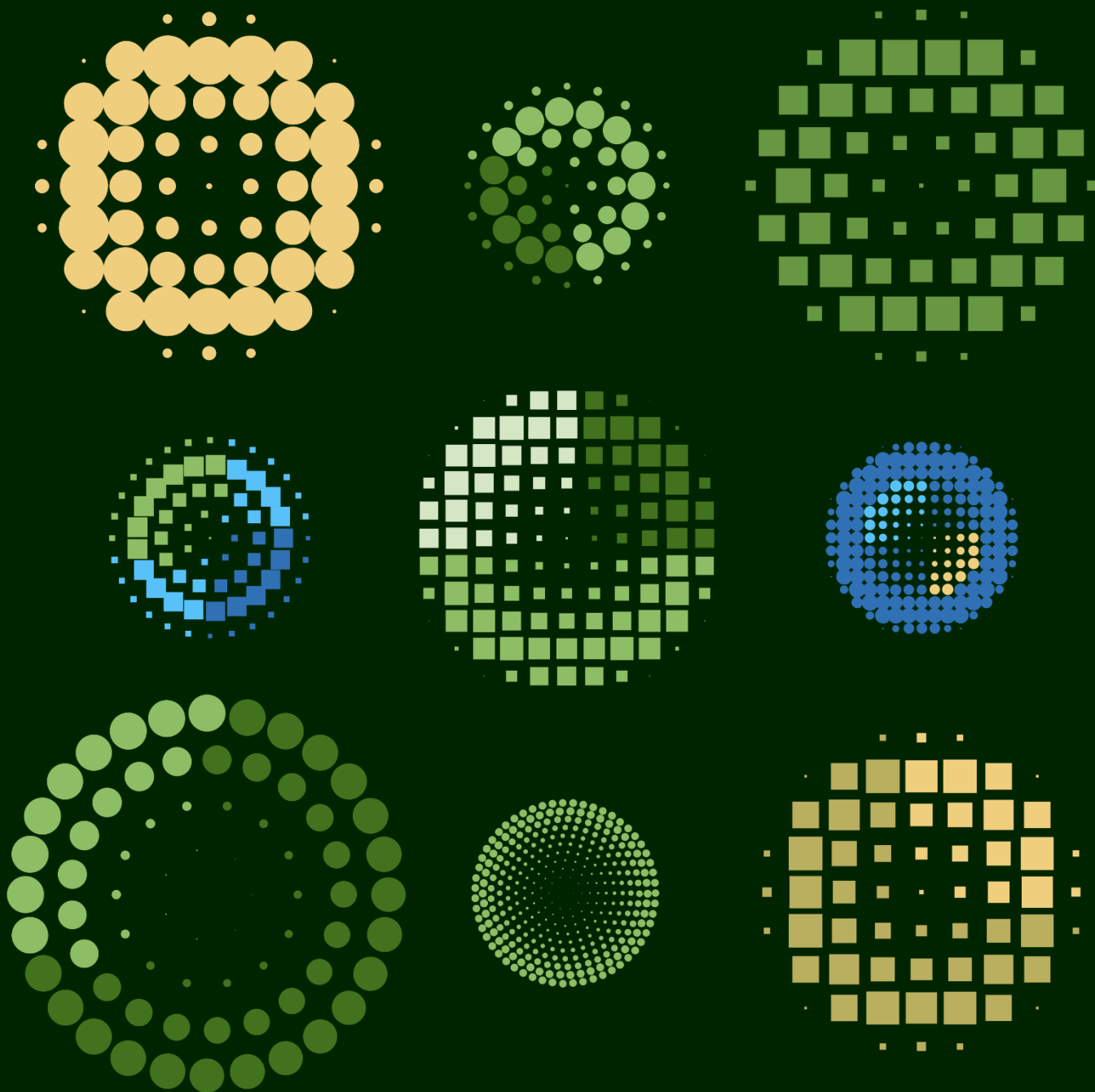


Bittnet Group — BNET Report

Q1 2025



Quarterly report according to	Annex 13 of ASF Regulation No. 5 / 2018
For the financial year	01.01.2025 - 31.03.2025
Report date	May 30, 2025
Company name	BITTNET SYSTEMS SA
Headquarters	Bucharest, Sector 5, Serg. Ion Nuțu Street, no. 44, One Cotroceni Park, Building A and Building B, Floor 4
Mailing address / Work location	Bucharest, Sector 5, Serg. Ion Nuțu Street, no. 44, One Cotroceni Park, Building A and Building B, Floor 4, 050691
Telephone/fax number	021.527.16.00 / 021.527.16.98
Unique registration code at the Trade Register Office	21181848
Serial number in the Trade Register	J40/3752/2007
The regulated market on which the issued securities are traded	Bucharest Stock Exchange, Main Segment, Standard Category
Subscribed and paid-up share capital	63,417,671.40 ron ron
The main characteristics of values securities issued by the company	634,176,714 shares with a nominal value of 0.10 ron per share
Trading symbol	BNET - shares BNET26E, BNET27A, BNET28, BNET28A – bonds
ISIN code shares	TAPACNOR1
Contact	investors@bittnet.ro

Letter from the CEO	4
Key events in Q1 2025 at the Bittnet group level	5
Digital Infrastructure Pillar in Q1 2025	6
Business applications and software pillar in Q1 2025	7
Education pillar in Q1 2025.....	9
Costs allocated to the group	11
General description.....	11
Consolidated financial position	12
TTM results.....	13
Risk Factors	15
Annex 1 – Alternative performance indicators	16
Annex 2 – Indicators according to Annex 13 of ASF Reg. 5 / 2018	17
Interim financial statements (unaudited).....	18

Letter from the CEO

In the first three months of 2025, Bittnet Group recorded consolidated revenues of 46.4 million ron (+12.8% compared to Q1 2024) and a gross margin of 8.1 million ron (+21.7%). Operating profit, the key indicator that we follow with priority, improved slightly compared to the first quarter of last year, from -7.9 million ron on 31.03.2024 to -7.3 million ron on 31.03.2025. As for gross profit and net profit, they remained at levels close to those of the same period of the previous year: -11 million ron and -9.5 million ron for Q1 2025, respectively.

