and other liabilities	9,443,564	3,069,575	6,373,988	-		-
Total	54,423,279	3,772,655	9,191,194	3,500,246	34,708,159	1,251,026

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NOTE 5. RESULT PER SHARE

The Company reports both basic and diluted earnings per share:

- the basic earnings per share are calculated by dividing the net profit for the current year attributable to equity holders of the Company by the weighted average number of shares during the period;
- the diluted earnings per share shall be calculated on the basis of the net profit, adjusted by the dilutive effect of the employee's share options.

The earnings per share are adjusted retroactively at the beginning of the first period reported for the increase in the number of shares resulting from capitalization.

The calculation of the result per share for the financial years 2023-2024 is presented in the following table:

	<u>2024</u>	<u>2023</u>
Net profit attributable to parent company (A)	9,791,750	(8,841,330)
Number of shares - beginning of period	634,176,714	528,480,595
Capitalization of premiums/retained earnings	-	-
Shares issued during the period in business combinations <i>(Note 21)</i>	-	9,677,419
Shares issued during the period against cash	-	96,018,700
Number of shares - end of period	634,176,714	634,176,714
Average ordinary shares in the period (B)	634,176,714	607,752,685
Dilutive Effect Shares (SOP)	47,563,254	79,272,089
Total average (C)	681,739,968	671,170,356
Earnings per share		
basic (A/B)	0.0154	(0.0145)
diluted (A/C)	0.0144	(0.0132)

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NOTE 6. REVENUES FROM CONTRACTS WITH CLIENTS

Revenues from contracts with customers for the financial years 2023-2024 are detailed in the following table:

	<u>2024</u>	<u>2023</u>
Training services	8,574,731	11,575,310
IT solutions integration services, goods and licenses	643,172	943,639
Total	<u>9,217,903</u>	<u>12,518,949</u>

Revenue from geographical perspective

Revenues are predominantly rendered and goods delivered to entities in Romania.

Essential reasoning

The Company has analysed through the provisions of IFRS 15 whether it acts in its own name ("Principal") in relation to customers, i.e. whether it controls the promised goods and services before transferring the good or service to a customer.

Analysing the contracts for the sale of goods (hardware equipment and software licenses), Bittnet considers that it has obligations in its own name and therefore acts as "Principal" and not as an intermediary ("Agent"). To reach this conclusion, the Company has analysed the processes of ordering and delivery of equipment and licences, the timing of the transfer of rights from the supplier to the Company and from the Company to the customer, and the occurrence of risks associated with control.

The Company sells the rights to goods produced by manufacturers in combination with its own value-added services. These services are advisory and know-how services (often governed and certified by our partnership status with manufacturers), ensuring that the solutions sold to customers meet their specific requirements and needs. These services are an integral and essential part of our obligations to our clients, because these services do not provide separate value to clients and are not billed separately. The combination of qualified consulting services (pre-sales and post-sales) and the goods produced by the manufacturers is, in fact, what ensures the benefit to the customers, as a solution tailored to their specific needs (e.g. providing various upgrade options and maximum flexibility) and law compliant. Also, even after the conclusion of the contract, during the whole duration of the contract, the Company is the sole point of contact and the sole responsible to the customer for any problems (in which case the Company's team solves the deficiencies and/or liaises with the manufacturer to rectify the problems) or additional requirements (e.g. software upgrade).

Even if the IT equipment or software licenses sold by the Company are produced by other entities, the Company's promise to its customers is not to produce those goods, but to deliver them, and often also to perform additional activities such as installation, customization, combination, activation, configuration, optimization and maintenance during operation – these being key elements of the performance obligations undertaken towards customers. From the customer's perspective, the Company's promise represents a single performance obligation (i.e. the delivery of a customised and law compliant solution) and the Company undertook the performance risk for the entire solution, which attests to the Company's control

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over the products in the delivery flow. Regarding the delivery to the client, it is carried out by the Company - which takes actual possession of the goods (including the software activation keys) and transmits them to the end client, together with specific internal activation processes in dedicated portals (processes carried out by the Company's team). Also, by means of the contracts concluded with manufacturers, the Company receives, according to its status as an authorized partner, the right to use the manufacturer's intellectual property, which is separate from the actual licenses sold to customers; as such, the Company controls the entire promise to the customer prior to delivery.

Although the Company does not normally incur inventory risk prior to receiving the order from the customer, from that moment on the Company takes over the inventory risk until the final transfer of control of the goods to the final customer. Even if by definition there is only one manufacturer for each type of equipment or software license sold to customers, the Company may decide to buy directly from the manufacturer, or from any other authorized supplier (distributor, importer, European, global wholesaler etc.). If, for any reason, the delivery to the customer is not completed, or is not successful (according to the obligations undertaken towards the customer), the Company will remain in possession of the goods without being able to return them to the supplier or sell them to another customer. Also, in certain situations the Company places advance orders with suppliers (i.e. before receiving the order from the customer) to secure volume discounts or to take advantage of favourable prices (thus voluntarily assuming the inventory risk), and subsequently transfers goods to customers as they confirm their purchase intentions.

In summary, the Company makes a promise to customers to deliver the goods, takes possession and control of the goods, and sets the selling prices through negotiation processes. The Company is free to set prices with customers; thus, the Company may grant additional discounts, or may request price increases to reflect currency risks, speed of delivery, risk of non-receipt from the customer, etc. In other words, to customers, the Company is the supplier of the goods, even if they are produced by manufacturers and/or delivered by distributors, and the Company is fully responsible for the proper delivery of agreed projects.

In addition, the Company bears the full credit risk for the entire value of the goods (hardware and software) – orders once placed with suppliers (either directly with the manufacturer or with authorised intermediaries) are non-refundable. In assessing the decision to initiate and/or continue business relations with customers, the Company only analyses the ability and the intention/goodwill of customers to pay invoices in due time. The Company has full control over the sales strategy, decides what goods and services to provide, deliver and ultimately implement/configure.

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NOTE 7. COST OF SALES

The sales costs for the financial years 2023-2024 are presented in the following table:

	<u>2024</u>	<u>2023</u>
Selling cost of the IT goods and licenses	469,193	586,668
Other direct materials	246,712	259,032
Cloud services	14,335	128,492
Staff expenditure	339,062	280,667
Expenses with subcontractors	294,545	955,304
Services provided by third parties	3,240,744	4,530,481
Total	<u>4,604,591</u>	<u>6,740,634</u>

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NOTE 8. OTHER INCOME and OTHER EXPENDITURE

a) Other revenues

	2024	2023
Sale & lease-back IT equipment	-	230,502
Other	32,684	-
Total	32,684	230,502

b) Other expenses

	2024	2023
E-Learning shareholding impairment (<i>Note 16</i>)	1,428,990	-
Total	1,428,990	-

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NOTE 9. SALES EXPENSES

The sales expenses for the financial years 2023-2024 are presented in the following table:

	<u>2024</u>	<u>2023</u>
Staff expenditure	1,330,304	1,222,986
Expenses with subcontractors	1,934,949	2,242,226
Commissions and fees	253,878	266,156
Advertisement	743,395	971,927
Total	<u>4,262,527</u>	<u>4,703,295</u>

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NOTE 10. GENERAL AND ADMINISTRATIVE EXPENSES

The administrative expenses for the financial years 2023-2024 are detailed in the following table:

	<u>2024</u>	<u>2023</u>
Materials	78,877	133,157
Staff expenditure	2,907,470	3,370,095
Provisions for unused leave	(48,189)	41,518
Expenses with subcontractors	799,265	1,454,955
Depreciation and amortization	2,115,786	2,019,273
Rentals	3,168	5,740
Travel and transportation	18,025	8,172
Insurance	52,416	63,014
Post and telecommunications	36,126	36,744
Donations	77,919	341,719
Receivables adjustments	-	(3,764)
Bank fees	51,909	40,344
Other third party services	1,647,032	2,299,063
Other expenditures	254,372	382,663
Total	<u>7,994,175</u>	<u>10,192,693</u>

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NOTE 11. CLASSIFICATION OF EXPENDITURE BY TYPE

The classification of total operational expenses, by nature, for the financial years 2023-2024 is detailed in the following table:

	<u>2024</u>	<u>2023</u>
Materials and goods	325,589	788,872
Resold licenses	469,193	189,975
Staff expenditure	4,576,836	4,873,748
Provisions for unused leave	(48,189)	41,518
Expenses with subcontractors	3,028,759	4,652,485
Amortization	2,115,786	2,019,273
Cloud services	14,335	128,492
Rentals	3,168	5,740
Commissions and fees	253,878	266,156
Advertisement	743,395	971,927
Travel and transportation	18,025	8,172
Insurance	52,416	63,014
Post and telecommunications	36,126	36,744
Donations	77,919	341,719
Receivables adjustments	-	(3,764)
Bank fees	51,909	40,344
Services provided by third parties	4,887,776	6,829,544
Other expenditures	254,372	382,663
Total operating expenses	<u>16,861,293</u>	<u>21,636,622</u>

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NOTE 12. INCOME AND FINANCIAL EXPENSES

Details of revenues and expenses for the financial years 2023-2024 are presented in the following table:

INCOME/FINANCIAL EXPENSES	2024	2023
Interest income	3,133,882	2,662,125
Gain from sale of securities	23,315,963	2,099,075
Income/expenses from valuation of securities at FVTPL	(4,024,130)	(2,167,698)
Bank interest	(76,548)	(53,574)
Factoring costs	-	(10,892)
Interest on issued bonds	(2,985,021)	(2,426,672)
Leasing interest	(937,340)	(1,023,279)
Net income/expenses exchange rate differences	(17,092)	(94,340)
Total	18,409,714	(1,015,255)

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NOTE 13. INCOME TAX

Details regarding the income tax for the financial years 2023-2024 are presented in the following table:

	<u>2024</u>	<u>2023</u>
Current profit tax	-	-
Deferred tax	(461,271)	(1,182,152)
Total income tax	<u>(461,271)</u>	<u>(1,182,152)</u>

	<u>2024</u>	<u>2023</u>
Profit before tax on continuing operations	9,330,479	(10,023,482)
Romanian corporate tax rate of 16% (2023: 16%)	1,492,877	(1,603,757)
Tax effect of non-deductible expenses	(1,954,148)	421,605
Fiscal credits	-	-
Income tax reductions	-	-
Tax expense of the year	(461,271)	(1,182,152)

The Company has fiscal tax losses that arose in Romania that are available for 7 years for offsetting against future taxable fiscal profits. The fiscal tax losses will expire in 2026-2029.

Deferred tax assets have been recognised in respect of these losses as they may be used to offset taxable profits for the Company and there is evidence of recoverability in the near future (i.e 3-5 years).

Details regarding the expiration date per years of the fiscal tax loss at 31.12.2024 are presented in the table below:

Total fiscal loss, out of which recoverable by:	Fiscal loss	Deferred tax asset (16%)
31 december 2026	2,397,244	383,559
31 december 2027	7,388,452	1,182,152
31 december 2029	2,735,479	437,677
Total	12,521,173	2,003,388

Deferred tax

Payable and recoverable deferred taxes are valued at the effective 16% tax rate. Payable and recoverable deferred taxes as well as deferred tax expense/(income) recognized in the statement of comprehensive income are attributable to the fiscal loss.

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NOTE 14. INTANGIBLE FIXED ASSETS

Intangible fixed assets mainly include the Bittnet Brand and software licenses.

	Bittnet brand	Licenses and other intangible assets	Total other intangible assets
Net value			
On 31 December 2022	5,790,355	1,279,992	7,070,347
Additions	-	63,289	63,289
Assignments/Transfer	-	-	-
Amortization	-	(429,435)	(429,435)
On 31 December 2023	5,790,355	913,846	6,704,201
Additions	-	96,407	96,407
Assignments/Transfer	-	-	-
Amortization	-	(460,271)	(460,271)
On 31 December 2024	5,790,355	549,982	6,340,337

Key management judgements - Bittnet Brand (Recognition, Evaluation, Registration)

Bittnet brand

The Company controls the Bittnet Brand with with a carrying value of RON 5.8 million, with the ability to obtain future economic benefits from the underlying resource and to restrict others' access to those benefits. The ability to control future economic benefits derives from legal rights the enforcement of which can be upheld in court - pursuant to the 8th Copyright Act.

Key management judgements – indefinite lifetime

The Brand was acquired from a third party and is the only one allocated to the business. It has been established that it has an indefinite useful life as there is no intention to abandon the brand name. The company has the ability to maintain brand value for an indefinite period of time. Thus, the brand is not amortised but it is tested annually for impairment. As brands do not generate largely independent cash inflows, they are allocated to the Company's CGU for goodwill impairment testing as part of the assets of the business.

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NOTE 15. TANGIBLE ASSETS

Tangible assets mainly include office space layouts and equipment necessary for operational activities. Movements in property, plant and equipment are shown in the table below.

No mortgages or guarantees were established regarding the tangible assets held.

	Leased spaces and fittings	Technical installations and machinery	Other equipment and furniture	Total fixed assets
Cost				
On 31 December 2022	2,655,123	224,428	62,576	2,942,127
Leasing additions	-	-	-	-
Additions	1,150,907	-	32,696	1,183,602
Disposal	(3,127,278)	-	-	(3,127,278)
On 31 December 2023	678,751	224,428	95,272	998,451
Leasing additions	-	-	-	-
Additions	4,784	5,414	9,346	19,544
Disposal	(1,132)	(15,460)	-	(16,593)
On 31 December 2024	682,403	214,383	104,618	1,001,403
Amortization				
On 31 December 2022	-	185,905	30,600	216,503
Depreciation expense	78,002	10,680	30,596	119,277
Disposal	-	-	-	-
On 31 December 2023	78,002	196,583	61,196	335,780
Depreciation expense	113,200	7,894	25,249	146,343
Disposal	-	(15,460)	-	(15,640)
On 31 December 2024	191,202	189,016	86,445	466,663
Net value				
On 31 December 2024	491,201	25,367	18,173	534,741
On 31 December 2023	600,749	27,846	34,076	662,671
On 31 December 2022	2,655,123	38,525	31,976	2,725,624

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NOTE 16. INVESTMENT IN SUBSIDIARIES AND OTHER RELATED PARTIES

I. Subsidiaries

	31 Dec 2024	31 Dec 2023
Dendrio Solutions	48,422,241	6,394,376
Dendrio Technology (ex Top Tech) (*)	-	5,401,675
Dendrio Innovations (ex Dataware Consulting) (*)	-	10,679,558
IT Prepared	3,833,272	3,833,272
Equatorial Gaming	6,915,321	3,761,000
Computer Learning Center (**)	-	866,001
Elian Solutions	5,039,651	510,000
Kepler Management (***)	-	1,425,510
E-learning Company	1,271,854	2,797,884
Nenos Software & Nonlinear	4,985,939	4,985,939
Fort (****)	-	11,701,284
Total	70,468,278	52,356,500

(*) the Company sold its shareholdings in Dendrio Technology and Dendrio Innovations to Dendrio Solutions during 2024

(**) Computer Learning Center have been absorbed into Equatorial Gaming as of 30.12.2024

(***) the Company sold its shareholding in Kepler Management to Elian Solutions during 2024

(****) the Company sold its entire shareholding in Fort in December 2024

Impairment of investment in subsidiaries

As part of its accounting policy, the Company estimates the recoverable amount of its investments in subsidiaries on an annual basis to assess for potential impairment. The recoverable amount is determined using a value-in-use approach, which involves estimating future cash flows for each major segment of the business and applying appropriate discount rates.

The estimate of the recoverable amount of the investments in subsidiaries involves significant judgments regarding assumptions such as future cash flows, growth rates, gross and net operating margins, net working capital requirements and discount rates, as well as economic assumptions, such as the evolution of costs, and wages in the context of the economy and inflation. Management analyses impairment for subsidiaries at segment level.

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Management has used the value in use approach to calculate the recoverable amount of the cash-generating unit. The aggregated recoverable amount of the operating segment is then compared to its aggregated carrying amount. An impairment loss is recognized if the aggregated carrying amount of the operating segment exceeds its aggregated recoverable amount. The value in use is determined based on future discounted cash flows using the weighted average cost of capital (WACC). The discount rate reflects the current assessment of the time value of money and the risks specific to the segment.

The cash flow projections are generally based on a five-year financial planning period using business plans approved by management. The business plans include among others, management's current view on market growth, pricing and costs. In any event, the growth rate used to extrapolate cash flow projections beyond the planning period does not exceed the long-term average growth rate for the relevant market for the products and country in which the cash-generating unit operates.

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Sales volume	Sales volumes for the next 5 years were projected taking into account past data and expectations of demand for the next 5 years. Average growth rate for sales volume is of 10%.
Sales price	A sales prices were assumed to increase in line with inflation and industry specific growth rates; increases took into account management strategy and expectations for variations in price as a result of variation in CAGR for each segment. Average value increase in sales is of approximatively 1%.
Budgeted EBITDA margin	Based on past performance of each segment and expectation for improvement in operational costs as a result of synergies at Group level.
Other operating costs	Fixed costs of the CGUs, which do not vary significantly with sales volumes or prices. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost-saving measures. The amounts disclosed above are the average operating costs for the five-year forecast period.
Annual capital expenditure	Expected cash costs in the segments. This is based on the historical experience of management, and the replacement expenditure. No incremental revenue or cost savings are assumed in the value in use model as a result of this expenditure.
Weighted average cost of capital	This is the weighted average cost of capital used to extrapolate cash flows beyond the budget period. To calculate the discount rate, the Company used Weighted Average Cost of Capital ("WACC"), which reflects the optimal funding structure applied to the flows in the numerical order.
Pre-tax discount rates	Reflects the specific risks related to the relevant segments and to the country.

