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")

TABLE OF CONTENTS

(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

(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

(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

(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

(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%
Elian Solutions	61.69%	51.02%
Kepler Management Systems, 100% owned by Elian 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

	31 Dec 2024	31 Dec 2023
ASSOCIATES		
E-Learning Company	23%	23%

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.

(all the amounts shall be expressed in RON, unless otherwise provided)

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 Măniţiu. Anca Măniţiu 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.
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.

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 implemntation 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

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

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.

(all the amounts shall be expressed in RON, unless otherwise provided)

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

(all the amounts shall be expressed in RON, unless otherwise provided)

FINANCIAL ASSETS	31 Dec 2024	31 Dec 2023
Receivables and loans receivables	36,884,609	48,867,950
Investments at FVTPL	5,710,669	11,356,744
Cash and cash equivalents	15,329,850	3,535,970
Total	57,925,128	63,760,665

(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 implememted 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' 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.

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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

EUR	(16,465,644)	(6,332,628)
USD	256,262	625,547

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	3903,875	3,903,875	-	-	-	-
Total	51,782,105	4,512,565	3,455,997	13,418,359	30,395,184	-

(all the amounts shall be expressed in RON, unless otherwise provided)

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

(all the amounts shall be expressed in RON, unless otherwise provided)

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:

	2024	2023
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 *(Note 21)*	-	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)

(all the amounts shall be expressed in RON, unless otherwise provided)

NOTE 6. REVENUES FROM CONTRACTS WITH CLIENTS

Revenues from contracts with customers for the financial years 2023-2024 are detailed in the following table:

	2024	2023
Training services	8,574,731	11,575,310
IT solutions integration services, goods and licenses	643,172	943,639
Total	**9,217,903**	**12,518,949**

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 undertook 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 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.

(all the amounts shall be expressed in RON, unless otherwise provided)

NOTE 7. COST OF SALES

The sales costs for the financial years 2023-2024 are presented in the following table:

	2024	2023
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	4,604,591	6,740,634

(all the amounts shall be expressed in RON, unless otherwise provided)

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 *(Note 16)*	1,428,990	-
Total	1,428,990	-

(all the amounts shall be expressed in RON, unless otherwise provided)

NOTE 9. SALES EXPENSES

The sales expenses for the financial years 2023-2024 are presented in the following table:

	2024	2023
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	4,262,527	4,703,295

(all the amounts shall be expressed in RON, unless otherwise provided)

NOTE 10. GENERAL AND ADMINISTRATIVE EXPENSES

The administrative expenses for the financial years 2023-2024 are detailed in the following table:

	2024	2023
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	7,994,175	10,192,693

(all the amounts shall be expressed in RON, unless otherwise provided)

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:

	2024	2023
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	**16,861,293**	**21,636,622**

(all the amounts shall be expressed in RON, unless otherwise provided)

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)

(all the amounts shall be expressed in RON, unless otherwise provided)

NOTE 13. INCOME TAX

Details regarding the income tax for the financial years 2023-2024 are presented in the following table:

	2024	2023
Current profit tax	-	-
Deferred tax	(461,271)	(1,182,152)
Total income tax	**(461,271)**	**(1,182,152)**

	2024	2023
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.

(all the amounts shall be expressed in RON, unless otherwise provided)

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.

(all the amounts shall be expressed in RON, unless otherwise provided)

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

(all the amounts shall be expressed in RON, unless otherwise provided)

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 ints 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 subsidieries at segment level.

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.

(all the amounts shall be expressed in RON, unless otherwise provided)

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 (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

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 (previsously 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

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 acquitision 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 aproximately 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 aproximately 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 aproximately 61 million lei, while 2Net Computer was valued at aproximately 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, 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 aproximately 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 aproximately 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 aproximately 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).

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 3rd 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 toghether 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.

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. Aditionally, 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 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.

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

(all the amounts shall be expressed in RON, unless otherwise provided)

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.

	31 Dec 2024	31 Dec 2023
E-Learning Company		
Initial	**2,797,884**	2,918,939
Contingent consideration	-	-
Dividend distribution	(57,500)	-

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:

(all the amounts shall be expressed in RON, unless otherwise provided)

	2024	2023
Revenues from contracts with customers	2,210,695	1,905,352
Sales Cost	(858,122)	(1,098,0800
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
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 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.

(all the amounts shall be expressed in RON, unless otherwise provided)

NOTE 17. FINANCIAL ASSETS AT FAIR VALUE

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.