We expect that this year the seasonality will be more pronounced than in the past, with a significant concentration of commercial activity in the second semester. Until the elections in May, many projects – including those with European funding – have been postponed. Therefore, we maintain a balanced approach and a carefully calibrated strategy. Like previous years, Q1 has a low share in total annual revenues – below 15% – which is specific to our industry, especially in the digital infrastructure vertical. Projects are negotiated in the first part of the year, but are implemented and invoiced in the second half.

The backlog of signed contracts with delivery by the end of the year is approximately 265 million ron, with an estimated gross margin of 47 million ron. Added to this is a qualified pipeline of 198 million ron, with a historical conversion rate of 50%.

We continue to focus on projects with IT services delivered by our own team, in all three strategic directions – digital infrastructure, IT education and business platforms & applications –, where the added value and margins are higher.

Looking at the annualized results (TTM/ last 12 months), the group's revenues increased to 409 million ron, gross margin to 75 million ron (+22%) and operating profit to 13.3 million ron (+189%). This numbers exclude the contribution of former pillar Fort, which left the group at the end of 2024. In 2024, we began a process of simplifying the group structure – from 16 consolidated companies, we reached 8, organized under 4 commercial brands and 3 pillars. In parallel, we continued the portfolio capitalization strategy. The recent transaction regarding the sale of the majority stake in Optimizor – with a return (IRR) brought to BNET shareholders of 40% – reconfirms, like the previous transaction of sale Fort pillar, the undervaluation of the portfolio assets. This will be reflected in the accounting statements related to Q2.

In the development area, we are accelerating investments in AI through Nenos and by integrating advanced technologies across all divisions, supported by the partnership with Microsoft.