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Long-term growth rate	Long term growth rate used in impairment testing is of 3% for all subsidiaries. The long term growth rate was determined by an independent evaluator as at 31 December 2024.
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Education (Equatorial Gaming, Computer learning Center)

The recoverable amount of Education of RON 14,946 thousand was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 14.58% and cash flows beyond the five-year period are extrapolated using a 3% growth rate. As a result of the analysis, there is headroom of RON 2,942 thousand and management did not identify an impairment for this investments in 2024 or 2023.

Cloud & Infrastructure (Dendrio Solutions, Dendrio Innovations, Dendrio Technology)

The recoverable amount of Cloud & Infrastructure segment of RON 208,869 thousand was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 14.58% and cash flows beyond the five-year period are extrapolated using a 3% growth rate. As a result of the analysis, there is headroom of RON 104,812 thousand and management did not identify an impairment for this segment in 2024 or 2023.

Business applications & Software development (Nenos, Nonlinear, Elian, Kepler)

The recoverable amount of Business applications & software development segment of RON 54,270 thousand was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 14.58% and cash flows beyond the five-year period are extrapolated using a 3% growth rate. As a result of the analysis, there is headroom of RON 20,750 thousand and management did not identify an impairment for this CGU in 2024 or 2023.

The process of continuous evolution of the group, both through the launch of new products and services and through continuous acquisitions, has led to the current dimension where the activity is organised in more independent centres ("cells"), in areas of interest - "development pillars" or "business units", which represent sub-areas of activity in the IT&C Services area. Bittnet is today a conglomerate offering investors exposure to the entire IT&C industry in Romania.

a) Education Division

This division contains 2 companies (**Bittnet Systems** and **Equatorial Gaming** (which absorbed Equatorial Training and Computer Learning Center as of December 2024), accompanied by a minority shareholding in **The E-Learning Company**), offering training to adults in two areas: Technical Skills and Human Skills in both traditional, face-to-face, Virtual Remote and instructor-led or eLearning formats. The trainings provided allow experts access to technology by teaching IT skills, starting from basic skills (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.

Transactions 2024

Equatorial Gaming - change of legal form and shareholder structure in April 2024

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At the end of April 2024, the Company decided (together with the founding shareholder of Equatorial Gaming who still owned 1% of the company at that time) to change the legal form of organization of Equatorial Gaming from a joint stock company (SA) to a limited liability company (SRL). The founding shareholder also agreed to transfer, at the nominal value, the minority holding it still had at that time in Equatorial Gaming to Bittnet Systems, namely the transfer of all 1,430 shares held, with a face value of 1 leu and a total value of 1,430 lei. Following the registration operation at the Trade Register, Equatorial Gaming SRL is 100% owned by Bittnet Systems SA.

Computer Learning Center (CLC) – share capital increase by converting receivables held by Bittnet Systems in June 2024

In June 2024, Bittnet Systems (as the unique shareholder) decided to increase the capital of CLC by the amount of 2,286,896 lei by converting some certain, liquid and due receivables resulting from: the intragroup loan in the amount of 1,780,000 lei according to the intragroup loan agreement and subsequent addendums, the interest related to this loan in the amount of 235,653 lei, as well as commercial debts of CLC to its sole shareholder resulting from current activity, in the amount of 271,243 lei.

Merger process of companies from the Education pillar, December 2024: Equatorial Gaming – Equatorial Training – Computer Learning Center

On August 20th, 2024, the merger project between the companies part of the Education pillar of the Group was submitted to the Trade Register, namely between Equatorial Gaming SRL (as the absorbing company) and Equatorial Training SRL (previously 100% owned by Equatorial Gaming) and Computer Learning Center SRL (as the absorbed companies). The merger project was completed on 30th December 2024 and at the end of it the shares of the 2 absorbed companies were canceled, and the assets and liabilities were absorbed into Equatorial Gaming SRL. All ongoing contracts with partners, customers, suppliers and employees from Equatorial Training and Computer Learning Center were taken over by Equatorial Gaming SRL.

b) Cloud & Infrastructure Division (Digital Infrastructure)

This division contains 4 companies (**Dendrio Solutions**, **Dendrio Innovations** (former Dataware Consulting), **Dendrio Technology** (former Top Tech, which absorbed 2Net Computer as of December 2024) and **IT Prepared**) offering complex IT solutions to customers in the corporate, large corporate, enterprise and public sector segments throughout the country but also abroad (mainly CEE and USA).

The solutions offered start from 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 centre/hybrid or cloud, enterprise networking, cyber security platforms and the implementation of related software platforms, including collaboration platforms (modern workplace).

The services provided are both project-based and managed services, with managed services being delivered mainly to clients in mature markets, Europe and the United States.

Transactions 2024

Consolidation of holdings within the pillar under Dendrio Solutions and capital increase operation – April 2024

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As part of the restructuring and simplification strategy of Bittnet group, in April 2024 the Group management and Dendrio's shareholders decided to consolidate the holdings within the Digital Infrastructure pillar under the legal entity Dendrio Solutions. Thus, Agista Investments and Bittnet Systems, shareholders in both Dendrio Solutions and Top Tech, transferred their holdings in the company Top Tech (Agista Investments – 14% and Bittnet Systems – 40% respectively) to Dendrio Solutions for a total amount of 14,464,286 lei (Agista Investments – 3,750,000 lei and Bittnet Systems – 10,714,286 lei respectively). The price for the acquisition of 14% of Top Tech from Agista Investment was negotiated by the Group on an arm's length basis at 3,750,000 lei, while the intragrup transaction between Bittnet Systems and Dendrio Solutions was aligned in terms of pricing, having in view the resulting total equity value of Top Tech, i.e. 27,785,714 lei. According to the Group's internal valuation model (the same model used for testing of goodwill impairment based on figures at 31.12.2023), Top Tech was valued at approximately 40 million lei.

Bittnet Systems also transferred its holding in Dataware Consulting (28.87%) to Dendrio Solutions for a total amount of 14,435,000 lei. The price for the intragrup transaction was based on a total equity value of 50 million lei for Dataware Consulting, the same value based on which the Group acquired the last 30% of Dataware Consulting from the original shareholders in December 2023. According to the Group's internal valuation model (the same model used for testing of goodwill impairment based on figures at 31.12.2023), Dataware Consulting was valued at approximately 60 million lei.

As a result of these transactions, Dendrio Solutions individually and directly owns 100% of the shares of Top Tech and Dataware Consulting, considering the profiles of IT&C solutions and services integrators that the 3 companies have.

Following the transactions described above, the sellers (Agista Investments and Bittnet Systems) were allocated shares in Dendrio Solutions as part of a share capital increase through the conversion of the relevant receivables (debt to equity conversion at the level of Dendrio Solutions). Also within this operation, the 2 Dataware Consulting co-founders - Constantin Savu and Catalin Georgescu - were allocated shares in Dendrio Solutions through the conversion into capital of the receivables amounting to 5,000,000 lei, relating to the second tranche according to the SPA for the acquisition of 30% in Dataware Consulting in December 2023. The pre-capitalization value of Dendrio Solutions and its wholly owned subsidiaries Dataware Consulting, Top Tech and 2Net Computer (together the 'Dendrio Group') was negotiated by the Group with Agista Investments and the 2 co-founders of Dataware Consulting on an arm's length basis at 109 million lei. Considering the valuations for Dataware Consulting and Top Tech for the above-mentioned transactions, this implied a total equity value of 61 million lei for Dendrio Solutions stand-alone and 2Net Computer. According to the Group's internal valuation model (the same model used for testing of goodwill impairment based on figures at 31.12.2023), Dendrio Solutions stand-alone was valued at approximately 61 million lei, while 2Net Computer was valued at approximately 10 million lei.

Following these operations, Dendrio Solutions' equity was increased by approximately 33.9 million lei through the contribution of the previously existing shareholders, Bittnet Systems and Agista Investments, as well as the 2 new shareholders, and the resulting shareholding structure was: Bittnet Systems - 84.7245%, Agista Investments - 11.7765%, Dataware co-founders - Constantin Savu and Catalin Georgescu - 3.499%.

Acquisition of minority stake in Dendrio Solutions (from Agista Investments) – December 2024

In December 2024, Bittnet Systems signed the closing certificates regarding the acquisition of 11.7765% stake in Dendrio Solutions from Agista Investments for the amount of 16,828,603 lei. In this regard, Bittnet acquired, in two tranches (on 20.12.2024 and 24.12.2024), a number of 90,014 shares in Dendrio Solutions,

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each with a face value of 10 lei and a total nominal value of 900,140 lei. The buyer and seller in this transaction established the price based on a total equity value of Dendrio Solutions of approximately 143 million lei, value which was determined based on the pre-capitalization equity value of 109 million lei for the Dendrio Group plus the total value of capitalized debt of approximately 34 million lei. According to the Group's internal valuation model (the same model used for testing of goodwill impairment based on figures at 31.12.2024), Dendrio Group was valued at approximately 191 million lei.

The transfer of shares was carried out after fulfilling some suspensive clauses specific to these types of transactions, including obtaining the approval from the Foreign Direct Investment Review Commission (CEISD – FDI) and was based on the consolidating strategy of holdings in the Digital Infrastructure pillar. Thus, with the exit of the investment fund from the Dendrio Solutions shareholder base, the shareholding structure in the company is as follows: Bittnet Systems – 96.501%, Constantin Savu and Cătălin Georgescu – 3.499%.

Rebranding October-November 2024

As part of the strategy to consolidate the holdings and businesses in the Digital Infrastructure pillar around Dendrio Solutions, and also to simplify the group structure, the Group decided to rebrand the companies Dataware Consulting and TopTech. Thus, at the end of October 2024, the company Dataware Consulting became Dendrio Innovations, and the company Top Tech became Dendrio Technology, changes also made at the Trade Register.

Merger project in the Digital Infrastructure pillar – December 2024: Dendrio Technology (formerly named Top Tech) – 2Net Computer

On August 12, 2024, the merger project was submitted to the Trade Register together with the rest of the supporting documents necessary for this operation. The merger between Dendrio Technology SRL (as the absorbing company) and 2Net Computer SRL (as the absorbed company) is in line with the Group's plans to simplify the structure and streamline the operations of the Digital Infrastructure pillar. The project was completed on December 31st, 2024, and at the end of it the shares of 2Net Computer were cancelled, the company's assets and liabilities being absorbed into Dendrio Technology (formerly Top Tech).

Transactions 2023

Acquisition of Dataware Consulting ("Dataware") in May / December 2023

Dataware Consulting entered the Bittnet Group as of June 2023 through the acquisition by the Group of a 70% stake of the shares (following the M&A transaction, Bittnet Systems owned 18.87% and Dendrio Solutions owned 51.13%). The total price of the transaction amounted to RON 19,859,495, out of which the equivalent of 5,000,000 lei was payable 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 sale and purchase agreement, the parties agreed the cash payment of this instalment in June 2023.

In December 2023, the Group's Management decided to fully acquire the minority interests in Dataware Consulting from its founders, namely the remaining percentage of 30%. At year end ownership percentages in Dataware Consulting were: Dendrio Solutions – 71.13% and Bittnet Systems SA – 28.87% of the share capital and voting rights.

The purchase price was set at EUR 3,000,000, to be paid in: Dendrio shares (RON 5 million) and cash (RON 5 million Bittnet Systems and RON 5 million Dendrio Solutions).

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Considering the above-mentioned, the total consideration paid for the acquisition of 100% of shares in Dataware Consulting was 34,859,495 lei. (19,859,495 lei for the first 70% of shares – fully paid in cash in 2023 - and 15,000,000 lei for the remaining 30% of shares – out of which 5,000,000 lei paid in cash in 2024, 5,000,000 lei paid in Dendrio shares allocated to the sellers in April 2024 and 5,000,000 lei paid in cash in February 2025).

Top Tech – settlement of the 2nd payment installment in March-April 2023

The total value of the transaction price for the acquisition of Top Tech was RON 12,874,306, of which the cash component, worth RON 7,874,306 (1st instalment), was paid in full in September 2022. The second installment was partly settled in cash (2,000,000.11 lei, paid in March 2023), according to an addendum to Sales Purchase agreement, and partly in Bittnet shares (2,999,999.89 lei, converted into BNET shares in the capital increase carried out in April 2023).

IT Prepared – settlement of the 2nd and 3^d payment installments in March / June 2023

The transaction price amounted to USD 776,290 for 50.2% of the company's share capital and was paid in cash in 3 instalments (USD 265,200 paid in 2021; USD 368,290 paid in May 2023; and RON 1,078,768 - amount updated following the closing of IT Prepared's financial statements on 31.12.2022- paid in June 2023).

c) Cybersecurity Division

This division contained 3 companies (**Fort S.A. - formerly Global Resolutin Experts**, and its two 100% owned subsidiaries: **GRX-Advisory** and **ISEC Associates**) that provide cyber security services (to corporate, large corporate, enterprise and public sector clients from all over the country).

Transactions 2024

FORT SA: share capital increase and dividend distribution – August/September 2024

On July 2nd 2024, Fort shareholders voted in the first General Meeting organized as a public company, listed on the Bucharest Stock Exchange, AeRO-SMT market. The GM agenda included two items: the distribution of dividends related to 2023 profits in the total amount of 1,008,836 lei and a share capital increase through the allocation of free shares – through the capitalization of issue premiums. Thus, in August 2024, the distribution of 0.99 lei/share was made and in September 2024, the allocation of free shares was made, 10 free shares for 1 held on the registration date.

Sale of the Cybersecurity pillar – December 2024

In December 2024, Bittnet Systems (as the seller) and Agista Investmens fund together with Impetum Investments fund (as the buyers) signed the closing certificates regarding the transaction of 6,598,350 Fort SA shares (58.8650% of the share capital and voting rights), representing Bittnet's entire holding in Fort SA for the amount of 23,490,126 lei. This sale represented the first exit of a company part of Bittnet group and is part of the Group's publicly declared strategy to simplify the group's structure and create value for its shareholders, including through the sale of subsidiaries or business units.

The actual transfer of Bittnet Systems' ownership in Fort was carried out through the capital market mechanisms, at a price of 3.56 lei/share, and the trading orders were executed on the DEALS market of the Bucharest Stock Exchange (BVB) on 20.12.2024, 27.12.2024 and 30.12.2024. For the last tranche of the sale of Fort SA, Bittnet Sytems granted a loan to Impetum Investments, the counterparty in the transaction, in the amount of 5,150,000 lei, a loan granted for a period of 6 months and with an interest rate of 6% per year.

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Transactions 2023

ISEC capital increase – September 2023

In September 2023, the shareholders of ISEC Associates agreed to convert into capital the amount of RON 716,990, conversion made at the nominal value and which represented certain liquid and payable receivables held by Bittnet Systems (RON 501,893, representing part of the loan granted for financing of current operations) and by Provision Software (RON 215,097, representing receivables from the normal course of business) towards ISEC Associates. Thus, the share capital of ISEC was increased up to the amount of RON 767,200, the registrations being also made with the Trade Register. The Group maintained its participation in ISEC Associates after this operation (69.99% of shares held by Bittnet Systems), with Mr. Andriescu Alexandru and Provision Software owning the remaining 30.01%.

Acquisition of ISEC by Fort – October 2023

Considering the new operational organization of the group in the 4 business pillars (business units) but also taking into account the fact that a listing on the AeRO market of BVB was aimed for the Cybersecurity pillar – organized around FORT (formerly Global Resolution Experts SA), the management of the Group decided to organize all the companies that have as their object of activity the field of cybersecurity under the legal entity to become public, namely Fort. Thus, the Group's first investment in a cybersecurity company, ISEC Associates, was transferred from the direct control of Bittnet Systems (which owned 69.99% of the capital), to Fort. Additionally, the minority shareholders of ISEC Associates (which owned 30.01% of the capital) also sold their participation to Fort.

In this respect, the assignment contract of 26.10.2023 was signed between the former associates of ISEC Associates (Bittnet Systems, Mr. Andriescu Alexandru and Provision Software) as sellers and Fort as buyer. The agreement provided for the sale of 100% of shares of ISEC Associates to Fort for the amount of RON 2,850,000 (the price of the transaction was established by the Decision of the Fort GMS dated 30.05.2022).

According to the share transfer agreement, the sellers agreed that in exchange for the transaction price, FORT shares will be allocated to them in a future operation to increase the share capital by converting the resulting receivables. Consequently, the transaction price did not involve the payment of any amount in cash by Fort for the full purchase of ISEC Associates.

Fort capital increase – November 2023

In November 2023, the share capital of FORT SA was increased by the amount of RON 8,550, from RON 90,000 up to RON 98,550, by allocating a number of 85,499 shares to the sellers of ISEC Associates (Bittnet Systems, Mr. Alexandru Andriescu and Provision Software), in proportion to the certain liquid and payable receivables that they held from the sale of 100% of ISEC shares to FORT. In addition to the subscribed and paid social capital, this operation also generated an increase in Fort's own capital, by recording the amount of RON 2,841,414 as share premiums.