(all the amounts shall be expressed in RON, unless otherwise provided)

NOTE 18. TRADE RECEIVABLES AND OTHER RECEIVABLES

Trade receivables and other receivables are presented in the following table:

	31 Dec 2024	31 Dec 2023
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.

	31 Dec 2024	31 Dec 2023
Work in progress	810,819	967,190

Statement of customers' net receivables per seniority:

	31 Dec 2024	31 Dec 2023
Not due	2,613,293	2,136,311
0-30	424,015	994,957
31-90	319,417	478,119

(all the amounts shall be expressed in RON, unless otherwise provided)

91-180	206,062	182,396
181-360	141,936	1,920,649
over 360	152,273	312
Total	3,856,996	5,712,744

Reconciliation of customer receivables adjustments:

	2024	2023
1 January	10,715	14,479
Adjustments during the period	-	-
Receivables cancellation	-	-
Resume adjustments	-	(3,764)
31 December	10,715	10,715

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.

NOTE 19. INVENTORY

Details of stocks are presented in the following table:

	31 Dec 2024	31 Dec 2023
Materials	-	-
Goods	5,216	397
Total	5,216	397

(all the amounts shall be expressed in RON, unless otherwise provided)

NOTE 20. CASH AND CASH EQUIVALENTS

Details on cash and cash equivalents are presented in the following table:

	31 Dec 2024	31 Dec 2023
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	15,329,850	3,535,970

Collateral cash deposits represent restricted cash – payment guarantee in connection with the long term rental contract for the current headquarters.

(all the amounts shall be expressed in RON, unless otherwise provided)

NOTE 21. CAPITAL AND RESERVES

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

	31 Dec 2024	31 Dec 2023
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	**92,764,764**	**79,837,567**

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	31 Dec 2024	31 Dec 2023
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	**100%**	**100%**

Share capital	2024	2023
In issue 1st of January	634,176,714	528,480,595
Exercise of share options	-	-
Issued in business combinations	-	9,677,419
Issued in share capital increase	-	96,018,700
In issue 31st of December	634,176,714	634,176,714

(all the amounts shall be expressed in RON, unless otherwise provided)

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.

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

- 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;

- 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

(all the amounts shall be expressed in RON, unless otherwise provided)

- 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:

	31 Dec 2024	31 Dec 2023
SOP 2021	-	125,674
SOP 2022	108,098	324,295
SOP 2023	935,411	623,607
Total	**1,043,509**	**1,073,576**

(all the amounts shall be expressed in RON, unless otherwise provided)

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

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 issuence 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 issuence 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.

(all the amounts shall be expressed in RON, unless otherwise provided)

NOTE 23. BANK LOANS

Details of the bank loans are shown in the following table:

	31 Dec 2024	31 Dec 2023
ProCredit long-term loans	-	-
Total, of which:	**-**	**-**
Long-term fraction	-	-
Short-term fraction	-	-

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.

(all the amounts shall be expressed in RON, unless otherwise provided)

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.

	31 Dec 2024	31 Dec 2023
Short-term fraction	3,897,322	3,472,827
Long-term fraction	13,095,069	15,118,732
Total	**16,992,391**	**18,591,559**

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**

(all the amounts shall be expressed in RON, unless otherwise provided)

NOTE 25. TRADE LIABILITIES AND OTHER LIABILITIES

Trade and other liabilities are detailed in the following table:

	31 Dec 2024	31 Dec 2023
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:	**400,775**	**6,892,284**
Long-term debts	-	-
Current debts	400,775	6,892,284

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.

	31 Dec 2024	31 Dec 2023
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.

	31 Dec 2024	31 Dec 2023
Provisions	105,831	105,831

(all the amounts shall be expressed in RON, unless otherwise provided)

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:

	2024	2023
Management contracts	3,886,775	2,836,799
SOP expenditure	967,840	733,463
Total	**4,854,615**	**3,570,262**

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
	2024	31 Dec 2024	2024	31 Dec 2024
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	-	-
2NET Computer	-	-	-	-
(Dendrio Innovations (Dataware Consulting)	101,950	165,727	-	-
Nenos Software	-	-	20,807	-
Kepler Management Systems	-	1,353	-	-
Total	**582,209**	**2,093,642**	**216,564**	**150,624**

Transactions / Balances - 2023/31 Dec	Sales	Receivables	Purchases	Payables
	2023	31 Dec 2023	2023	31 Dec 2023
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	-	-

(all the amounts shall be expressed in RON, unless otherwise provided)

ISEC Associates	-	73,348	-	-
IT Prepared	-	93,784	120,976	14,802
TopTech	25,109	84,823	42,998	-
2NET 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.

(all the amounts shall be expressed in RON, unless otherwise provided)

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

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 comunicated 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 (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)

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 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.

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 aqpplies 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.

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.

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.

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