We remain focused on achieving our 2025 targets in an unstable economic context, but we continue to build for the long term, with caution and determination. As always, we are at your disposal for questions or feedback, at the dedicated address: investors@bittnet.ro.



Mihai Logofătu,
Founder and CEO Bittnet Group

Key events in Q1 2025 at the Bittnet group level

Extension and supplementation of some banking products | Dec. 2024 - Jan. 2025

At the beginning of the year, Bittnet informed investors about the extension of several bank lending products contracted by companies in the Digital Infrastructure pillar (Dendrio Solutions SRL, Dendrio Innovations SRL and Dendrio Technology SRL) from Banca Transilvania, as follows:

- Dendrio Solutions: Addition of a non-cash (revolving) ceiling product, from 2,000,000 ron to 7,000,000 ron and extension of the period of use by 12 months. The product is used by Dendrio to establish guarantees for participation in tender procedures and performance guarantees for commercial contracts signed by Dendrio Solutions
- Dendrio Technology: Extension of the period of use of the non-cash ceiling product (revolving) in the amount of 3,000,000 ron for a period of 12 months. The product is used for the establishment of participation guarantees in tender procedures and performance guarantees for commercial contracts signed by Dendrio Technology
- Dendrio Innovations: Supplementing a non-cash (revolving) ceiling product from 3,000,000 ron to 7,000,000 ron and extending the period of use by 12 months. The product is used to establish guarantees for participation in tender procedures and good execution guarantees for commercial contracts signed by Dendrio Innovations.
- Dendrio Innovations: Resizing the credit line (revolving - overdraft) to the value of 15,000,000 ron and extending the period of use by 12 months. This banking product is used for the punctual financing of significant current and future commercial contracts. The period of use of the ceiling is 12 months from signing with the possibility of extension, and the validity period is 24 months. The product is used revolving, through successive draws, to ensure the financing component - where applicable - in projects with a longer implementation cycle.

Signing a significant contract by Dendrio Solutions | February 2025

At the beginning of February, Dendrio Solutions (part of the Digital Infrastructure pillar of the Bittnet group) signed a significant agreement, with a value exceeding 10% of the individual turnover. The contract worth 37.5 million ron (excluding VAT) is of the framework agreement type, without the obligation of the client to reach the maximum amounts stipulated and the total value is given by the maximum quantity of equipment to be ordered by the beneficiary based on subsequent subsequent contracts. The beneficiary is a client from the public sector. The object of the agreement is the supply of equipment (videoconferencing terminals) and the implementation period is 36 months from the signing.

OGMS & EGMS Call | March 2025

In addition to the traditional items for the balance sheet AGM for the financial year 2024, namely the approval of the individual and consolidated financial statements, the discharge of the Board of Directors or the approval of the Budget for the current year, the agenda also included the approval of the implementation of a BNET share buyback operation, through a public offering, within a budgeted ceiling of 5,000,000 ron. The purpose of the program is for the shares thus acquired to be cancelled. The operation is expected to start in the second half of 2025.

Infrastructură Digitală

Dendrio Solutions
dendrio.comdendrio®

Educație

Bittnet Training
bittnet.robittnet
Your skills. Upgraded.

Platforme & Produse Digitale

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

The current group structure contains 8 companies within the consolidation perimeter, to which is added the parent company Bittnet Systems, organized into 4 commercial brands and 3 business pillars/verticals (business units). In addition to this structure updated at the date of publication of this report, at the end of Q1 2025 the company ITPrepared SRL (Optimizor) was within the consolidation perimeter.

Digital Infrastructure Pillar in Q1 2025

From the point of view of the companies in the integration cluster (the 3 companies united under the Dendrio brand as well as Optimizor) the first quarter of 2025 was marked by two main directions:

On the one hand, we achieved an increase in business volume and also in the pillar's revenues of over 13% compared to the first quarter of 2024, an evolution corroborated with an increase of up to 20% in the gross margin - as a result of the delivery of projects with more consistent service content. From this point of view, we could say that the first quarter confirms the premises of a year of growth, mainly based on overcoming a complicated electoral year (2024) and the market entering a logic of investment and growth.