Fort private placement – December 2023

In December 2023, Bittnet Group informed the market about the successful completion of a private placement in order to increase the share capital through new cash contributions in FORT SA, an operation prior to the listing on the AeRO-SMT market. The placement was closed at the price of RON 50 per share.

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The company's capital was increased by the amount of RON 1,676,350, divided into RON 3,352.70 share capital and RON 1,672,997.30 share premiums. Following the placement, Bittnet Systems' ownership in Fort was 58.87%.

d) Business applications & Software development division

Currently, this division contains 4 companies: **Elian Solutions, Kepler Management Systems, Nenos Software & Nonlinear.**

Elian Solutions & Kepler Management Systems specialize in providing implementation services for Enterprise Resource Planning (ERP) solutions, Microsoft Dynamics NAV. Elian is the only partner who holds 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 forecast, inter alia, cash flow, to track production, cost centres and much more.

Nenos Software & Nonlinear

Nenos Software is a custom software development company with a focus on Artificial Intelligence and Machine Learning (AI/ML). Nonlinear SRL is an SPV established to access European financing; the activity is one of product-based software development, focused on the development of a platform for digitalization and automation of processes within small and medium-sized companies using low code/no code and machine learning technologies.

By taking majority stakes in Nenos Software and Nonlinear, Bittnet strengthened its position in the software development division, while also entering the artificial intelligence sector.

Transactions 2024

Elian Solutions - capital increase operation in May 2024

At the end of May 2024 Bittnet Systems transferred its 24.2% minority holding in Kepler Management Systems to Elian Solutions for the total amount of 1,429,651 lei. The price for the intragrup transaction was based on the total acquisition cost for Kepler Management of 5,950,800 lei (i.e. consideration paid plus M&A preacquisition costs), by which the Group acquired 100% of Kepler Management from the original shareholders in November 2023. Following the registration of the new capital structure in the Trade Register, Kepler Management Systems is 100% owned by Elian Solutions.

Also at the end of May, Bittnet Systems together with the other 2 shareholders of Elian Solutions, decided to increase the share capital of Elian Solutions with the value of the Bittnet Systems's receivable resulting from the transfer of the holding in Kepler management to Elian Solutions, as well as by converting into capital the intragroup loan in the amount of 3,100,000 lei granted by Bittnet Systems to Elian Solutions in November 2023 for the acquisition of Kepler Management Systems.

Following these operations, the equity of Elian Solutions was increased by 4,529,651 lei through the conversion of Bittnet Systems's receivables (a debt to equity conversion operation at the level of Elian Solutions), and the share of Bittnet Systems' holding in Elian Solutions increased from 51% to 61.69% after registering the capital increase at the Trade Register. The pre-capitalization value of Elian Solutions and its wholly owned subsidiary Kepler Management was negotiated by the Group with the 2 minority shareholders of Elian Solutions on an arm's length basis at 16.2 million lei, using a 6.5x EV/Net profit multiplier based on figures for FY 2023.

Kepler Management - settlement of 2nd and 3rd installments in January / April 2024

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In November 2023, the Group informed investors and the market about the signing of the share purchase agreement for the acquisition of Kepler Management Systems. The transaction price assumed a payment tranche in BNET shares in the equivalent 1,000,000 lei, shares which would have been allocated to former Kepler shareholders in a future capital increase. Through an addendum to the share purchase agreement, the parties agreed that this installment would be paid in cash and the corresponding payment was made during January 2024.

Additionally, the transfer price also included a variable component determined by Kepler's individual EBITDA value for 2023, an instalment that amounted to 1,560,215 RON that has been paid in April 2024, after the closing of Kepler's individual annual financial statements for 2023.

Transactions 2023

Acquisition of Kepler Management ("Kepler") in November 2023

In November 2023, the Group informed investors and the market about the signing of the share purchase agreement for the acquisition of Kepler Management Systems. The transaction price assumed a mix of cash and BNET shares (RON 3,132,175 paid in cash; RON 1,000,000 paid in Bittnet shares). The transaction price also included a variable component, depending on the performance of Kepler Management, the installment amounting to RON 1,560,215 paid in April 2024.

Considering the above-mentioned, the total consideration paid for the acquisition of 100% of shares in Kepler Management was 5,692,390 lei.

II. Minority-owned securities

The E-Learning Company S.A. (equity accounted associate)

According to the November 2020 mandate of the General Meeting of Shareholders, Group's management has completed in January 2021 negotiations to acquire 23% of the share capital of The E-Learning Company (ELC). The E-Learning Company has a portfolio of solutions and various products structured in several directions covering areas such as personal and professional development, communication, sales and negotiation, marketing, human resources, project management, Microsoft Office, finance, English, etc.

As a result of the investment contract, Bittnet had been allocated a position in the Board of Directors of E-Learning Company, a position that was occupied by Ivylon Management SRL through Logofatu Cristian. Starting July 2024, ELC shareholders decided to simplify the management structure by waiving the Board of Directors and revoking it, respectively approving the transition of the company's management to a structure with a sole administrator and appointing Mr. Calin Adrian, founder and general manager of ELC, as sole administrator.

Following Bittnet Systems' entry into the shareholding, Bittnet Systems and E-Learning Company also signed a loan agreement, the balance of which as at 31.12.2024 amounted to RON 450,000.

In 2024, the Group recorded through equity accounted securities the share of ownership (23%) of the net loss realized by E-Learning Company.

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
E-Learning Company		
Initial	2,797,884	2,918,939
Contingent consideration	-	-
Dividend distribution	(57,500)	-

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Profit/loss investmens accounted equity method	(39,541)	(121,055)
Impairment	(1,428,990)	
Total	1,271,853	2,797,884

The following tables illustrate the summarised financial information of the Company's investment in E-Learning Company at B/S and P/L level:

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	2024	2023
Revenues from contracts with customers	2,210,695	1,905,352
Sales Cost	(858,122)	(1,098,080)
Gross margin	1,352,574	807,272
Other revenues	1,223	13,535
Sales expenses	(211,441)	119,368
General and administrative expenses	(1,283,681)	(1,210,587)
Other expenses	(19,840)	(38,718)
Financial income/expenditure	(10,751)	(10,621)
Gross profit	(171,917)	(558,488)
Tax Profit	-	(13,411)
Net profit	(171,917)	(571,899)
	31 Dec 2024	31 Dec 2023
	2024	
ASSETS		
Fixed assets		
Other intangible assets	473,619	744,089
Tangible fixed assets	21,708	24,492
Total fixed assets	495,327	769,032
Current assets		
Inventory	313,488	-
Prepayments	204,002	313,200
Trade receivables and other receivables	208,881	983,768
Cash and cash equivalents	42,478	100,215
Total current assets	768,849	1,397,183
TOTAL ASSETS	1,264,176	2,166,214
EQUITY AND DEBTS		
Share capital	90,000	90,000
Reserves	18,000	18,000
Accumulated losses / retained earnings	166,463	1,141,242
Total equity and reserves	274,463	1,249,242
Current debts		
Dividends payable	134,880	-
Deferred income	211,498	31,567
Trade liabilities and other liabilities	643,735	885,405
Total current debts	989,713	916,972
Total liabilities	989,713	916,972
TOTAL EQUITY AND DEBTS	1,264,176	2,166,214

The Company's investment in E-Learning Company is tested annually for impairment. Management has used the value in use approach to calculate the recoverable amount of the investment. The aggregated recoverable amount of the investment is then compared to its aggregated carrying amount. An impairment loss is recognized if the aggregated carrying amount of the investment exceeds its aggregated recoverable amount. The value in use is determined based on future discounted cash flows using the weighted average

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cost of capital (WACC). The discount rate reflects the current assessment of the time value of money and the risks specific to the investment.

The recoverable amount of E-Learning Company of RON 5,489 thousand was determined based on a value in use calculation using cash flow projections from financial forecasts covering a five-year period. The pre-tax discount rate applied to cash flow projections is 14.58% and cash flows beyond the five-year period are extrapolated using a 3% growth rate. As a result of the analysis, the recoverable amount of the Company's investment in E-Learning Company is RON 1,272 thousand. Consequently, the Company has recorded an impairment of RON 1,429 thousand at 31.12.2024.

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NOTE 17. FINANCIAL ASSETS AT FAIR VALUE

Financial assets (securities) at fair value

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Softbinator Technologies	5,710,669	9,600,543
Arctic Stream	-	1,756,201
Total	<u>5,710,669</u>	<u>11,356,744</u>

Details of the evolution of securities at fair value in 2024 are shown in the table below:

	<u>Arctic Stream</u>	<u>Softbinator Technologies</u>	<u>Total</u>
Value 31.12.2023	1,756,201	9,600,543	11,356,744
Acquisitions	-	-	-
Disposals	(1,620,755)	(1,190)	(1,621,945)
Re-valuation	(135,446)	(3,888,684)	(4,024,130)
Value 31.12.2024	<u>-</u>	<u>5,710,669</u>	<u>5,710,669</u>

Softbinator Technologies

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

Softbinator is involved in the development of software products, web and mobile solutions for digitizing the education process, lifestyle/medical and health, e-payments, e-commerce, online gaming and has ticked in 2020 areas unexplored in previous years through digital banking (including crypto), the Internet of Things (IoT), Automotive and it explored a new vertical in e-commerce expertise: marketplaces.

Bittnet holds a total of 188,980 shares, representing 18.898% of the total shares of Softbinator Technologies.

At 31.12.2024, the investment in Softbinator Technologies shares was revalued using the average trading price on the AeRO market on 31.12.2024.

Arctic Stream

Arctic Stream is an IT integrator focused on the technologies of the American manufacturer Cisco Systems, competitor of Dendrio Solutions in this market segment.

During the third quarter of 2024, the Group liquidated its holding in Arctic Stream (AST), so that at the end of the reporting period the Group no longer held AST shares in its portfolio. The total sale value of the Group's holding in AST shares amounted to 1,471,321.

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NOTE 18. TRADE RECEIVABLES AND OTHER RECEIVABLES

Trade receivables and other receivables are presented in the following table:

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Customer receivables	3,867,712	5,723,459
Adjustments for customer receivables	(10,715)	(10,715)
Customer receivables net	3,856,996	5,712,744
Other projects receivable	7,186	27,191
Related party loans (Note 26)	21,696,906	29,069,006
Assets related to subletting	9,985,806	11,966,243
Subsidies	-	135,917
Warranties	1,848	931
Other receivables	1,335,867	1,955,920
Advances to suppliers	86,838	5,733
Receivables from the state budget	289,739	96,844
Total, of which:	33,404,190	43,257,785
Fixed assets	23,657,055	37,685,497
Current assets	9,747,135	5,572,188

Work in progress

If the selling price of a contract includes a separate, contractually specified amount for the subsequent provision of services (as in the case of revenue from the sale of producer guarantee services or vendor warranties), that amount is deferred (account 472 "Contract liability") and recognised as revenue during the period in which the services are rendered, but no later than the end of the period for which the subsequent provision of services was contracted. Conversely, the related expenses are deferred (account 471, "Work in progress") and recognised in the same period in which the services are rendered.

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Work in progress	810,819	967,190

Statement of customers' net receivables per seniority:

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Not due	2,613,293	2,136,311
0-30	424,015	994,957
31-90	319,417	478,119

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91-180	206,062	182,396
181-360	141,936	1,920,649
over 360	<u>152,273</u>	<u>312</u>
Total	<u>3,856,996</u>	<u>5,712,744</u>

Reconciliation of customer receivables adjustments:

	<u>2024</u>	<u>2023</u>
1 January	10,715	14,479
Adjustments during the period	-	-
Receivables cancellation	-	-
Resume adjustments	<u>-</u>	<u>(3,764)</u>
31 December	<u>10,715</u>	<u>10,715</u>

Significant estimates

Impairment analysis for trade and other receivables is carried out by the Company by separating receivables into 3 categories: trade receivable from private companies, trade receivable from government agencies and trade receivable from private persons. In this process, the probability of non-payment of trade receivables is assessed, based on historical experience regarding the non-payment risk. The experience of the previous years has shown that the risk of non-collection is low, with no significant losses in recent years. However, management looked at receivable buckets for each category (Not due, 1-90 days, 91-180, 181-365 and above 365); specific provisions were made where recoverability was considered low. Based on this analysis, management decided not to record any additional provision in the financial statements at 31.12.2024.

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NOTE 19. INVENTORY

Details of stocks are presented in the following table:

	31 Dec 2024	31 Dec 2023
	<hr/>	<hr/>
Materials	-	-
Goods	5,216	397
	<hr/>	<hr/>
Total	5,216	397
	<hr/>	<hr/>

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NOTE 20. CASH AND CASH EQUIVALENTS

Details on cash and cash equivalents are presented in the following table:

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Bank in RON	14,935,173	1,541,808
Bank in RON - collateral cash	196,264	186,519
Bank in foreign currency	73,020	832,944
Bank in foreign currency - collateral cash	124,353	973,658
Cash in Cash Register	1,041	1,041
Total	<u>15,329,850</u>	<u>3,535,970</u>

Collateral cash deposits represent restricted cash – payment guarantee in connection with the long term rental contract for the current headquarters.

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NOTE 21. CAPITAL AND RESERVES

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

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Share capital	63,417,672	63,417,672
Issue premiums	31,934,768	31,934,768
Other equity items	(12,156,041)	(15,291,490)
Legal reserves	1,442,164	956,462
Retained earnings	(1,665,548)	7,661,485
Current period result	9,791,749	(8,841,330)
Total	<u>92,764,764</u>	<u>79,837,567</u>

a) Share capital

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

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

Shareholders and % shareholding	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
AGISTA INVESTMENTS S.R.L.	13.75%	13.75%
IMPETUM INVESTMENTS S.A.	13.33%	13.33%
Mihai Logofătu	8.77%	8.77%
Cristian Logofătu	8.59%	8.47%
Others	55.56%	55.68%
Total	<u>100%</u>	<u>100%</u>
Share capital	<u>2024</u>	<u>2023</u>

In issue 1st of January	634,176,71	528,480,59
	4	5
Exercise of share options	-	-
Issued in business combinations	-	9,677,419
Issued in share capital increase	-	96,018,700
In issue 31st of December	634,176,71	634,176,71
	4	4

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Share capital increase through new contributions and debt conversion - March 2023

In the first 3 months of the year, a new capital increase operation was successfully carried out, as a result of which Bittnet's capital increased by the amount of RON 32,765,796.89, related to 105,696,119 new shares. Within this financing operation, 96,018,700 new shares worth RON 29,765,797 (90.84% of the entire volume of the bid) were subscribed with cash contributions at the price of RON 0.31 per share, the difference representing the conversion of receivables in the amount of RON 2,999,999.89, resulting from the transaction for the acquisition of Top Tech (2nd installment, see Note 16). The receivables were converted into shares at the price of RON 0.31 per share.

Following the completion of the procedures required for the registration of the new share capital and the new number of shares with the Trade Registry Office, the Financial Supervisory Authority, the Central Depository and the Bucharest Stock Exchange, the subscribed and paid-up share capital of Bittnet Systems SA is worth RON 63,417,671.40, corresponding to 634,176,714 ordinary shares.

b) Issue premiums

Issue premiums were established on the occasion of capital increases and can be used to increase the share capital.

c) Legal reserve

According to Law 31/1990, each year at least 5% of the profit is taken to form the reserve fund, until it reaches at least one fifth of the share capital. Reserves representing tax facilities may not be distributed with implications on the recalculation of corporate income tax.

d) Other equity items

The Company recognises through other equity items mainly:

- acquisition/sale of treasury shares held
- loss resulting from the recognition and measurement of SOPs
- the impact of operations related to the implementation of the SOP

Treasury shares held

TREASURY SHARES

Balance at 01.01.2023	23,970,745
Sales 2023	14,723,545
Balance at 31.12.2023	9,247,200
Sales 2024	9,247,200
Purchases 2024	4,000,000
Balance at 31.12.2024	4,000,000

During 2023, the Company sold 14,723,545 shares at a total price of RON 4,550,607.

During January 2024, the Company sold all its treasury shares held at 31.12.2023 for a total amount of RON 2,857,998.15.

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Share repurchase program – August 2024

On August 07th 2024 Bittnet Systems informed the investors and the capital market about the Decision of the Board of Directors from August 06th 2024 regarding the start of a share repurchase program, starting with August 07th 2024.

The period for the program was set at 18 months from the date of registration of the EGMS Decision 04 of 2024 approving the repurchase operation, a term that began to run from 08.05.2024. The maximum number of shares repurchased was set at 10,000,000 BNET ordinary shares, within the limit of a maximum budget allocated for this operation of 2,000,000 ron.

The intermediary through which this market operation is carried out is BRK Financial Group and the maximum daily volume repurchased is within the limit of 25% of the average daily quantity of shares traded on the market, calculated according to the applicable legislation, according to art. 3 paragraph (3) letter b) of the EU Delegated Regulation 2016/1052.

The price at which the repurchases are carried out is within the range established by the EGMS Decision no. 04 of April 25th 2024: the minimum repurchase price 0.1 RON/share (respectively the face value of the BNET share), and the maximum repurchase price 0.25 RON/share. The implementation of the repurchase program is carried out from own sources.

By the end of the year, the Company repurchased 4,000,000 shares with at a total price of 766,058 ron.

SOP Recognition and Measurement

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

The Company settles transactions by issuing to 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 pre-emptive right and on the basis of the Director's Decision.

