

Income and Expenses Budget for Bittnet group

Each year, the Budget is approved in April by the General Meeting of Shareholders.

Below are the management's working assumptions for the 2025 consolidated budget:

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

Management builds the Budget annually using a "bottom-up" approach - starting from assessments of ongoing projects (the sales pipeline available at the time of producing the Budget), contracts with recurring revenue, sales statistics from previous years, marketing and sales activities already committed/planned, and sales targets assumed by each member of the sales(comercial) teams.

In other words, year after year, the Budget is constructed in a prudent manner, according to the Company's forecasting policy: <https://investors.bittnet.ro/politica-privind-prognozele/?lang=ro>

In all documents published by companies listed on capital markets around the world, regarding the Income and Expense Budget, it is stated that the figures presented do not represent a promise, commitment or guarantee, and the Company cannot be held liable for failure to achieve the objectives. When a company establishes its income and expense budget for a given year, it takes into account the internal and external factors that it knows at the time of establishing this budget.



The last 5 years have brought companies into extremely difficult situations, in which they have had to adapt and which could not have been predicted. Until the outbreak of the COVID-19 pandemic, in Romania, the only "problems" that companies had to overcome or for which they had to adapt, were linked to uncertainties at the political and implicitly legislative level. Therefore, the new reality, in which the problems are not only related to the domestic kitchen of a country, generates the following dilemma for all managers: we propose objectives that seem difficult to achieve at first glance, but for which at the time of setting them we have as a basis indicators and estimates consistent with the reality of that moment; or we publish an extremely moderate budget, which we know we can exceed, but at the same time brings the company into a situation of entering a comfort zone and greatly reducing its chances for a more prosperous future for all those involved. Within Bittnet Group, we have always preferred to assume courageous targets, built from the conservative hypothesis.

Investment Budget – Tangible and Intangible Assets:

The acquisitions of tangible/intangible assets will be sized at a maximum of 10,000,000 ron, provided that there are funding sources for implementation. The investment plan includes:

- Continuous modernisation of the work environment and training center
- Continuing the acquisition of IT resources - website upgrades, software, IT infrastructure for internal use, etc.
- Launching IT platforms, products for customers, mainly using artificial intelligence,
- Ensuring the constant operation of internal IT systems and their continuous upgrade to the latest working versions
- Providing cloud and managed services to customers.