On the other hand, we could notice a significantly slower evolution of ongoing projects – largely due to the uncertainties in the market (prolonged election campaign, negotiations of PNRR tranches but also a much more reserved approach to digital infrastructure projects by private companies). Although this trend did not negatively affect us in this first quarter of 2025, there is a significant chance that we will observe the impact during the following quarters. We can say that there is still high interest in the "enterprise" market (strategic projects from both the private and public sectors) but the above-mentioned conditions introduce significantly longer waiting periods.

In this context, we are focusing on several measures designed to allow us to capitalize on existing market opportunities:

- Defining focus clients (companies in key industries) that we serve with mixed teams, at the cluster level and even the entire group level
- Extremely careful planning with major vendors on projects involving long completion cycles
- Increasing the intensity of the new business generation process
- Introducing solutions with the potential to reduce operating costs for our customers (including AI-based solutions for process optimization and automation) into the portfolio

- Increased attention to own operational flows – particularly targeted at streamlining and reducing operational costs

We all know that 2025 will be a year of adjustments and readjustments (a new government coalition, negotiations on the PNRR, fiscal adjustments), but we remain confident that investments in digital infrastructure will continue - an absolutely essential means for increasing the efficiency of the government apparatus but also for increasing the productivity of the private sector.

Digital Infrastructure pillar results	March 31, 2025	March 31, 2024	Evolution
Revenue from contracts with customers	36,877,067	32,541,074	13.3%
Service provision	8,831,290	8,942,102	-1.2%
Sale of goods	28,045,777	23,598,971	18.8%
Cost of sales	(31,821,469)	(28,311,481)	12.4%
Goods/materials	(23,177,761)	(21,035,194)	10.2%
Cloud services	(3,489,740)	(1,472,526)	40.2%
man-hours	(5,153,968)	(5,803,761)	7.7%
Gross margin	5,055,598	4,229,593	19.5%
Other income	338,371	258,027	31.1%
Sales/distribution expenses	(3,388,892)	(3,131,232)	8.2%
man-hours	(2,881,358)	(2,849,264)	5.4%
advertisement	(507,534)	(281,968)	27.3%
Administrative expenses (of which)	(7,631,936)	(6,713,226)	13.7%
man-hours	(3,555,966)	(3,188,773)	11.5%
amortization	(1,580,719)	(1,680,475)	-5.9%
Other third-party services	(905,161)	(774,073)	16.9%
Miscellaneous	(1,590,091)	(1,069,904)	48.6%
Operating profit (without one-offs)	(5,626,858)	(5,356,837)	5%
EBIT	(5,626,858)	(5,356,837)	5%
EBITDA	(4,046,239)	(3,676,362)	10.1%

Business applications and software pillar in Q1 2025

Eliau Solutions & Eliau Development Systems (formerly Kepler)

For the two companies implementing the Microsoft Business Central ERP solution, the first 3 months marked a 16% increase compared to the first quarter of 2024, reaching cumulative business of 6.48 million ron as of 31.03.2025.

Licensing revenue represented 39% of total revenue, followed by deployment revenue, at 35%. While in Q1 2024, licensing accounted for 33% and deployment for 27% of the figure, the results in Q1 2025 come as a result of the continued focus on projects with a more complex footprint, large-scale deployments and a large number of users on the latest Microsoft technologies, SaaS (Software as a Service).

In other words, in the first quarter of 2025, the Eliau team completed the implementation and went live on 9 projects at 9 customers, with a total of 271 SaaS users. Of the 9 projects, 5 were new implementations and 4

were upgrades (system updates) from older system versions to SaaS. The results are in line with what we set out to do at the beginning of the year.