As a result, although at an intermediate stage the “debt” is valued with respect to the settlement of the SOP, the economic substance of the transaction is that they are settled in shares. As a result, the Company has recognised the SOP transactions as being settled in shares, and has recognised and measured the services received in the Statement of Comprehensive Income and the corresponding increase directly in equity.

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

Significant estimates - SOP assessment

Fair value measurement at grant date (as per 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:

- the spot price at the GMS date, i.e. the average split-adjusted price at t-1
- the strike price (at the reference date) according to each plan

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- 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 at grant date
- the dilution percentage of the Stock Option Plan

The full value of each plan is recognised in costs over the vesting period of each plan.

SOP 2021

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

Main coordinates of the SOP2021 incentive plan:

- effective date: date of approval by the EGMS, i.e. 27.04.2021;
- duration: 2 years from the effective date;
- option date: 10.05 – 10.06.2023;
- exercise price: the purchase price of a share for which the option is exercised will be established on the date of exercise of the option, taking into account the total number of shares of the Company on the exercise date, so that the Company's capitalization is equal to the company's capitalization on the reference date: April 14, 2021.

The fair value assessment on the grant date (according to IFRS 2) – the date of approval of the plan by the OGMS, 27.04.2021 – was performed using the Black-Scholes model, using the following values for the model:

- spot price on the OGMS date, i.e. average price adjusted for splits at t-1: 0.711
- strike price, i.e. average price adjusted for splits on the reference date, 14.04.2021: 0.674
- volatility, according to the analysis of the daily price of BNET shares, adjusted for splits, from listing on the market until t-1: 3.72%
- risk-free interest rate, i.e. ROBOR 12M published at t-1: 1.74%
- maturity: 2 years
- number of company shares at the grant date: 247,228,275
- dilution percentage from the Stock Option Plan: 5%

The total value of the plan – equal to the Black-Scholes value (0.061) * number of company shares * dilution percentage = 754,046 ron – was recognized as cost over the lifetime of the plan, i.e. for a period of 2 years, May 2021 – April 2023. In 2024, the Company recognized an expense with SOP 2021 in the amount of 0 ron (2023: 125,674 ron).

In May 2023 key persons did not exercise their option given the execution conditions of the plan, so the SOP2021 plan expired unexercised.

SOP 2022

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

Main coordinates of the SOP 2022 plan:

- effective date: 11.04.2022;
- duration: 2 years from the effective date;
- option exercise date: 10.05 – 10.06.2024;

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- exercise price: the purchase price of a share for which the call option is exercised will be established on the date of exercise of the option, taking into account the total number of shares of the Company on the exercise date, so that the Company's capitalization is equal to the company's capitalization on the reference date: 11 April 2022.

The fair value assessment on the grant date (according to IFRS 2) – the date of approval of the plan by the OGMA, 20.04.2022 – was performed using the Black - Scholes model, using the following values for the model:

- spot price on the OGMA date, i.e. average price adjusted for splits at t-1: 0.3153
- strike price, i.e. average price adjusted for splits at the reference date, 11.04.2022: 0.3194
- volatility, according to the analysis of the daily price of BNET shares, adjusted for splits, from listing on the market until t-1: 4.28%
- risk-free interest rate, i.e. ROBOR 12M published at t-1: 4.95%
- maturity: 2 years
- number of company shares at grant date: 480,436,904
- dilution percentage from Stock Option Plan: 5%

The total value of the plan – equal to the Black-Scholes value (0.027) * number of company shares * dilution percentage = RON 754,046 – was recognized as cost over the lifetime of the plan, i.e. over a period of 2 years, May 2022 – April 2024. In 2024, the Company recognized an expense with SOP 2022 in the amount of 108,098 lei (2023: 324,295 lei).

In May 2024 key persons did not exercise their option given the execution conditions of the plan, so the SOP2022 plan expired unexercised.

SOP 2023-2026 (Long Term Incentive Plan through Equity Participation in the Company)

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

Main coordinates of the plan (SOP 2023):

- effective date: 13.04.2023;
- duration: 3 years from the effective date;
- option exercise date: 10.05 – 10.06.2026;
- exercise price: the purchase price of a share for which the call option is exercised will be established on the date of exercise of the option, taking into account the total number of shares of the Company on the exercise date, so that the Company's capitalization is equal to the company's capitalization on the reference date: 13 April 2024.

The fair value assessment on the grant date (according to IFRS 2) – the date of approval of the plan by the OGMA, 20.04.2022 – was performed using the Black - Scholes model, using the following values for the model:

- spot price on the OGMA date, i.e. average price adjusted for splits at t-1: 0.299
- strike price, i.e. average price adjusted for splits at the reference date, 13.04.2023: 0.2989
- volatility, according to the analysis of the daily price of BNET shares, adjusted for splits, from listing on the AeRO market until t-1: 4.08%
- risk-free interest rate, i.e. ROBOR 12M published at t-1: 7.25%
- maturity: 3 years

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- number of company shares at grant date: 634,176,714
- dilution percentage from Stock Option Plan: 7.5%

The total value of the plan – equal to the Black-Scholes value (0.027) * number of company shares * dilution percentage = RON 2,806,232 – will be recognized as cost over the lifetime of the plan, i.e. over a period of 3 years, May 2023 – April 2026. In 2024, the Company recognized an expense with SOP 2023 in the amount of 935,411 ron (2023: 623,607 ron).

Details regarding the SOP expense registered in 2023-2024 are presented in the table below:

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
SOP 2021	-	125,674
SOP 2022	108,098	324,295
SOP 2023	935,411	623,607
Total	<u>1,043,509</u>	<u>1,073,576</u>

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NOTE 22. BONDS

Details of bond issues are presented in the following table:

	31 Dec 2024	31 Dec 2023
BNET26E	9,715,173	9,689,651
BNET27A	4,928,204	4,899,486
BNET28	9,806,770	9,751,562
BNET28A	6,268,326	-
Accrued interest	167,365	47,458
Total, of which:	30,885,839	24,388,157
Long-term fraction	30,718,474	24,340,699
Short-term part (interest)	167,365	47,458

In 2016, 2017, 2018, 2022, 2023 and 2024, the Company carried out bond offerings maturing in 2019, 2022, 2023, 2026, 2027 and 2028, through which it raised “committed” financing of over RON 50 million from the capital market (all issues are listed on the BSE).

BNET26E

From December 21st to December 27th 2022, the issuer conducted a private placement offering of corporate bonds issue in euro, in which 20,596 bonds were subscribed by 53 individual, legal and professional investors. The amount raised in this bond financing round is EUR 1,961,144. The sale price within this offer, on the first day of the offer/subscription period was at a discount, respectively in 21.12.2022, the discounted price was 95% of the face value of the instrument, respectively 95 euros/bond. Thus, on the first day, a number of 18,334 bonds were subscribed, representing a subscription value of 1,741,730 euro. The sale price within the subscriptions made in the following days of the offer was 97% of the nominal/face value, respectively 97 euros/bond. Thus, between 22.12.2022 and 27.12.2022, a number of 2,262 bonds were subscribed, representing a subscription value of 219,414 euro. The face value of the BNET26E instrument is EUR 100/bond and the total nominal amount of the issue (that it will be reimbursed at maturity) is EUR 2,059,600.

The annual fixed interest is 9% per year and is paid quarterly via the T2S mechanism and the Central Depository. Repayment of the nominal amount is at 3.5 years from issuance date and will take place on June 30th 2026. BNET26E bonds are traded on the BSE Reregulated Market, category dedicated to corporate bonds, as at March 07th 2023.

The total issuance costs for this bond issue amounted to RON 735,718 and were registered at balance sheet level on the date of the bond issue, thereby decreasing the total debt value. The issuance costs are subsequently expensed throughout the tenor of the bond issue, increasing the total carrying amount of the bond debt.

BNET27A

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During the period 30 May - 21 June 2023, Bittnet Systems carried out the first public offering of corporate bonds on the Bucharest Stock Exchange when it offered for sale a maximum number of 50,000 corporate bonds, unsecured, with a nominal value of 100 ron, each interested investor having the possibility to subscribe in the price range RON 96 – 104 per bond, i.e. between 96% and 104% of the nominal value of the instrument.

During the offer period, a total of 803 purchase orders were placed, with 71,814 bonds subscribed at the closing price of the offer of 100 ron, and 14,393 bonds subscribed at prices higher than the offer price. According to the Offer Prospectus, the allocation of shares in respect of accepted subscriptions (placed at the offer price and at higher prices) was made pro-rata, the allocation index being 0.5799993040. Purchase orders at prices lower than the issuance price were canceled.

The transaction date was June 24th, 2024, and the transaction settlement date was June 26th, 2024. Following the establishment of the closing price of the offer at 100 ron/bond, the BNET27A issue consists of a number of 50,000 bonds with a total nominal value of 5,000,000 ron.

The interest is fixed at 10% per year, payable quarterly through the Central Depository. The issuance maturity is on June 26th 2027. On 19 July 2023, BNET27A bonds started trading on the Regulated Market administered by the BSE.

The total issuance costs for this bond issue amounted to RON 114,873 and were registered at balance sheet level on the date of the bond issue, thereby decreasing the total debt value. The issuance costs are subsequently expensed throughout the tenor of the bond issue, increasing the total carrying amount of the bond debt.

BNET28

From 27 November to 12 December 2023, a maximum number of 100,000 corporate bonds, unsecured, with an individual nominal value of RON 100 and a total nominal value of RON 10,000,000 were put up for sale, with each interested investor having the possibility to subscribe in the price range of RON 94-106 per bond, i.e. between 94% and 106% of the nominal value.

A total of 530 subscription orders were placed during the offering period across all price levels of the range, totalling an aggregate volume of 185,602 bonds. Given the Issuer's setting of the issue price at the nominal value of the bond (RON 100) and in accordance with the Offering Circular, the volumes subscribed at prices above the issue price were fully settled at the issue price (RON 100). Thus the volume of 87,446 bonds represents the guaranteed allocation in the offering according to the Offering Circular. For the volume of bonds subscribed at the price of RON 100/bond (i.e. for 71,050 bonds) the allocation was made pro-rata, the allocation index being 0.1766924701, resulting in a volume of 12,554 bonds. Purchase orders priced below the issue price were not executed.

The transaction date was December 13th, 2024, and the transaction settlement date was December 15th, 2024. Following the establishment of the closing price of the offer at 100 ron/bond, the BNET28 issue consists of a number of 100,000 bonds with a total nominal value of 10,000,000 ron.

On February 02nd 2024, BNET28 bonds were admitted to trading on the Regulated Market administered by the BSE. The interest is fixed 9.6% per year, payable quarterly through Central Depository. The maturity of this bond issuance is June 15th 2028.

The total issuance costs for this bond issue amounted to RON 248,438 and were registered at balance sheet level on the date of the bond issue, thereby decreasing the total debt value. The issuance costs are

subsequently expensed throughout the tenor of the bond issue, increasing the total carrying amount of the bond debt.

BNET28A

During the period: April 02nd – April 15th , 2024, a maximum number of 150,000 corporate bonds, unsecured, non-convertible with an individual face value of 100 ron were offered for sale, each interested investor having the opportunity to subscribe in the range price of: 94 ron – 106 ron per bond, respectively between 94% and 106% of the face value of the instrument, according to the Offering Prospectus.

During the offering period, 501 subscription orders were received across all price levels, totaling an aggregate volume of 111,025 bonds. Given the Issuer's setting of the issue price at 96 ron and in accordance with the Offering Prospectus, the volumes subscribed at prices higher than the issue price (i.e. at prices 97, 98, 99, 100, 101, 102, 103, 104, 105, 106 ron/bond), were fully settled at the issue price (96 ron) together with the subscriptions placed at the price of 96 ron/share. The purchase orders placed at prices lower than the issue price (95 and 94 ron/bond) were not executed.

The transaction date was April 16th , 2024, and the transaction settlement date was April 18th, 2024. Following the establishment of the closing price of the offer at 96 ron/bond, the BNET28A issue consists of a number of 66,249 bonds with a total nominal value of 6,624,900 ron, the Issuer raising through this capital market operation the amount of 6,359,904 lei, due to the discounted issue price at 96 ron/bond.

The BNET28A bonds bear a fixed interest of 9% per year, payable quarterly through the Central Depository system, with maturity being 4 years from issuance, respectively in April 2028. As of 23.05.2024, the BNET28A bonds are tradable on the regulated market administered by the Bucharest Stock Exchange.

The total issuance costs for this bond issue amounted to RON 427,889 and were registered at balance sheet level on the date of the bond issue, thereby decreasing the total debt value. The issuance costs are subsequently expensed throughout the tenor of the bond issue, increasing the total carrying amount of the bond debt.

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NOTE 23. BANK LOANS

Details of the bank loans are shown in the following table:

	31 Dec 2024	31 Dec 2023
	<hr/>	<hr/>
ProCredit long-term loans	-	-
	<hr/>	<hr/>
Total, of which:	-	-
Long-term fraction	-	-
Short-term fraction	-	-
	<hr/>	<hr/>

ProCredit Bank

In February 2020, Bittnet Systems converted the loan product amounting to RON 2,790,000 also contracted with ProCredit Bank from a revolving overdraft into a loan with monthly repayments of principal and interest. The new maturity of the loan was set for a period of 36 months and the interest rate remained unchanged, ROBOR 3M + 2.5%. The last instalment of this loan was paid in February 2023.

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NOTE 24. LEASING LIABILITIES

The Company has concluded a long-term rental contract for the existing headquarter with final term May 2029 and long-term operational leasing contracts for technical equipment with final terms in 2025-2027.

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Short-term fraction	3,897,322	3,472,827
Long-term fraction	<u>13,095,069</u>	<u>15,118,732</u>
Total	<u>16,992,391</u>	<u>18,591,559</u>

The reconciliation of lease liabilities and rights of use recognised as a result of the application of IFRS 16 is presented in the following tables:

Leasing liabilities	Spaces	Equipment	Cars	Total
On 1 January 2023	16,502,538	956,156	111,892	17,570,586
Additions	4,346,216	1,307,532	397,111	6,050,859
Cancellations	(1,971,602)	-	-	(1,971,602)
Interest	1,011,971	110,678	13,087	1,135,736
Exchange rate differences	85,717	3,294	23,445	112,457
Leasing payments	(3,520,889)	(603,383)	(182,204)	(4,306,476)
On 31 December 2023	16,453,951	1,774,277	363,331	18,591,559
Additions	2,056,459	26,896	99,120	2,182,475
Cancellations	-	-	-	-
Interest	841,316	78,954	17,071	937,340
Exchange rate differences	(2,190)	8,673	1,688	8,171
Leasing payments	(3,886,633)	(705,752)	(134,769)	(4,727,154)
On 31 December 2024	15,462,902	1,183,047	346,441	16,992,391

Rights of use	Spaces	Equipment	Cars	Total
On 1 January 2023	6,880,699	751,172	105,352	7,737,222
Additions	1,196,390	497,497	397,111	2,090,998
Cancellations	(2,027,522)	-	-	(2,027,522)
Amortization	(1,087,535)	(312,275)	(70,751)	(1,470,561)
On 31 December 2023	4,962,032	936,394	431,712	6,330,138
Additions	1,695,456	26,896	99,120	1,821,472
Cancellations	-	-	-	-
Amortization	(1,028,866)	(347,626)	(132,680)	(1,509,172)
On 31 December 2024	5,628,622	615,664	398,152	6,642,437

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NOTE 25. TRADE LIABILITIES AND OTHER LIABILITIES

Trade and other liabilities are detailed in the following table:

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Trade liabilities		
Suppliers	3,571,151	2,639,778
Other liabilities		
Employee debts	207,215	274,979
Debts for the purchase of shares	-	6,373,988
Other liabilities	19,678	48,987
Advances to customers	1,194	1,312
VAT	-	-
Other budget liabilities	172,688	193,018
Total other liabilities, of which:	<u>400,775</u>	<u>6,892,284</u>
Long-term debts	-	-
Current debts	<u>400,775</u>	<u>6,892,284</u>

Contract liabilities

If the selling price of a contract includes a separate, contractually specified amount for the subsequent provision of services (as in the case of revenue from the sale of producer guarantee services or vendor warranties), that amount is deferred (account 472 "Contract liability") and recognised as revenue during the period in which the services are rendered, but no later than the end of the period for which the subsequent provision of services was contracted. Conversely, the related expenses are deferred (account 471, "Work in progress") and recognised in the same period in which the services are rendered.

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Contract liabilities	463,881	48,992

The item "Provisions" as at 31.12.2024, amounting to RON 105,831, is mainly composed of: provision for litigation Bucharest Mall & Development RON 105,831.

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Provisions	105,831	105,831

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NOTE 26. INFORMATION ON RELATIONS WITH RELATED PARTIES

Details of balances and transactions with related parties are provided below.

Remuneration paid to Key Management (identified in Note 1) is as follows:

	<u>2024</u>	<u>2023</u>
Management contracts	3,886,775	2,836,799
SOP expenditure	967,840	733,463
Total	<u>4,854,615</u>	<u>3,570,262</u>

As at 31 December 2024 the liabilities related to management contracts are in the amount of 354,143 LEI (31 December 2023: RON 210,844).

