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Independent Auditors' Report

To the Shareholders of Bittnet Systems SA

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

Unique Registration Code: 21181848

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the consolidated financial statements of Bittnet Systems SA ("the Company") and its subsidiaries (together "the Group") which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

2. The consolidated financial statements as at and for the year ended 31 December 2024, approved by the Board of Directors on 1 April 2025, are identified as follows:

• Net assets/Total equity:	RON 77,195,318
• Net profit for the year:	RON 9,118,826

3. In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union and Order of Minister of Public Finance No. 2844/2016 for approval of accounting regulations in accordance with International Financial Reporting Standards and related amendments ("OMPF no. 2844/2016").

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Fiscal registration code RO12997279
Trade Registry no J40/4439/2000
Share Capital 2,000 RON

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Basis for Opinion

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

Key Audit Matters

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

Impairment of Goodwill

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

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

The key audit matter

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

How the matter was addressed in our audit

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

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

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

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

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

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

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

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

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

financial trends of the Group;

- Testing the mathematical accuracy of the discounted cash flow model;

- Evaluation of the accuracy, completeness, and adequacy of the disclosures in the consolidated financial statements regarding the recoverability of goodwill, in connection to the disclosure requirements of the relevant financial reporting standards.

Revenue recognition

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

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

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

The key audit matter

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

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

How the matter was addressed in our audit

Our audit procedures included, among others:

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

revenue is recorded in the appropriate period.

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

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

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

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

Other matter – Corresponding figures

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

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

Other information

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

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

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

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

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

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

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

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

Other Reporting Responsibilities Related to Other Information – Remuneration Report

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

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

8. Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and OMPF no. 2844/2016 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

12. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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

Responsibilities of Management

17. Management is responsible for the preparation of the consolidated financial statements in a digital format that complies with the RTS on ESEF. This responsibility includes:

- the preparation of the consolidated financial statements in the applicable xHTML format;
- the selection and application of appropriate iXBRL tags, using judgment where necessary;
- ensuring consistency between digitised information in the machine- and human-readable formats and the signed consolidated financial statements; and
- the design, implementation and maintenance of internal controls relevant to the application of the RTS on ESEF.

Auditors' Responsibilities

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

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

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

statements, stamped by us for identification purposes;

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements - Public Interest Entities

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

21. We confirm that:

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

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

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

Mihali Horatiu Mihai

MIHALI HORATIU MIHAI

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

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Cluj-Napoca,01 April 2025

Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)
Auditor financiar: **MIHALI HORATIU MIHAI**
Registrul Public Electronic: **AF3354**

Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)
Firma de audit: **KPMG AUDIT S.R.L.**
Registrul Public Electronic: **FA9**