At the same time, in Q1 we continued the team certification process, as well as the accelerated migration of the client portfolio to new technologies. Also, in Q1 we started 8 new implementation projects and 4 upgrade projects, all focusing on the deployment of new SaaS solutions. Support revenues represented 26% of the first quarter's turnover.

In 2024, stable solutions were delivered to adapt customer systems to legislative requirements and changes, which made us focus in this first quarter of 2025 on delivering support services, assistance in using the implemented system and resolving other optimization and system modification requirements from Elian customers. For the next period, we expect an increase in the volume of support and maintenance services, which is natural after the live start of the implementation and upgrade projects completed in Q1.

Extension of a Unicredit bank lending product - Elian

At the beginning of February, Elian extended the revolving ceiling credit product from Unicredit Bank. The contract was extended under similar conditions: the interest rate for the balance used: ROBOR3M+3%, and the new maturity is 12 months - February 2026. The ceiling, in a maximum amount of 1.6 million ron, is intended to finance working capital and current activity and the collateral structure is composed of a movable mortgage on Elian Solutions accounts opened at Unicredit Bank and a general assignment of receivables.

Nenos Software & Nonlinear

In the first quarter of 2025, Nenos accelerated its transition from outsourcing to in-house products, focusing on scalable and efficient AI solutions with real impact in key industries.

Products and Innovations:

- Agentic AI: Construction - Public Tenders (BID module): Automates the analysis of tender documents, extracts essential information, generates tables and clarification questions, providing support to bidding teams.
- Agentic AI: Investor Relations (IR module): Manages 500+ monthly conversations, summarizes 2,000+ reports, delivers professional, multilingual and institutionally-informed responses.
- Kontext: The Kontext framework continues to evolve as a foundational solution for AI agents embedded in business flows. It can extract, analyze, and correlate complex data, generating useful answers and reports without requiring changes to customers' IT infrastructure.
- DeDup for SharePoint: Due to high demand, we continue to prioritize the launch of the SaaS version to facilitate rapid and effortless adoption of the solution. Following customer feedback, we have added essential functionalities: space and cost savings estimation, automatic deletion of duplicates based on predefined rules, and an integrated help button for quick access to documentation and support.

This year, our team has adopted a clear product-centric mindset. This means we are constantly taking user feedback, prioritizing real customer problems, and iterating quickly to improve existing solutions. In parallel, we are working on expanding documentation, continuous testing, easy integration into IT ecosystems, and aligning the product roadmap with market needs.

Nenos Academy is currently on hiatus, focusing on repositioning and selling Agentic AI products. We continue to support tech education through future initiatives.

Customer Relationship: We have strengthened our existing partnerships and maintained a high level of satisfaction, demonstrating flexibility and promptness in delivering solutions.

In terms of challenges and goals, we see that the global market is becoming increasingly competitive. Our goals remain to scale Agentic AI to specific verticals, launch DeDup in SaaS mode, and expand our Kontext product to medium & large companies. We also remain focused on continuous innovation in conversational automation.

In conclusion, Q1 2025 marks an important step in Nenos' maturation as an AI product provider. Through innovation, agility, and customer focus, we are strengthening our position in the regional and international tech ecosystem.

Results of the Business Apps & Software pillar		March 31, 2025	March 31, 2024	Evolution
Revenue from contracts with customers		7,371,354	6,617,143	11.4%
	Service provision	4,858,053	5,128,946	-5.3%
	Sale of goods	2,513,301	1,488,197	68.9%
Cost of sales		(5,320,640)	(4,875,843)	9.1%
	Cost of goods sold	(1,439,588)	(1,151,401)	25%
	Services	(37,342)	(96,987)	-61.5%
	man-hours	(3,843,710)	(3,724,442)	6%
Gross margin		2,050,713	1,741,300	17.8%
Other income		24,507	25,465	-3.8%
Selling/distribution expenses		(312,780)	(412,071)	-24.1%
	Personnel expenses	(259,632)	(233,602)	13.1%
	advertisement	(53,148)	(178,469)	-70.9%
Administrative expenses (of which)		(1,378,391)	(965,178)	42.8%
	Personnel expenses	(628,466)	(615,361)	2.1%
	amortization	(272,733)	(239,227)	14%
	Other third-party services	(242,012)	(126,043)	-292%
	miscellaneous	(235,179)	(236,633)	-0.6%
Operating profit (excluding one-offs)		384,050	389,516	-1.4%
EBIT		384,050	389,516	-1.4%
EBITDA		656,783	628,743	4.5%