Details of balances and transactions with related parties from trading activities:

Transactions / Balances - 2024/31 Dec	Sales	Receivables	Purchases	Payables
	<u>2024</u>	<u>31 Dec 2024</u>	<u>2024</u>	<u>31 Dec 2024</u>
Dendrio Solutions	469,869	742,579	98,220	94,869
Computer Learning Center	5,364	64,423	-	2,590
Elian Solutions	-	342,236	38,307	7,107
Equatorial Gaming	-	352,771	-	-228
Equatorial Training	-	6,932	-	-
Fort	-	42,428	22,933	17,504
GRX Advisory	-	12,693	-	-
ISEC Associates	-	271	-	-
IT Prepared	-	224,281	36,298	28,783
Dendrio Technology (TopTech)	5,026	137,949	-	-
zNET Computer	-	-	-	-
(Dendrio Innovations (Dataware Consulting)	101,950	165,727	-	-
Nenos Software	-	-	20,807	-
Kepler Management Systems	-	1,353	-	-
Total	<u>582,209</u>	<u>2,093,642</u>	<u>216,564</u>	<u>150,624</u>

Transactions / Balances - 2023/31 Dec	Sales	Receivables	Purchases	Payables
	<u>2023</u>	<u>31 Dec 2023</u>	<u>2023</u>	<u>31 Dec 2023</u>
Dendrio Solutions	201,636	2,396,888	209,755	36,936
Computer Learning Center	-	181,812	-	-
Elian Solutions	-	428,818	105,658	-
Equatorial Gaming	-	187,243	98,461	-
Equatorial Training	-	23,401	-	-
Fort	-	49,615	-	-
GRX Advisory	-	38,847	-	-

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ISEC Associates	-	73,348	-	-
IT Prepared	-	93,784	120,976	14,802
TopTech	25,109	84,823	42,998	-
zNET Computer	7,838	4,016	-	-
Dataware Consulting	20,947	17,090	-	-
Total	255,530	3,579,685	577,848	51,738

Intragroup loans and receivables

Other financial assets	31 Dec 2024	31 Dec 2023
Assets related to subletting	9,985,806	11,966,243
Dendrio Solutions - loan	15,887,470	22,552,596
Elian Solutions - loan	-	3,140,767
Equatorial Gaming - loan	191,469	100,247
Equatorial Training - loan	-	175,570
ISEC Associates - loan	-	248,688
Computer Learning Center - loan	-	1,604,577
Fort - loan	-	307,068
Top Tech - loan	-	302,055
Total	26,064,745	40,397,811

The loans to Dendrio Solutions were provided to finance working capital and to finance the acquisition of the IT&C business of Crescendo, as well as to finance Dendrio Solutions' own contribution to the acquisition of a majority stake in Dataware. The interest rate of the loan is aligned to the cost of financing through bond issues (9% p.a.).

The loan granted to Elian Solutions in the amount of RON 3.1 million was intended to finance the purchase of the majority stake in the company Kepler Management Systems. The loan was granted in November 2023 and the interest rate was aligned with the interest rate of the most recent bond issue carried out by Bittnet at that time, BNET27A, i.e. 10% per year. The loan was converted into capital within a share capital increase operation in May 2024 (see Note 16).

The loans granted to Equatorial Gaming and Equatorial Training were to secure general financing needs for the 2 companies. Interest rates are 9% per year in the case of Equatorial Training and 10% per year in the case of the loan to Equatorial Gaming – in line with the interest rates prevailing on the bond market at the time the loans were granted to the affiliated companies. The loan granted to Equatorial Training in the amount of RON 170,000 was repaid in full in March 2024, together with the interest due.

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The loan to Computer Learning Center was granted to finance working capital needs. The interest on the loans is aligned with the cost of funding through bond issues at the time of issuance (9% p.a.). The loan was converted into capital within a share capital increase operation in June 2024 (see Note 16).

The loan to ISEC Associates was granted to finance working capital needs. The interest on the loans is aligned with the cost of funding through bond issues at the time of issuance (9% p.a.). The loan was repaid in full in 2024, together with the interest due.

The loan granted to Fort SA was made in May 2023 to secure financing needs for certain projects in the ongoing business. The interest is aligned with the interest rate at which Bittnet borrowed through bond issues in H1 2023, i.e. 10% p.a. The loan was repaid in full in 2024, together with the interest due.

The loan granted to TopTech in December 2023 was intended to be used temporarily as collateral deposit for a bank product and was repaid in full in January 2024.

Interest income amounted to RON 2,381,206 in the financial year 2024 (2023: RON 1,866,857).

Loans and receivables to other related parties

Other financial assets	31 Dec 2024	31 Dec 2023
Impetum Investments - loan	5,151,693	-
E-Learning Company - loan	466,273	637,438
Total	5,617,966	637,438

For the last tranche of the sale of Fort SA, Bittnet Sytems granted a loan to Impetum Investments, the counterparty in the transaction, in the amount of 5,150,000 lei, a loan granted for a period of 6 months and with an interest rate of 6% per year (see Note 16).

The loan to The E-Learning Company was granted to finance working capital for a period of 1 year and at an interest rate of 10% per annum.

NOTE 27. CONTINGENT LIABILITIES

a) Risk associated with changing legislation and taxation in Romania

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 Group'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. In order to minimize this risk, the Group regularly reviews changes to these regulations and their interpretations.

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. The Group considers that it has paid all its fees, taxes, penalties and penalty interest on time and in full, as far as appropriate. In Romania, the fiscal year remains open for verification for 5 years.

b) Bank guarantee letters

As of December 31, 2024, the Company had issued bank guarantee letters in the amount of EUR 195,726 (good payment SGB issued by Bittnet Systems in favor of One Controceni Park).

c) Disputes

In the context of day-to-day operations, the Group is at risk of litigation, inter alia, as a result of changes and the legislation development. In addition, the Group may be affected by other contractual claims, complaints and disputes, including from counterparties with which has contractual relations, customers, competitors or regulatory authorities, as well as by any negative advertising it attracts. The Group management considers that these disputes will not have a significant impact on the Group's operations and financial position.

File 30598/3/2021 – litigation București Mall Development and Management S.R.L.

During 2021, the Company became aware of the existence of case 30598/3/2021 on the Bucharest Court's docket, in contradiction with the owner of the former office space - București Mall Development and Management S.R.L. ("Anchor" or "the Owner").

During February 2022, the Group (or "Tenant") became aware of the contents of this file and the amount of the claims, as follows:

- i) RON 267,214.96 representing rent, service charge 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 (penalty clause).

On 04.08.2023 the court ruled on the case. The solution in brief: "Admit in part the application as specified. Orders the defendant to pay the plaintiff the amount of RON 102,627.51 by way of late payment penalties. Dismisses the other claims as unfounded. Orders the defendant to pay to the plaintiff the sum of EUR 3

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203.92 by way of costs. Appeal within 30 days of service. The appeal shall be lodged with the Bucharest Court - Civil Division VI.

On 04 November 2024, the decision was communicated to the parties, with the right to appeal within 30 days of communication. The plaintiff filed an appeal request registered on 09 December 2024, which is the subject of file no. 30598/3/2021 (250/2025) pending before the Bucharest Court of Appeal, 5th Civil Section. The appeal request has been communicated on 24.02.2025 and the Group filled a counterstatement on 10.03.2025. The Court will establish the first date of the trial.

The Group has recorded a provision in the amount of 105,831.42 lei in the financial statements as at 31.12.2023, being the best estimate for the cash outflows following this dispute.

d) Environmental aspects

The implementation of environmental regulations in Romania is in the development phase and the application procedures are reconsidered by the authorities. Bittnet's professional activity has no direct impact on the environment. Acting in the field of 'services', our activity consists of acquiring knowledge and transferring it to customers, either during training courses or through consultancy, design and implementation services.

NOTE 28. SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies adopted when drawing up the consolidated financial statements are presented below.

a) Revenue recognition

The Company recognises revenue in such a way as to reflect the obligations to be performed relating to the transfer of assets or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company recognizes revenues in an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to the customer.

The Company is engaged in the sale of licenses and broadly defined IT services, and distinguishes the following types of revenues:

- revenues from training services,
- revenues from the sale of third-party licenses and services, and sale of goods.

Training services

Revenues from training services include experts' access to technology through the teaching of IT skills, from basic ones (e.g.: Microsoft Office Suite) to the most advanced ones (Cloud, DevOps, Cybersecurity). The business training portfolio includes project management, IT service 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.

Income is recognised at a specific point in time, on completion of the training following fulfilment of the performance obligation.

IT solutions integration services, goods and licenses

The IT solutions provided by the Group include: general consulting services, IT assessment services, complex infrastructure implementation services (including the provision of goods and licenses), migration services, maintenance and support services, warranty services, infrastructure optimization services. The integrator business involves offering solutions and services from the initial analysis, design, implementation and testing phase resulting in turnkey projects for companies with different IT needs.

Revenue from services rendered is recognised in the period in which they are rendered and in line with the stage of completion. The provision of services includes the execution of works and any other operations that cannot be considered as the delivery of goods.

The stage of completion of the work is determined on the basis of the statement of work accompanying the invoices, acceptance reports or other documents proving the stage of completion and acceptance of the services rendered.

If the selling price includes a separate, contractually specified amount for the subsequent provision of services (as in the case of revenue from the sale of producer guarantee services), that amount is deferred

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(account 472 "Contract liabilities") and recognised as revenue during the period in which the services are rendered, but no later than the end of the period for which the subsequent provision of services was contracted. Conversely, the related expenses are deferred (account 471, "Contract assets") and recognised in the same period in which the services are rendered.

The Group recognises a percentage of receivables, depending on the specifics of each project, as guarantees, to be received when the projects are finalized. No provision for guarantees is recognized as the Group does not have any history of faults or any other issues, with past projects.

Revenue from the sale of goods and licences is recognised when the customer obtains control of the assets transferred. The Group sells goods and licenses within complex IT infrastructure solutions (such as: data networks, block & file storage, storage area network, disaster recovery and business continuity solutions, forensic software and communications security solutions, data processing, physical security systems) from vendors with which it has partnerships at the highest standards, such as Fujitsu, Cisco, Brocade, Dell, HP, Xerox or Microsoft, Google, Amazon Web Services.

Obligations to be fulfilled and revenue recognition methodology

The majority of the Company's income comes from the provision of IT training services, including the sale of goods, with revenue recognised when control of the goods has been transferred to the customer.

The performance obligations identified in the Company's contracts are generally limited to the goods or services explicitly stipulated in that contract, without any tacit promises as a result of usual business practices, published policies or other specific statements.

If the selling price includes a separate, contractually specified amount for the subsequent provision of services (as in the case of revenue from the sale of producer guarantee services), that amount is deferred (account 472 "Deferred income") and recognised as revenue during the period in which the services are rendered, but no later than the end of the period for which the subsequent provision of services was contracted. Conversely, the related expenses are deferred (account 471, "Prepaid expenses") and recognised in the same period in which the services are rendered.

Determination of transaction price

The majority of the Company's income comes from fixed price contracts and therefore the amount of revenue to be derived from each contract is determined by reference to fixed prices. In the estimation of contractual revenues, the component related to discounts granted to customers is deducted, when they are likely to decrease the value of the revenues.

Allocation of amounts to be executed

For most contracts, there is a fixed unit price for each product or service sold. Therefore, there are no reasoning applied in allocating the contract price for each product or service.

Costs for obtaining contracts

Most contracts are short-term, so any incremental commissions paid to sales personnel for the work performed to obtain the contracts are directly recognized in the comprehensive income statement, without being capitalized.

b) Impairment of non-financial assets (excluding inventories, real estate investments and deferred taxes)

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Impairment tests on equity investments and other intangible assets with undetermined useful economic life shall be carried out annually at the end of the financial year. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount cannot be recovered. If the carrying amount of an asset exceeds its recoverable amount (i.e. higher value of use and fair value less selling costs), the asset is reduced accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is performed on the smallest group of assets to which it belongs, for which there are separately identifiable cash flows - its cash-generating units. Goodwill is allocated on initial recognition to each of the Company's cash-generating units that are expected to benefit from a business combination giving rise to goodwill.

Impairment adjustments are included in profit or loss unless they represent reversals of gains previously recognized in other comprehensive income. A recognized impairment loss on goodwill is not reversed.

c) Balances and transactions in foreign currency

Transactions carried out by the Company in a currency other than the currency of the primary economic environment in which it operates ("functional currency") are recorded at the rates prevailing at the time of the transactions. Monetary assets and liabilities in foreign currency are converted at the rates at the reporting date.

Exchange rate differences arising on the restatement of monetary assets and liabilities shall be recognized immediately in profit or loss.

d) Financial assets

The Company's accounting policy for the classification of financial assets is as follows.

Equity securities

Equity securities are stated at cost and are tested annually for impairment.

Amortized cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments and not listed on an active market. They are included in current assets, except those with a maturity of more than 12 months after the end of the reporting period. These are classified as non-current assets.

These assets come mainly from the provision of goods and services to customers (e.g. trade receivables), but also include other types of financial assets where the objective is to hold these assets to collect contractual cash flows and contractual cash flows are exclusively principal and interest payments. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently accounted for at amortized cost using the effective interest rate method, less adjustments for impairment.

Impairment adjustments for trade and other receivables are recognized on the basis of the simplified approach in IFRS 9, using an adjustment matrix in determining expected losses. The likelihood of non-payment of trade receivables is assessed in this process. This probability is then multiplied by the amount of expected loss resulting from non-payment to determine the expected credit loss for trade receivables. For trade receivables, these adjustments are recorded in a separate adjustment account, the loss being recognized within the general and administrative costs in the comprehensive income statement. Upon

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confirmation that the trade receivable cannot be collected, the gross carrying amount of the asset is written off against the associated adjustments.

Claims impairment adjustments with related parties and loans to related parties are recognized on the basis of an anticipated credit loss model. The methodology used to determine the amount of the adjustments is based on the existence of a significant increase in credit risk since the initial recognition of the financial asset.

For those for which the credit risk has not increased significantly since the initial recognition of the financial asset, credit losses expected for twelve months together with gross interest income are recognized. For those for which credit risk has increased significantly, estimated losses on receivables together with gross interest income are recognized. For those that are determined as obvious credit impairments, expected losses on receivables, together with interest income on a net basis, are recognized.

The Company's financial assets measured at amortised cost comprise trade and other receivables as well as cash and cash equivalents in the statement of financial position.

Cash and cash equivalents include cash in hand, term deposits with banks, other extremely liquid short-term investments with initial maturities of three months or less, and - for the purpose of cash flow statement - bank overdrafts. Banking disclosures are presented in loans and loans in current liabilities in the statement of financial position.

Financial assets at fair value

The Company holds financial assets in the form of equity securities, which are recognised in the financial statements at fair value with changes in fair value recognised in the statement of comprehensive income.

e) Financial liabilities

The Company's accounting policy for the classification of financial liabilities is as follows.

Bank loans and borrowings under the Company's redeemable bond issue are initially recognised at fair value, net of any transaction costs directly attributable to the issue of the instrument. Interest-bearing liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that any interest expense in the repayment period is at a constant rate on the balance of the liability recorded in the financial position statement.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer repayment of the debt for at least 12 months after the end of the reporting period.

For each financial liability, interest expenses shall include the initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable over time.

The Company has no derivative liabilities that are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income and has no trading obligations nor has it designated financial obligations as at fair value through profit or loss.

f) Share-based payments (SOP)

The company grants options to purchase shares settled from its own capital to employees and collaborators.

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The fair value of options at the date of granting shall be systematically recorded in the statement of comprehensive income for the period up to the exercise of the option. Non-market-based conditions of entry shall be taken into account by adjusting the number of equity instruments expected to be recorded at each reporting date so that ultimately the cumulative amount recognized in the vesting period is based on the number of options that may be paid. The conditions of non-qualification and the conditions of entry into rights are included in the fair value of the granted options. Cumulative expenditure shall not be adjusted for failure to fulfil a condition of entitlement or where a condition of non-qualification is not fulfilled.

g) Leasing

In accordance with IFRS 16, a contract is or contains leasing if it conveys the right to control the use of an identified asset for a period of time in exchange for a mandatory payment. For such contracts, the new model requires a lessee to recognize a right-of-use asset and a lease liability. The right-of-use asset is depreciated and the debt accrues interest.

The Group applies the following exceptions and does not account for the following as leases under IFRS 16:

- leases with a lease term of 12 months or less and which do not contain purchase options, and
- leases where the underlying asset has a low value ('low value' leasing transactions).

The Group has analysed all leasing contracts for the rental of equipment and premises where operates.

The Group recognized the rights to use of the leasing assets and liabilities as follows:

Rights of use	Leasing liabilities
Assets from rights of use are measured at an amount equal to the leasing liability, adjusted by the value of any amounts paid in advance, initial direct costs incurred or pre-empted.	Measured at the present value of the lease payments, discounted using rate implicit in the lease or, if not readily determinable, the Company's Incremental borrowing rate. The Incremental borrowing rate of the Company is the rate at which a loan could be obtained from an independent donor on comparable terms and conditions. The average rate applied was 5% p.a.

h) External purchased intangible assets

Intangible assets acquired externally are recognized initially at cost and subsequently amortized linearly over the useful economic life: Licenses – 3-5 years, with the exception of the brand which is tested annually for impairment.

i) Tangible fixed assets

Tangible fixed assets comprise premises, equipment, machines and other assets used for current activity. Tangible fixed assets are initially recognized at acquisition cost and subsequently at cost less accumulated depreciation and impairment, if any.

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The acquisition cost includes the directly attributable costs and the estimated present value of any unavoidable and future costs of dismantling and disposing those items. The corresponding obligation is recognized in the provisions.