Education pillar in Q1 2025

In the first quarter of 2025, we navigated a difficult but stable business environment with prospects that make us hope that the positive trend will continue for the rest of the year.

We have closed as won projects worth twice as much as we budgeted for Q1, which makes us happy and gives us confidence in the budget projection we made. As for the total amount invoiced, it is in line with the budget projection for Q1.

In the portfolio area, we continued to expand and diversify the program portfolio, strengthening relationships with existing vendors and concluding two new strategic partnerships: with PECB, for courses in the NIS2 and DORA area, and with PMI, for project management courses. The Learn360 methodology was launched, which structures the educational offer in an integrated format adapted to current learning needs, and the portfolio was completed by the development of AI HUB, dedicated to training in advanced artificial intelligence skills.

The campaigns and webinars conducted in Q1 attracted over 2,200 participants, reflecting the increased interest in the AI area, one of our main focus areas. Projects developed in partnership with vendors generated revenues of over 69,000 USD, and co-financing budgets attracted for marketing activities totaled 6,500 USD. At the same time, regional partnerships with LLPA contributed over 28,000 EUR to the company's revenues.

The marketing strategy was synchronized with the sustainable scaling objective (+20% vs Q1 2024) and with the new performance monitoring mechanisms, implemented through a strategic architecture based on clear and measurable OKRs, granularized at the team member level. The focus was on conversion efficiency, cost control and the development of a robust commercial pipeline, with direct impact on financial results.

Through an integrated execution, encompassing high-performance digital tactics (SEO, SEM, automation, email marketing, digital PR and events), we optimized conversion across the entire sales funnel, consolidating both revenue growth and predictability.

Q1 2025 results confirm a sustainable acceleration in marketing performance: 331 MQLs (+145% YoY), 112 SQLs (+45% YoY) and a new pipeline of approximately EUR 326,000 (+25% YoY). With a cumulative active pipeline of over EUR 659,000 and EUR 79,990 (237.5% YoY) already monetized, the conversion trajectory validates both the growth strategy and the execution capacity.

The Demand Generation team efficiently managed the 331 MQLs (Marketing Qualified Leads) generated in Q1 2025, qualifying 112 of them as SQLs (Sales Qualified Leads). By optimizing the follow-up flow, prioritizing high-potential leads, and automatically integrating data between marketing and CRM platforms, the team facilitated the monetization of EUR 79,990, confirming the direct impact on revenue.

We ended the first quarter of 2025 with a total of 101 projects won. We continue to maintain the objective of increasing key indicators (number of projects won, number of active clients and contracted value) by 20% compared to the previous year.

In the first quarter of 2025, we won projects in the B2G business worth a total of EUR 300,000, of which we implemented EUR 84,000, with the rest to be implemented by the end of the year. We applied to 6 projects financed from European funds, for which we are awaiting the results of the evaluation. In the coming period, we focus on attracting new sources of financing and participating in tenders targeting projects in the area of specialized IT training.

The Delivery team delivered 63 classes, up from 55 in the same period last year, with 1,313 participants. In addition to the main activity of managing 84 requests from clients, it generated additional income of EUR 18,730 from shared schedules and trainer rental with partners in other countries, thus contributing to the diversification of income sources.

A major operational progress was the implementation and use of an internal request management application, which reduced the time required by the internal team to process training requests by 30%. The team also organized an official meeting with the Bittnet trainer network – Trainers' Summit, dedicated to aligning the action plan for 2025, identifying market trends and continuously improving the delivery methodology. The activity was externally validated through an ISO 21001 audit, an international standard that certifies the good organization of educational services management processes, an audit successfully completed without non-conformities.