The depreciation of other tangible assets shall be calculated on the basis of the linear method with a view to allocating their cost less the residual value, over their useful life, as follows: Premises - for the duration of the lease contract, Other fixed assets - 2-5 years.

j) Inventory

Inventories are recognized initially at cost and subsequently at the lowest cost and net realizable value. The cost comprises all acquisition costs, conversion costs and other costs incurred in bringing the inventories to their current location and condition. Specific identification is used to determine the cost of interchangeable items.

k) Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, when an outflow of resources embodying economic benefits is required to settle the obligation and for which a reliable estimate can be made of the amount of the obligation. Where there are a number of similar obligations, the likelihood that a resource outflow will be required for settlement is established following the assessment of the liability class as a whole. The provision is recognized even if the likelihood of a resource outflow related to any item included in any class of obligations is low. Where the Company expects repayment of a provision, for example through an insurance contract, repayment is recognized as a separate asset, but only when repayment is theoretically certain.

Provisions are valued at the present value of the expenses estimated to be necessary to settle the obligation, using a pre-tax rate reflecting current market assessments of the time value of the money and the risks specific to the obligation. The increase in the provision due to the time passing is recognized as interest expense.

l) Employee benefits

In the normal course of business, the Company makes payments to the Romanian State on behalf of its employees, for health, pension and unemployment funds. All employees of the Company are members of the Romanian state pension plan, which is a fixed contribution plan. These costs are recognized in the profit and loss account with the recognition of salary expenses.

m) Current and deferred profit tax

Tax expense for the period includes current and deferred tax and is recognized in profit or loss, unless it is recognized in other comprehensive income or direct equity because it relates to transactions that are themselves recognized in the same period or in another period, in other comprehensive income or direct equity.

Current income tax expense is calculated based on the tax regulations in force at the end of the reporting period. The management periodically assesses the positions in the tax returns in relation to situations where the applicable tax regulations are interpretable and constitute provisions, where applicable, based on the amounts estimated to be due to the tax authorities.

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Deferred income tax is recognized, based on the method of the balance sheet obligation, for temporary differences between the tax bases of assets and liabilities and their accounting values in the financial statements. However, deferred income tax resulting from the initial recognition of an asset or liability in a transaction, other than a business combination, which at the transaction date does not affect the accounting profit or the taxable profit, is not recognized. Deferred corporate tax is determined on the basis of the tax rates (and legal regulations) in force until the end of the reporting period and are to be applied during the period in which the deferred tax to be recovered will be capitalized or the deferred tax will be paid.

Deferred tax to be recovered is recognized only to the extent that a taxable profit is likely to be derived in the future from which temporary differences are deducted.

IFRIC 23 provides guidance on the accounting of current and deferred liabilities and taxes and assets under circumstances where there is uncertainty about corporate tax treatments. The interpretation provides as follows:

- It must be determined whether uncertain tax treatments should be considered separately, or together as a group, depending on the approach that provides better predictions about resolution;
- Determine whether tax authorities are likely to accept uncertain tax treatment; and
- If uncertain tax treatment is unlikely to be accepted, the tax uncertainty will be measured according to the most likely amount or expected value, depending on any method that better predicts the resolution of the uncertainty. The measurement should be based on the assumption that each of the tax authorities will examine the amounts they are entitled to examine and have full knowledge of all the information related to these examinations.

Following the application of the provisions of IFRIC 23, no impact on corporate tax liabilities was identified.

NOTE 29. **RUSSIA - UKRAINE CONFLICT**

I. Russia-Ukraine conflict

The invasion of Ukraine by the Russian Federation and the subsequent global response to these military actions could have a significant impact on some companies, especially companies with physical operations on the territory of Ukraine, Russia and Belarus, but also entities with indirect interests (e.g. those that they have suppliers and customers, investments and creditors, with operations on the territory of these countries). Also, the sanctions imposed on the Russian government, Russian entities and Russian persons in many jurisdictions could affect societies, such as through the loss of access to financial resources and trade, but also through the collateral effects of the sanctions on global prices (e.g. oil, natural gas and other products derived from oil). The effects of the conflict are large-scale and rapidly evolving. Companies that do not have operations in Russia and Ukraine could still be affected by the conflict, the effects including but not limited to:

- Destruction, confiscation or abandonment of tangible and intangible property;
- Sanctions imposed on a company that may impact its ability to operate (e.g. access to funds, banking systems, etc.);
- Sanctions imposed on a company's customers, which may impact its ability to sell goods and services and collect debts;
- Sanctions imposed on a company's suppliers, which may impact its ability to obtain raw materials, goods and services, or which may indirectly increase the costs of obtaining these elements from alternative sources;
- Sanctions imposed on creditors and/or banks of an entity, which may limit its ability to access funds and credits;
- Changes in the approach to clients and consumers regarding companies with ties to Russia, Belarus or other jurisdictions related to the Russian Federation, which could reduce demand for the products of those companies;
- Changes in risk appetite that can lead to the situation where creditors and investors withdraw their financial support for companies with ties to Russia, resulting in an increased liquidity risk and/or doubts regarding the continuity of the respective companies' activity;
- Volatility in the prices of financial instruments and goods, including oil, natural gas, other products derived from oil and minerals, but also volatility in exchange rates.

Based on the information available up to this moment, the Company's Management has not identified concrete potential risks related to the Russia-Ukraine conflict and thus, at this moment, it does not expect a significant impact in terms of the current operations. Direct exposure of the Company to third parties affected by the sanctions imposed since the outbreak of the conflict (customers, suppliers, banking institutions with which the Company collaborates, which have been directly affected by the sanctions) does not exist. The indirect exposure (customers, suppliers with whom the Company collaborates, with links with third parties affected by sanctions, as well as risks related to the future volatility of commodity prices or currency exchange rates) is unquantifiable, the Company's management has so far received no indication of any significant impact on the Company's business..

NOTE 30. SUBSEQUENT EVENTS

I. Name change from Kepler Management Systems to Elian Development Systems

As part of the process of simplifying the Group structure, Kepler Management Systems went through a rebranding process and changed its trade name, thus becoming Elian Development Systems. The name change was registered in the Trade Register in February 2025. In 2024, following the same strategy of unification and restructuring of the companies within the group, Elian Solutions became the sole shareholder of Elian Development Systems, holding 100% of the shares and voting rights.

II. Name change from Equatorial Gaming to Bittnet Training

As part of the process of simplifying the Group structure and brand integration, Equatorial Gaming, part of the Education pillar of the group, went through a rebranding process and changed its trade name, thus becoming Bittnet Training. The name change was registered in the Trade Register in March 2025.

The financial statements from page [3] to page [77] were approved and signed on 28 March 2025.

Mihai Logofatu

Adrian Stanescu

CEO

CFO

Date de identificare ►** Campuri obligatorii*** Entitatea***BITTNET SYSTEMS S.A.****Raportare contabilă
anuală***Formularul S1040***FORMULAR VALIDAT**** Numar inregistrare in Registrul Comertului***J40 3752 2007**** Cod Unic de Inregistrare***21181848***Cod LEI (Legal entity identifier)***315700VUUQH9VEDRO36**** Activitatea preponderanta: Cod CAEN--Denumire activitate***6220--Activitati de consultanta in
tehnologia informatiei si de
management (gestiune si exploatare) a
mijloacelor de calcul**** Activitatea preponderanta efectiv desfasurata: Cod CAEN--Denumire activitate***6220--Activitati de consultanta in
tehnologia informatiei si de
management (gestiune si exploatare) a
mijloacelor de calcul**** Forma de proprietate***34--Societati pe actiuni***Strada***SERG. ION NUTU***Numar***44***Bloc***ONE COTROCENI***Scara**Apartament***PARK, CORP A SI CORP B***Telefon**e-mail***0215271600**** Județ***Municipiul Bucuresti***Sector***Sector 5**** Localitatea***Bucuresti**☐ **Situație financiară anuală**
Formularul S1041☐ **Situațiile financiare anuale
au fost aprobate potrivit legii***Bifați dacă este cazul*☐ **Mari contribuabili care depun
bilanțul la București**☐ **Sucursala**☐ **Activ net mai mic de
jumătate din valoarea
capitalului subscris****Semnături ►**** Campuri obligatorii***Reprezentantul legal***(Administratorul sau persoana care
are obligatia gestionarii entitatii)***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**Semnatura electronica poate fi aplicata
doar in urma finalizarii cu succes a actiunii
de validare a formularului**Semnatura electronica*** Nume si prenume***IYVLON MANAGEMENT
SRL PRIN LOGOFATU
MIHAI ALEXANDRU***Semnatura*

*) Raportări contabile anuale la 31 decembrie 2024 întocmite de către entitățile cărora le sunt incidente Reglementările contabile conforme cu IFRS, aprobate prin Ordinul ministrului finanțelor publice nr. 2.844/2016, cu modificările și completările ulterioare, prevăzute la pct. 1.1 din Anexa 3 la Ordinul ministrului finanțelor nr. 107/2025 privind principalele aspecte legate de întocmirea și depunerea situațiilor financiare anuale și a raportărilor contabile anuale ale operatorilor economici la Agenția Națională de Administrare Fiscală.

Indicatori*Campuri cu valori calculate**Capitaluri - total***92.764.764***Profit/ pierdere***9.791.750***Capital subscris***63.417.671**

COD 10. SITUAȚIA ACTIVELOR, DATORIILOR ȘI CAPITALURILOR PROPRII la data de 31.12.2024 (lei)
se vor avea în vedere rândurile și corelațiile din coloana Nr. rând și nu cele cuprinse în coloana CodRd

codRd	Denumirea elementului	Nr. rand	Sold an curent la:	
			01.01.2024	31.12.2024
A		B	1	2
	A. ACTIVE IMOBILIZATE			
	I. IMOBILIZARI NECORPORALE			
01	1. Cheltuieli de dezvoltare (ct. 203 - 2803 - 2903)	01		
02	2. Concesiuni, brevete, licențe, mărci comerciale, drepturi și active similare și alte imobilizări necorporale (ct. 205 + 208 - 2805 - 2808 - 2905 - 2907 - 2908)	02	6.557.299	6.251.208
03	3. Fond comercial (ct. 2071)	03		
04	4. Avansuri acordate pentru imobilizari necorporale (ct. 4094 - 4904)	04	146.902	89.129
05	5. Active necorporale de explorare și evaluare a resurselor minerale (ct. 206 - 2806 - 2906)	05		
06	TOTAL (rd. 01 la 05)	06	6.704.201	6.340.337
	II. IMOBILIZĂRI CORPORALE			
07	1. Terenuri și construcții (ct. 211 + 212 - 2811 - 2812 - 2911 - 2912)	07	599.617	491.201
08	2. Instalații tehnice și mașini (ct. 213 + 223 - 2813 - 2913)	08	27.846	25.367
09	3. Alte instalații, utilaje și mobilier (ct. 214 + 224 - 2814 - 2914)	09	34.076	18.173
10	4. Investiții imobiliare (ct. 215 + 251* - 2815 - 285* - 2915 - 295*)	10		
11	5. Imobilizări corporale în curs de execuție (ct. 231 - 2931)	11	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 acordate pentru imobilizari corporale (ct. 4093 - 4903)	15		
16	TOTAL (rd. 07 la 15)	16	662.671	534.741
17	III. ACTIVE BIOLOGICE PRODUCTIVE (ct. 241 + 227 - 284 - 294)	17		
303	IV. DREPTURI DE UTILIZARE A ACTIVELOR LUATE ÎN LEASING (ct. 251* - 285* - 295*) ¹	18	6.330.137	6.642.437
	V. IMOBILIZĂRI FINANCIARE			
18	1. Acțiuni deținute la filiale (ct. 261 - 2961)	19	49.558.616	69.196.424

A		B	1	2
19	2. Împrumuturi acordate entităților din grup (ct. 2671 + 2672 - 2964)	20	29.069.006	21.696.906
20	3. Acțiunile deținute la entitățile asociate și la entitățile controlate în comun (ct. 262 + 263 - 2962)	21	2.797.884	1.271.854
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	10.236.320	4.041.249
24	TOTAL (rd. 19 la 24)	25	91.661.826	96.206.433
25	ACTIVE IMOBILIZATE – TOTAL (rd. 06 + 16 + 17 + 18 + 25)	26	105.358.835	109.723.948
B. ACTIVE CIRCULANTE				
I. STOCURI				
26	1. Materii prime și materiale consumabile (ct. 301 + 302 + 303 +/- 308 + 321 + 322 + 323 + 328 + 351 + 358 + 381 +/- 388 - 391 - 392 - 3951 - 3958 - 398)	27		
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 - din ct.4428)	30		5.216
30	5. Avansuri (ct. 4091 - 4901)	31	397	
31	TOTAL (rd. 27 la 31)	32	397	5.216
II. CREANȚE				
32	1. Creanțe comerciale (ct. 2675* + 2676* + 2678* + 2679* - 2966* - 2968* + 411 + 413 + 418 + 4642 - 491 - 494)	33	5.712.744	3.856.996
33	2. Avansuri plătite (ct. 4092 - 4902)	34	5.733	86.838
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	5.566.555	9.660.296
38	7. Capital subscris și nevărsat (ct. 456 - 495*)	39		
301	8. Creanțe reprezentând dividende repartizate în cursul exercițiului financiar (ct. 463)	40		
39	TOTAL (rd. 33 la 40)	41	11.285.032	13.604.130

40	III. INVESTIȚII PE TERMEN SCURT (ct. 505 + 506 + 507 + 508* - 595 - 596 - 598 + 5113 + 5114)	42	11.356.744	5.710.669
41	IV. CASA ȘI CONTURI LA BĂNCI (ct. 508* + 5112 + 512 + 531 + 532 + 541 + 542)	43	3.535.970	15.329.850
42	ACTIVE CIRCULANTE – TOTAL (rd. 32 + 41 + 42 + 43)	44	26.178.143	34.649.865
43	C. CHELTUIELI ÎN AVANS (ct. 471 + 474) (rd. 46 + 47) , din care	45	967.190	810.819
44	Sume de reluat într-o perioadă de până la un an (ct. 471* + ct.474*)	46	967.190	768.560
45	Sume de reluat într-o perioadă mai mare de un an (din ct. 471* + ct.474*)	47		42.259
D. DATORII: SUMELE CARE TREBUIE PLATITE INTR-O PERIOADA DE PANA LA UN AN				
46	1. Împrumuturi din emisiunea de obligațiuni, prezentându-se separat împrumuturile din emisiunea de obligațiuni convertibile (ct. 161 + 1681 - 169)	48	47.458	167.365
47	2. Sume datorate instituțiilor de credit (ct. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	49		
48	3. Avansuri încasate în contul comenzilor (ct. 419)	50	1.312	1.194
49	4. Datorii comerciale - furnizori (ct. 401 + 404 + 408 + 4641)	51	6.112.604	7.468.473
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	6.805.719	362.515
56	TOTAL (rd. 48 la 56)	57	12.967.093	7.999.547
57	E. ACTIVE CIRCULANTE NETE/DATORII CURENTE NETE (rd. 44 + 46 - 57 - 74 - 77 - 80)	58	14.129.248	26.954.997
58	F. TOTAL ACTIVE MINUS DATORII CURENTE (rd. 26 + 47 + 58)	59	119.488.083	136.721.204
G. DATORII: SUMELE CARE TREBUIE PLĂTITE ÎNTR-O PERIOADĂ MAI MARE DE UN AN				
59	1. Împrumuturi din emisiunea de obligațiuni, prezentându-se separat împrumuturile din emisiunea de obligațiuni convertibile (ct. 161 + 1681 - 169)	60	24.340.699	30.718.474
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	15.118.732	13.095.069

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	TOTAL (rd. 60 la 68)	69	39.459.431	43.813.543
	H.PROVIZIOANE			
70	1. Provizioane pentru beneficiile angajaților (ct. 1517)	70		
71	2. Alte provizioane (ct. 1511 + 1512 + 1513 + 1514 + 1518)	71	191.086	142.897
72	TOTAL (rd. 70 + 71)	72	191.086	142.897
	VENITURI ÎN AVANS			
73	1. Subvenții pentru investiții (ct. 475) - total (rd. 74 + 75), din care:	73		
74	Sume de reluat într-o perioadă de până la un an (ct. 475*)	74		
75	Sume de reluat într-o perioadă mai mare de un an (ct. 475*)	75		
76	2. Venituri înregistrate în avans (ct. 472) - total (rd. 77 + 78), din care:	76	48.992	463.881
77	Sume de reluat într-o perioadă de până la un an (ct. 472*)	77	48.992	463.881
78	Sume de reluat într-o perioadă mai mare de un an (ct. 472*)	78		
79	3. Venituri în avans aferente activelor primite prin transfer de la clienți (ct. 478) - total (rd. 80 + 81) , din care:	79		
80	Sume de reluat într-o perioadă de până la un an (ct. 478*)	80		
81	Sume de reluat într-o perioadă mai mare de un an (ct. 478*)	81		
82	TOTAL (rd. 73 + 76 + 79)	82	48.992	463.881
	J. CAPITAL ȘI REZERVE			
	I. CAPITAL			
83	1. Capital subscris vărsat (ct. 1012)	83	63.417.671	63.417.671
84	2. Capital subscris nevărsat (ct. 1011)	84		

85	3. Capital subscris reprezentând datorii financiare(ct. 1027) ²	85		
302	4. Patrimoniul regiei (ct. 1015)	86		
86	5. Ajustări ale capitalului social/ patrimoniul regiei(ct. 1028)	SOLD C	87	
87		SOLD D	88	
88	6. Alte elemente de capitaluri proprii (ct. 103)	SOLD C	89	4.151.267
89		SOLD D	90	5.194.775
90	TOTAL (rd. 83 + 84 + 85 + 86 + 87 - 88 + 89 - 90)	91	67.568.938	68.612.446
91	II. PRIME DE CAPITAL (ct. 104)	92	31.934.768	31.934.768
92	III. REZERVE DIN REEVALUARE (ct. 105)	93		
	IV. REZERVE			
93	1. Rezerve legale (ct. 1061)	94	956.462	1.442.164
94	2. Rezerve statutare sau contractuale (ct. 1063)	95		
95	3. Alte rezerve (ct. 1068)	96		
96	TOTAL (rd. 94 la 96)	97	956.462	1.442.164
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	924.720	766.058
100	Câștiguri legate de instrumentele de capitaluri proprii (ct. 141)	101	7.667.878	9.601.156
101	Pierderi legate de instrumentele de capitaluri proprii (ct. 149)	102	26.185.915	26.185.915
102	V. REZULTAT REPORTAT, CU EXCEPȚIA REZULTATULUI REPORTAT PROVENIT DIN ADOPTAREA PENTRU PRIMA DATA A IAS 29 (ct. 117)	SOLD C	103	6.851.461
103		SOLD D	104	0
104	VI. REZULTAT REPORTAT PROVENIT DIN ADOPTAREA PENTRU PRIMA DATA A IAS 29 (ct. 118)	SOLD C	105	810.024
105		SOLD D	106	810.024
106	VII. PROFITUL SAU PIERDEREA LA SFÂRȘITUL PERIOADEI DE RAPORTARE (ct. 121)	SOLD C	107	9.791.750
107		SOLD D	108	8.841.330

108	Repartizarea profitului (ct. 129)	109		485.702
109	CAPITALURI PROPRII – TOTAL (rd. 91 + 92 + 93 + 97 + 98 - 99 - 100 + 101 - 102 + 103 - 104 + 105 - 106 + 107 - 108 - 109)	110	79.837.566	92.764.764
110	Patrimoniul privat (ct. 1023) ³	111		
111	Patrimoniul public (ct. 1026)	112		
112	CAPITALURI - TOTAL (rd. 110 + 111 + 112)	113	79.837.566	92.764.764
FORMULAR VALIDAT		Suma de control Formular 10: 2064535373 / 3991246908X10957843973051238		

Semnături ►

Reprezentantul legal

(Administratorul sau persoana care are obligatia gestionarii entitatii)

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 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.