Education pillar results	March 31, 2025	March 31, 2024	Evolution
Income from customer contracts	2,186,504	2,008,939	8.8%
Cost of sales	(1,119,849)	(1,263,529)	-11.4%
Gross margin	1,066,655	745,410	43.1%
Other income	2,343	29,931	-92%
Sales/distribution expenses	(866,141)	(1,089,868)	-20.5%
Personnel expenses	(670,965)	(901,825)	-24.1%
advertisement	(195,176)	(188,043)	-5%
Administrative expenses (of which)	(820,404)	(913,143)	-10.2%
Personnel expenses	(109,516)	(350,612)	-68.8%
amortization	(472,251)	(233,840)	102%
Other third-party services	(186,792)	(187,557)	-0.4%
miscellaneous	(51,845)	(59,592)	-63.3%
Operating profit (without one-offs)	(617,547)	(1,227,670)	-49.7%
EBIT	(617,547)	(1,227,670)	-49.7%
EBITDA	(145,296)	(993,831)	-85.4%

Costs allocated to the group

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

Group Costs	March 31, 2025	March 31, 2024	Evolution
Other income	-	501	-
Selling/distribution expenses	(131,854)	(292,548)	-54.9%
Personnel expenses	(87,505)	-	-
advertisement	(44,348)	(292,548)	-84.8%
Administrative expenses (of which)	(1,313,037)	(1,490,311)	-11.9%
Personnel expenses	(750,613)	(861,325)	-12.9%
amortization	(177,925)	(269,544)	-34%
Other third-party services	(320,948)	(302,612)	6.1%
miscellaneous	(63,551)	(56,830)	11.8%
Operating profit (excluding one-offs)	(1,444,891)	(1,782,358)	-18.9%

General description of the financial position and performance of the issuer and its subsidiaries

Financial position

The comparative quarterly financial statements for Q1 2024 do not include the results of the cybersecurity pillar, Fort SA and subsidiaries - a business vertical that was part of the Bittnet group until the end of 2024.

In the context of the sale of this business line, fixed assets decreased from 129 million ron to 111.9 million ron, mostly due to the decrease in goodwill from 79 million ron to 67.9 million ron;

Regarding current assets at consolidated level, they increased by 45% from 92.9 million ron to 134.9 million ron, mostly due to the increase in receivables from customers from 47 million ron in Q1 2024 to 86.9 million ron in Q1 2025 (+85%). The cash and equivalents position decreased slightly from 17 million to 14.3 million ron while the financial assets position decreased from 9.6 million ron to 4.39 million ron. This decrease is particularly due to the depreciation of Bittnet's holding in Softbinator Technologies.

The value of inventories was relatively constant at the end of Q1 2025 vs Q1 2024 and within the limits of values considered normal: 6.2 million ron vs 6.5 million ron.

As for short-term debt, this position increased from 80 million ron in Q1 2024 to 120 million ron in Q1 2025 – but decreasing from 197 million ron as recorded on 31.12.2024. This fluctuation varies depending on the maturities of trade debts as well as the balance used from credit lines to finance current activities and projects under delivery, once customers are collected, and the repayment of the use of short-term loans is also achieved. Equally, the most consistent component of short-term debts is represented by trade debts – a position that increased to 73 million ron in Q1 2025 (vs 54.8 million ron recorded in Q1 2024) but which decreased from 153 million ron as recorded on 31.12.2024. Trade payables are covered at 120% by customer receivables plus the value of inventory to be invoiced.