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

Număr de operator de date cu caracter personal 759

A		B	1	2
19	10.a) Cheltuieli cu materiile prime și materialele consumabile (ct. 601 + 602)	24	0	714
20	Alte cheltuieli materiale (ct. 603 + 604 + 606 + 608)	25	392.189	324.875
21	b) Cheltuieli privind utilitățile (ct. 605), din care:	26	75.513	51.368
307	- cheltuieli privind consumul de energie (ct. 6051)	27	58.953	48.233
312	- cheltuieli privind consumul de gaze naturale (ct. 6053)	28	13.734	5.788
22	c) Cheltuieli privind mărfurile (ct. 607)	29	610.340	476.657
23	Reduceri comerciale primite (ct. 609)	30	74.460	20.853
24	11.Cheltuieli cu personalul (rd. 32+ 33), din care:	31	4.101.104	4.239.668
25	a) Salarii și indemnizații (ct. 641 + 642 + 643 + 644)	32	3.988.103	4.156.521
26	b) Cheltuieli privind asigurările și protecția socială (ct. 645 + 646)	33	113.001	83.147
27	12.a) Ajustări de valoare privind imobilizările (rd. 35 + 36 + 37 -38)	34	2.019.272	2.115.786
28	a.1) Cheltuieli de exploatare privind amortizarea imobilizărilor (ct. 6811)	35	548.712	606.614
303	a.2) Cheltuieli cu amortizarea activelor aferente drepturilor de utilizare a activelor luate în leasing (ct. 685)	36	1.470.560	1.509.172
317	a.3) Alte cheltuieli (ct. 6813 + 6816 + 6817 + din ct. 6818)	37		
29	a.4) Venituri (ct. 7813 + 7816 + din ct. 7818)	38		
30	b) Ajustări de valoare privind activele circulante (rd. 40 - 41)	39	-3.764	
31	b.1) Cheltuieli (ct. 654 + 6814 + din ct. 6818)	40		
32	b.2) Venituri (ct. 754 + 7814 + din ct. 7818)	41	3.764	
33	13.Alte cheltuieli de exploatare (rd. 43 + 44 + 48 + 50 + 52 + 54 + 55 + 56 + 59 + 60 + 61 + 62 + 63)	42	14.369.080	9.721.266
34	13.1. Cheltuieli privind prestațiile externe (ct. 611 + 613 + 614 + 615 + 621 + 622 + 623 + 624 + 625 + 626 + 627 + 628)	43	12.231.680	8.608.128
318	13.2. Cheltuieli cu redevențele, locațiile de gestiune și chiriile (ct. 612) din care:	44	800.546	322.884
319	- cheltuieli cu redevențe (ct. 6121)	45		
320	- cheltuieli cu locațiile de gestiune (ct. 6122)	46		
321	- cheltuieli cu chiriile (ct. 6123)	47	800.546	322.884
322	13.3. Cheltuieli aferente drepturilor de proprietate intelectuală (ct. 616)	48		
323	- din care, cheltuielile în relația cu entitățile afiliate	49		

324	13.4. Cheltuieli de management (ct. 617)	50	739.355	421.100
325	- din care, cheltuielile în relația cu entitățile afiliate	51		
326	13.5. Cheltuieli de consultanță (ct. 618)	52	196.275	231.343
327	- din care, cheltuielile în relația cu entitățile afiliate	53		
35	13.6. Cheltuieli cu alte impozite, taxe și vărsăminte asimilate; cheltuieli reprezentând transferuri și contribuții datorate în baza unor acte normative speciale (ct. 635 + 6586)	54	26.918	12.614
36	13.7. Cheltuieli cu protecția mediului înconjurător (ct. 652)	55		
37	13.8. Cheltuieli legate de activele imobilizate (sau grupurile destinate cedării) deținute în vederea vânzării (ct. 653) (rd.57 + rd.58)	56		
313	13.8.1. Pierderi din evaluarea activelor deținute în vederea vânzării (ct.6531)	57		
314	13.8.2. Cheltuieli cu cedarea activelor deținute în vederea vânzării (ct.6532)	58		
38	13.9. Cheltuieli din reevaluarea imobilizărilor (ct. 655)	59		
39	13.10. Cheltuieli privind investițiile imobiliare (ct. 656)	60		
40	13.11. Cheltuieli privind activele biologice (ct. 657)	61		
41	13.12. Cheltuieli privind calamitățile și alte evenimente similare (ct. 6587)	62		
42	13.13. Alte cheltuieli (ct. 651 + 6581 + 6582 + 6583 + 6584 + 6585 + 6588)	63	374.306	125.197
43	14.Ajustări privind provizioanele (rd. 65 - 66)	64	147.349	-48.189
44	- Cheltuieli (ct. 6812)	65	147.349	
45	- Venituri (ct. 7812)	66		48.189
46	CHELTUIELI DE EXPLOATARE – TOTAL (rd. 24 la 26 + 29 - 30 + 31 + 34 + 39 + 42 + 64)	67	21.636.623	16.861.292
PROFITUL SAU PIERDEREA DIN EXPLOATARE:				
47	- Profit (rd. 23 - 67)	68	0	0
48	- Pierdere (rd. 67 - 23)	69	8.887.171	7.610.704
49	15.Venituri din acțiuni deținute la filiale (ct. 7611)	70	1.013.349	52.752.639
50	16.Venituri din acțiuni deținute la entități asociate (ct. 7612)	71		
51	17.Venituri din acțiuni deținute la entități asociate și entități controlate în comun (ct. 7613)	72		
52	18.Venituri din operațiuni cu titluri și alte instrumente financiare (ct. 762)	73		2.470
53	19.Venituri din operațiuni cu instrumente derivate (ct. 763)	74		

54	20.Venituri din diferențe de curs valutar (ct. 765)	75	927.004	264.896
55	21.Venituri din dobânzi (ct. 766)	76	2.069.791	2.527.219
56	- din care, veniturile obținute de la entitățile afiliate	77	1.864.802	
57	22.Venituri din subvenții de exploatare pentru dobânda datorată (ct. 7418)	78		
58	23.Venituri din investiții financiare pe termen scurt (ct. 7617)	79		
308	24.Venituri din amânarea încasării peste termenele normale de creditare (ct. 7681)	80		
59	25.Alte venituri financiare (ct. 7615 + 764 + 767 + 7688)	81	4.253.949	2.601.171
60	VENITURI FINANCIARE – TOTAL (rd. 70 la 76 + 78 la 81)	82	8.264.093	58.148.395
61	26.Ajustări de valoare privind imobilizările financiare și investițiile financiare deținute ca active circulante (rd. 84 - 85)	83		
62	- Cheltuieli (ct. 686)	84		
63	- Venituri (ct. 786)	85		
64	27.Cheltuieli privind operațiunile cu titluri și alte instrumente financiare (ct. 661)	86		17.510.885
65	28.Cheltuieli privind operațiunile cu instrumente derivate (ct. 662)	87		
66	29.Cheltuieli privind dobânzile (ct. 666)	88	2.439.543	2.877.733
67	- din care, cheltuielile în relația cu entitățile afiliate	89		
309	30.Cheltuieli cu amânarea plății peste termenele normale de creditare (ct. 6681)	90		
304	31.Cheltuieli privind dobânzile aferente contractelor de leasing (ct. 6685)	91	1.023.279	937.340
68	32.Alte cheltuieli financiare (ct. 663 + 664 + 665 + 667 + 6682 + 6688)	92	5.937.582	19.881.254
69	CHELTUIELI FINANCIARE – TOTAL (rd. 83 +86 + 87 + 88 + 90 + 91 + 92)	93	9.400.404	41.207.212
PROFITUL SAU PIERDEREA FINANCIAR(Ă):				
70	- Profit (rd. 82 - 93)	94	0	16.941.183
71	- Pierdere (rd. 93 - 82)	95	1.136.311	0
72	VENITURI TOTALE (rd. 23 + 82)	96	21.013.545	67.398.983
73	CHELTUIELI TOTALE (rd. 67 + 93)	97	31.037.027	58.068.504
PROFITUL SAU PIERDEREA BRUT(Ă):				

74	- Profit (rd. 96 - 97)	98	0	9.330.479
75	- Pierdere (rd. 97 - 96)	99	10.023.482	0
76	33.Impozitul pe profit curent (ct. 691)	100		
77	34.Impozitul pe profit amânat (ct. 692)	101		
78	35.Venituri din impozitul pe profit amânat (ct. 792)	102	1.182.152	461.271
305	36.Cheltuieli cu impozitul pe profit, determinate de incertitudinile legate de tratamente fiscale (ct. 693)	103		
315	37.Cheltuieli cu impozitul pe profit, respectiv impozitul pe profit la nivelul impozitului minim pe cifra de afaceri, rezultat din decontările în cadrul grupului fiscal în domeniul impozitului pe profit (ct. 694)	104		
316	38.Venituri din impozitul pe profit, respectiv impozitul pe profit la nivelul impozitului minim pe cifra de afaceri, rezultat din decontările în cadrul grupului fiscal în domeniul impozitului pe profit (ct. 794)	105		
302	39.Cheltuieli cu impozitul pe profit la nivelul impozitului minim pe cifra de afaceri (ct. 697)	106		
79	40.Alte impozite neprezentate la elementele de mai sus (ct. 698)	107		
PROFITUL SAU PIERDEREA NET(Ă) A PERIOADEI DE RAPORTARE:				
80	- Profit (rd. 98 -99 -100 - 101 +102 - 103 - 104 + 105 -106-107)	108	0	9.791.750
81	- Pierdere (rd. 99 +100 + 101 -102 + 103 + 104 – 105 + 106+107); (rd. 99 + 100 +101 -102 +103 + 104 – 105 + 106 + 107 - 98)	109	8.841.330	0
FORMULAR VALIDAT		Suma de control Formular 20: 659838023 / 3991246908X109578439730512382422313306474 60272179091913306474602721790919780021132 00191202257778331432909213357801463434821 23255317715091724062349421960421157876335 391		

Semnături ►

Reprezentantul legal

(Administratorul sau persoana care are obligatia gestionarii entitatii)

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

	COD 30. DATE INFORMATIVE la data de 31.12.2024 (lei) <i>se vor avea în vedere rândurile și corelațiile din coloana Nr. rând și nu cele cuprinse în coloana CodRd</i>			
codRd	I. Date privind rezultatul înregistrat	Nr. rând	Nr.unitati	Sume
	A	B	1	2
01	Unități care au înregistrat profit	01	1	9.791.750
02	Unități care au înregistrat pierdere	02	0	0
03	Unități care nu au înregistrat nici profit, nici pierdere	03	0	0
	II. Date privind plățile restante	Nr. rând	Total (col.2 + 3)	Din care:
	A	B	1	Pentru activitatea curentă
				Pentru activitatea de investiții
			2	3
04	Plăți restante – total (rd.05 + 09 +15 la 17 + 19), din care:	04	674.613	674.613
05	Furnizori restanți – total (rd. 06 la 08), din care:	05	674.613	674.613
06	- peste 30 de zile	06	255.971	255.971
07	- peste 90 de zile	07	418.642	418.642
08	- peste 1 an	08		
09	Obligații restante față de bugetul asigurărilor sociale – total (rd.10 la 14), din care:	09		
10	- contribuții pentru asigurări sociale de stat datorate de angajatori, salariați și alte persoane asimilate	10		
11	- contribuții pentru fondul asigurărilor sociale de sănătate	11		
12	- contribuția pentru pensia suplimentară	12		
13	- contribuții pentru bugetul asigurărilor pentru șomaj	13		
14	- alte datorii sociale	14		
15	Obligații restante față de bugetele fondurilor speciale și alte fonduri	15		
16	Obligații restante față de alți creditori	16		
17	Impozite, taxe și contribuții neplătite la termenul stabilit la bugetul de stat, din care:	17		
301	- contribuția asiguratorie pentru muncă	18		
18	Impozite și taxe neplătite la termenul stabilit la bugetele locale	19		
	III. Număr mediu de salariați	Nr. rând	31 decembrie 2023	31 decembrie 2024
	A	B	1	2
19	Număr mediu de salariați	20	25	17
20	Numărul efectiv de salariați existenți la sfârșitul perioadei, respectiv la data de 31 decembrie	21	28	18

	A	B	1	
	IV. Redevențe plătite în cursul perioadei de raportare, subvenții încasate și creanțe restante	Nr. rand	Sume (lei)	
	A	B	1	
21	Redevențe plătite în cursul perioadei de raportare pentru bunurile din domeniul public, primite în concesiune, din care:	22		
22	- redevențe pentru bunurile din domeniul public plătite la bugetul de stat	23		
23	Redevență minieră plătită la bugetul de stat	24		
24	Redevență petrolieră plătită la bugetul de stat	25		
25	Chirii plătite în cursul perioadei de raportare pentru terenuri ¹⁾	26		
26	Venituri brute din servicii plătite către persoane nerezidente, din care:	27		
27	- impozitul datorat la bugetul de stat	28		
28	Venituri brute din servicii plătite către persoane nerezidente din statele membre ale Uniunii Europene, din care:	29		
29	- impozitul datorat la bugetul de stat	30		
30	Subvenții încasate în cursul perioadei de raportare, din care:	31		
31	- subvenții încasate în cursul perioadei de raportare aferente activelor	32		
32	- subvenții aferente veniturilor, din care:	33		
33	- subvenții pentru stimularea ocupării forței de muncă*)	34		
316	- subvenții pentru energie din surse regenerabile	35		
317	- subvenții pentru combustibili fosili	36		
34	Creanțe restante, care nu au fost încasate la termenele prevăzute în contractele comerciale și/sau în actele normative în vigoare, din care:	37	1.243.703	
35	- creanțe restante de la entități din sectorul majoritar sau integral de stat	38		
36	- creanțe restante de la entități din sectorul privat	39	1.243.703	
	V. Tichete acordate salariaților	Nr. rand	Sume (lei)	
	A	B	1	
37	Contravaloarea tichetelor acordate salariaților	40	99.690	
302	Contravaloarea tichetelor acordate altor categorii de beneficiari, alții decât salariații	41		
	VI. Cheltuieli efectuate pentru activitatea de cercetare – dezvoltare**)	Nr. rand	31 decembrie 2023	31 decembrie 2024
	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), din care:	47	0	0
43	- cheltuieli curente	48		
44	- cheltuieli de capital	49		
	VII. Cheltuieli de inovare ***)	Nr. rand	31 decembrie 2023	31 decembrie 2024
	A	B	1	2
45	Cheltuieli de inovare	50		
319	- din care, efectuate în scopul diminuării impactului activității entității asupra mediului sau al dezvoltării unor noi tehnologii sau a unor produse mai sustenabile	51		
	VIII. Alte informații	Nr. rand	31 decembrie 2023	31 decembrie 2024
	A	B	1	2
46	Avansuri acordate pentru imobilizări necorporale (ct. 4094), din care:	52	146.902	89.129
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	52.356.500	70.468.278
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	52.356.500	70.468.278
50	- acțiuni necotate emise de rezidenți	60	15.462.284	0
51	- părți sociale emise de rezidenți	61	36.894.216	70.468.278
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		
55	- creanțe imobilizate în lei și exprimate în lei, a căror decontare se face în funcție de cursul unei valute (din ct. 267)	66		
56	- creanțe imobilizate în valută (din ct. 267)	67		

57	Creanțe comerciale, avansuri pentru cumpărări de bunuri de natura stocurilor și pentru prestări de servicii acordate furnizorilor și alte conturi asimilate, în sume brute (ct. 4091 + 4092 + 411 + 413 + 418 + 4642), din care:	68	17.695.435	15.005.334
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	1.243.165	521.874
308	- creanțe comerciale în relația cu entitățile afiliate nerezidente, avansuri pentru cumpărări de bunuri de natura stocurilor și pentru prestări de servicii acordate furnizorilor afiliați nerezidenți și alte conturi asimilate, în sume brute în relație cu afiliații nerezidenți (din ct. 4091 + din ct. 4092 + din ct. 411 + din ct. 413 + din ct. 418 + din ct.4642)	70		
59	Creanțe neîncasate la termenul stabilit (din ct. 4091 + din ct. 4092 + din ct. 411 + din ct. 413)	71	3.587.148	1.243.703
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	1.853.151	2.280.375
62	- creanțe în legătură cu bugetul asigurărilor sociale (ct. 431 + 437 + 4382)	74	33.491	24.969
63	- creanțe fiscale în legătură cu bugetul de stat (ct. 436 + 441 + 4424 + 4428 + 444 + 446)	75	1.819.660	2.255.406
64	- subvenții de încasat (ct. 445)	76		
65	- fonduri speciale - taxe și vărsăminte asimilate (ct. 447)	77		
66	- alte creanțe în legătură cu bugetul statului (ct. 4482)	78		
67	Creanțele 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	33.491	24.969
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	2.920.675	2.144.963
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	2.920.675	2.144.963
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		
79	Investiții pe termen scurt, în sume brute (ct. 505 + 506 + 507 + din ct. 508), din care:	92	11.356.744	5.710.669
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	3.534.929	15.328.809
89	- în lei (ct. 5121), din care:	103	1.728.327	15.131.437
90	- conturi curente în lei deschise la bănci nerezidente	104		
91	- în valută (ct. 5124), din care:	105	1.806.602	197.372
92	- conturi curente în valută deschise la bănci nerezidente	106		
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	28.087.918	14.571.523
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	21.232.648	13.745.127
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	361.007	144.865
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	189.724	170.149
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	193.578	172.688
113	- datorii în legătură cu bugetul asigurărilor sociale (ct. 431 + 437 + 4381)	129	111.225	95.732
114	- datorii fiscale în legătură cu bugetul de stat (ct.436 + 441 + 4423 + 4428 +444 + 446)	130	82.353	76.956
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		
118	- datorii cu entități afiliate nerezidente ²⁾ (din ct. 451), din care:	134		
310	- cu scadența inițială mai mare de un an	135		
119	- datorii comerciale cu entități afiliate nerezidente indiferent de scadență (din ct. 451)	136		

120	Sume datorate acționarilor/asociaților (ct. 455), din care:	137		
121	- sume datorate acționarilor/asociaților persoane fizice	138		
122	- sume datorate acționarilor/asociaților persoane juridice	139		
123	Datorii din operațiuni cu instrumente derivate (ct. 4651)	140		
124	Alte datorii (ct. 269 + 453 + 456 + 457 + 4581 + 462 + 4661+ 467 + 472 + 473 + 4761 + 478 + 509), din care:	141	6.471.968	483.559
125	- decontări cu entitățile asociate și entitățile controlate în comun, decontări cu acționarii/asociații privind capitalul, dividende și decontări din operații în participație (ct. 453 + 456 + 457 + 4581 + 467)	142		
126	- alte datorii în legătură cu persoanele fizice și persoanele juridice, altele decât datoriile în legătură cu instituțiile publice (instituțiile statului) ³⁾ (din ct. 462 + ct. 4661+ din ct. 472 + din ct. 473)	143	6.471.968	483.559
127	- subvenții nereluate la venituri (din ct. 472)	144		
128	- vărsăminte de efectuat pentru imobilizări financiare și investiții pe termen scurt (ct. 269 + 509)	145		
129	- venituri în avans aferente activelor primite prin transfer de la clienți (ct. 478)	146		
130	Dobânzi de plătit (ct. 5186), din care:	147		
311	- către nerezidenți	148		
315	Dobânzi de plătit către nerezidenți (din ct. 4518 + din ct. 4538)	149		
131	Valoarea împrumuturilor primite de la operatorii economici****)	150		
132	Capital subscris vărsat (ct. 1012) din care:	151	63.417.671	63.417.671
133	- acțiuni cotate ⁴⁾	152	63.417.671	63.417.671
134	- acțiuni necotate ⁵⁾	153		
135	- părți sociale	154		
136	- capital subscris vărsat de nerezidenți (din ct.1012)	155		
137	Brevete si licențe (din ct.205)	156	5.790.355	5.790.355
	IX. Informații privind cheltuielile cu colaboratorii	Nr. rand	31 decembrie 2023	31 decembrie 2024
	A	B	1	2
138	Cheltuieli cu colaboratorii (ct. 621)	157	788.802	337.168
	X. Informații privind bunurile din domeniul public al statului	Nr. rand	31 decembrie 2023	31 decembrie 2024
	A	B	1	2
139	Valoarea bunurilor din domeniul public al statului aflate în administrare	158		
140	Valoarea bunurilor din domeniul public al statului aflate în concesiune	159		

141	Valoarea bunurilor din domeniul public al statului închiriate		160		
	XI. Informații privind bunurile imobile din proprietatea privată a statului supuse inventarierii în conformitate cu prevederile art. 356 din Ordonanța de Urgență a Guvernului nr. 57/2019		Nr. rand	31 decembrie 2023	31 decembrie 2024
	A		B	1	2
142	Valoarea contabilă netă a bunurilor ⁶⁾		161		
	XII. Capital social vărsat	Nr. rand	31 decembrie 2023		31 decembrie 2024
			Suma (col.1)	% ⁷⁾ (col.2)	Suma (col.3) % ⁷⁾ (col.4)
	A	B	1	2	3 4
143	Capital social vărsat (ct. 1012) ⁷⁾ (rd. 163 + 166 + 170 + 171 + 172 + 173), din care:	162	63.417.671	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	24.299.974	38,32	23.141.259 36,49
153	- deținut de persoane fizice	172	39.117.697	61,68	40.276.412 63,51
154	- deținut de alte entități	173		0	0
			Nr. rand	Sume (lei)	
	A		B	2023	2024
155	XIII. Dividende/vărsăminte cuvenite bugetului de stat sau local, de repartizat din profitul exercițiului financiar de către companiile naționale, societățile naționale, societățile și regiile autonome, din care:		174		

	A	B	1	2
156	- către instituții publice centrale;	175		
157	- către instituții publice locale;	176		
158	- către alți acționari la care statul/unitățile administrativ teritoriale/ instituțiile publice dețin direct/indirect acțiuni sau participații indiferent de ponderea acestora.	177		
		Nr. rand	Sume (lei)	
	A	B	2023	2024
159	XIV. Dividende/vărsăminte cuvenite bugetului de stat sau local și virate în perioada de raportare din profitul reportat al companiilor naționale, societăților naționale, societăților și al regiilor autonome, din care:	178		
160	- dividende/vărsăminte din profitul exercițiului financiar al anului precedent, din care virate:	179		
161	- către instituții publice centrale;	180		
162	- către instituții publice locale;	181		
163	- către alți acționari la care statul/unitățile administrativ teritoriale/ instituțiile publice dețin direct/indirect acțiuni sau participații indiferent de ponderea acestora.	182		
164	- dividende/vărsăminte din profitul exercițiilor financiare anterioare anului precedent, din care virate:	183		
165	- către instituții publice centrale;	184		
166	- către instituții publice locale;	185		
167	- către alți acționari la care statul/unitățile administrativ teritoriale/ instituțiile publice dețin direct/indirect acțiuni sau participații indiferent de ponderea acestora.	186		
	XV. Dividende distribuite acționarilor/asociaților din profitul reportat	Nr. rand	Sume (lei)	
	A	B	2023	2024
313	- Dividende distribuite acționarilor/ asociatilor în perioada de raportare din profitul reportat	187		
	XVI. Repartizări interimare de dividende potrivit Legii nr. 163/2018	Nr. rand	Sume (lei)	
	A	B	2023	2024
312	- dividendele interimare repartizate ⁸⁾	188		
	XVII. Creanțe preluate prin cesionare de la persoane juridice *****)	Nr. rand	Sume (lei)	
			31 decembrie 2023	31 decembrie 2024
	A	B	1	2
168	Creanțe preluate prin cesionare de la persoane juridice (la valoarea nominală), din care:	189		
169	- creanțe preluate prin cesionare de la persoane juridice afiliate	190		
170	Creanțe preluate prin cesionare de la persoane juridice (la cost de achiziție), din care:	191		
171	- creanțe preluate prin cesionare de la persoane juridice afiliate	192		

	XVIII. Venituri obținute din activități agricole *****)	Nr. rand	Sume (lei)	
			31 decembrie 2023	31 decembrie 2024
	A	B	1	2
172	Venituri obținute din activități agricole	193		
322	XIX. Cheltuieli privind calamitățile și alte evenimente similare (ct. 6587), din care:	194		
323	- inundații	195		
324	- secetă	196		
325	- alunecări de teren	197		
FORMULAR VALIDAT		Suma de control Formular 30:		

1110884273 /
3991246908X109578439730512382422313306474
60272179091913306474602721790919780021132
00191202257778331432909213357801463434821
23255317715091724062349421960421157876335
391

Semnături ►	Reprezentantul legal (Administratorul sau persoana care are obligatia gestionarii entitatii) Nume si prenume IVYLON MANAGEMENT SRL PRIN LOGOFATU MIHAI ALEXANDR	Intocmit Nume si prenume DCA Financial Zone SRL
	Semnatura	Calitatea 22--Persoana juridica autorizata** Nr.de inregistrare in organismul profesional 10554 Semnatura

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

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

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

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

****) În categoria operatorilor economici nu se cuprind entitățile care intră în sfera de reglementare contabilă a Băncii Naționale a României, respectiv a Autorității de Supraveghere Financiară, societățile reclasificate în sectorul administrației publice și instituțiile fără scop lucrativ în serviciul gospodăriilor populației.

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

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

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

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

Orice alte venituri sunt considerate venituri din activități neagricole.

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

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

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

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

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

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

6) Se va completa de către operatorii economici cărora le sunt incidente prevederile art.356 din Ordonanța de Urgență a Guvernului nr.57/2019 privind Codul administrativ, cu modificările și completările ulterioare, 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, coroborat cu art.4, alin.(2), lit.b din Hotărârea Guvernului nr. 1176/2024 privind aprobarea Normelor tehnice pentru întocmirea și actualizarea inventarului bunurilor din domeniul public al statului și ale inventarului bunurilor imobile din domeniul privat al statului

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

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

COD40. SITUATIA ACTIVELOR IMOBILIZATE la data de 31.12.2024						-lei	
Elemente de imobilizari	Nr. rand	Valori brute					
		Sold initial	Cresteri ¹	Reduceri ²		Sold final (col.5 = 1 + 2 - 3)	
				Total	Din care: dezmembrari si casari		
A	B	1	2	3	4	5	
I. Imobilizări necorporale							
1.Cheltuieli de dezvoltare	01				X		
2.Concesiuni, brevete, licente, marci comerciale, drepturi si active similare si alte imobilizari necorporale	02	7.887.946	154.180		X	8.042.126	
3.Fond comercial	03				X		
4.Avansuri acordate pentru imobilizări necorporale	04	146.902	7.250	65.022	X	89.130	
5.Active necorporale de explorare și evaluare a resurselor minerale	05				X		
TOTAL (rd. 01 la 05)	06	8.034.848	161.430	65.022	X	8.131.256	
II. Imobilizări corporale							
1.Terenuri și amenajări de terenuri	07						
2.Construcții	08	677.619	4.784			682.403	
3.Instalații tehnice și mașini	09						
4.Alte instalații, utilaje și mobilier	10	319.700	14.761			334.461	
5.Investiții imobiliare	11						
6.Imobilizari corporale in curs de executie	12	1.132		1.132		0	
7.Investitii imobiliare in curs de executie	13						
8.Active corporale de explorare și evaluare a resurselor minerale	14						
9.Plante productive	15				X		
10.Avansuri acordate pentru imobilizări corporale	16				X		
TOTAL (rd. 07 la 16)	17	998.451	19.545	1.132		1.016.864	
III. Active biologice productive	18				X		
IV. Drepturi de utilizare a activelor luate în leasing	19	8.883.314	2.579.541	758.069	X	10.704.786	

V. Imobilizări financiare	20	91.661.826	4.544.607		X	96.206.433
ACTIVE IMOBILIZATE –TOTAL (rd. 06 + 17 + 18 + 19 + 20)	21	109.578.439	7.305.123	824.223		116.059.339

► SITUAȚIA AMORTIZĂRII ACTIVEI LOR IMOBILIZATE					
Elemente de imobilizări	Nr. rand	Sold initial	Amortizare în cursul anului ¹	Reducerea/ eliminarea în cursul anului a valorii amortizării ²	Amortizare la sfârșitul anului (col.9 = 6+7-8)
A	B	6	7	8	9
I. Imobilizări necorporale					
1.Cheltuieli de dezvoltare	22				
2.Concesiuni, brevete, licențe, mărci comerciale, drepturi și active similare și alte imobilizări necorporale	23	1.330.647	460.272		1.790.919
3.Active necorporale de explorare și evaluare a resurselor minerale	24				
TOTAL (rd. 22 + 23 + 24)	25	1.330.647	460.272		1.790.919
II. Imobilizări corporale					
1.Amenajări de terenuri	26				
2.Construcții	27	78.002	113.200		191.202
3.Instalații tehnice și mașini	28				
4.Alte instalații, utilaje și mobilier	29	257.778	33.143		290.921
5.Investiții imobiliare	30				
6.Active corporale de explorare și evaluare a resurselor minerale	31				
7.Plante productive	32				
TOTAL (rd. 26 la 32)	33	335.780	146.343		482.123
III. Active biologice productive	34				
IV. Drepturi de utilizare a activelor luate în leasing	35	2.553.177	1.509.172		4.062.349
AMORTIZĂRI – TOTAL (rd. 25 + 33 + 34 + 35)	36	4.219.604	2.115.787		6.335.391

► SITUATIA AJUSTARILOR PENTRU DEPRECIERE					
Elemente de imobilizari	Nr. rand	Sold initial	Ajustari constituite in cursul anului	Ajustari reluate la venituri	Sold final (c.13 = 10+11-12)
A	B	10	11	12	13
I. Imobilizări necorporale					
1.Cheltuieli de dezvoltare	37				
2.Concesiuni, brevete, licente, marci comerciale, drepturi si active similare si alte imobilizari necorporale	38				
3.Avansuri acordate pentru imobilizări necorporale	39				
4.Active necorporale de exploatare si evaluare a resurselor minerale	40				
TOTAL (rd. 37 la 40)	41				
II. Imobilizări corporale					
1.Terenuri și amenajări de terenuri	42				
2.Construcții	43				
3.Instalații tehnice și mașini	44				
4.Alte instalații, utilaje și mobilier	45				
5.Investiții imobiliare	46				
6.Imobilizari corporale în curs de execuție	47				
7.Investiții imobiliare în curs de execuție	48				
8.Active corporale de explorare și evaluare a resurselor minerale evaluate la cost	49				
9.Plante productive	50				
10.Avansuri acordate pentru imobilizari corporale	51				
TOTAL (rd. 42 la 51)	52				
III. Active biologice productive	53				
IV. Drepturi de utilizare a activelor luate în leasing	54				
V. Imobilizări financiare	55				
AJUSTĂRI PENTRU DEPRECIERE – TOTAL (rd. 41 + 52 + 53 + 54 + 55)	56				

SITUAȚIA ACTIVELOR IMOBILIZATE

1 se cuprind și creșterile rezultate din reevaluare sau alte operațiuni care presupun debitarea conturilor de active imobilizate

2 se cuprind și reducerile rezultate din reevaluare sau alte operațiuni care presupun creditarea conturilor de active imobilizate

SITUAȚIA AMORTIZĂRII ACTIVELOR IMOBILIZATE

1 se cuprind și creșterile rezultate din reevaluare sau alte operațiuni care presupun creditarea conturilor aferente amortizării activelor imobilizate

2 se cuprind și reducerile rezultate din reevaluare sau alte operațiuni care presupun debitarea conturilor aferente amortizării activelor imobilizate

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Semnături ►	Reprezentantul legal	Intocmit
	(Administratorul sau persoana care are obligația gestionării entității)	Nume și prenume
	Nume și prenume	DCA Financial Zone SRL
	IVYLON MANAGEMENT SRL PRIN LOGOFATU MIHAI ALEXANDR	Calitatea
		22--Persoana juridica autorizata**
	Semnatura	Nr.de inregistrare in organismul profesional
		10554
		Semnatura