Performance of the issuer and subsidiaries, consolidated statement

Bittnet Group (consolidated)	March 31, 2025	March 31, 2024	Evolution
Revenue from contracts with customers	46,434,925	41,167,156	12.8%
Revenue from the provision of services	15,857,974	15,982,750	-0.8%
Sale of goods	30,576,951	25,184,406	21.4%
Cost of sales	(38,261,958)	(34,450,853)	11.1%
Cost of goods sold/materials	(28,779,388)	(24,572,298)	17.1%
Cloud Services	(349,141)	(1,130,700)	-69%
Man-hours	(9,133,429)	(8,747,854)	4.4%
Gross margin	8,172,967	6,716,303	21.7%
Other income	365,221	313,924	16.3%
Selling/distribution expenses	(4,699,666)	(4,925,719)	-4.6%
Man-hours	(3,899,460)	(3,846,552)	1.4%
Advertisement	(800,206)	(1,079,167)	-25.8%
Administrative expenses (of which)	(11,143,768)	(10,698,535)	4.2%
Man-hours	(5,044,561)	(5,016,071)	0.6%
Amortization	(2,503,629)	(2,423,085)	3.3%
Other third-party services	(1,654,913)	(1,138,199)	45.4%

Operating profit (excluding one-offs)	(7,305,246)	(7,977,349)	8.4%
EBIT	(7,305,246)	(7,977,349)	8.4%
EBITDA	(4,801,618)	(5,554,264)	13.6%
SOP adjustments	(233,853)	(314,926)	-25.7%
Impairment of goodwill	-	-	
Gain/loss on equity-accounted securities	(64,230)	(11,539)	456.6%
Income/expenses from securities valuation	(1,317,053)	(1,681,771)	-21.7%
Other financial income	159,527	111,746	42.8%
Financial expenses	(2,263,820)	(1,358,045)	66.7%
Gross profit	(11,024,676)	(11,231,884)	1.8%
Net profit	(9,534,471)	(9,716,632)	1.9%

In the first quarter of 2025, consolidated revenue increased by 12.8% compared to the first quarter of 2024 – reaching 46.4 million ron. While revenues from the provision of services remained at a relatively similar level compared to Q1 2024, namely 15.8 million ron, revenues from the delivery of solutions (equipment, licenses, subscriptions) increased by 21%, from 25 million ron to 30.5 million ron. Gross margin increased by a higher percentage than the increase in turnover, namely by 21%, to 8.1 million ron, while sales and distribution expenses decreased by 5%. Administrative expenses increased by a similar percentage. The impact of the revaluation of the holding in the company Softbinator, a revaluation that is carried out quarterly based on the share price on the stock exchange, generated a loss of 1.3 million ron. Financial expenses with interest were, in the analyzed period, 66% higher, standing at 2.2 million ron.

In this context, the consolidated operating result in Q1 2025 is a loss of 7.3 million ron (versus a loss of 7.9 million ron in Q1 2024), while the gross result is a loss of 11 million ron – similar to the result recorded in Q1 2024.

Between the end of the reporting period and the time of publication of this report, there were two events that will be accounted for in Q2: On May 22nd 2025, the Court admitted Anchor's appeal and partially changed the appealed sentence in the sense that it obliges the defendant (Bittnet) to pay the amount of 3,632,709.91 ron in civil damages, 267,214.96 ron in rent, services, utilities, and maintains the provision regarding the obliging the defendant to pay the amount of 102,627.51 ron in penalties. It also obliges the defendant to pay the amount of 179,926.09 ron in court costs from the first instance - in which Bittnet won the case. The solution may be appealed within 30 days of notification. Following the notification of the decision of the Bucharest Court of Appeal, the Group will file an appeal within the legal term of 30 days. More information about the history of this litigation can be found in Note 16 to the consolidated financial statements – Contingent liabilities.

Another event that took place after the end of Q1 and with a future impact on the financial statements was the sale by Bittnet of its 50.2% stake in the managed services company ITPrepared (Optimizor) for a total amount of 6.12 million ron to Arctic Stream. More details about this transaction, here: <https://m.bvb.ro/FinancialInstruments/SelectedData/NewsItem/BNET-Vanzarea-pachetului-majoritar-din-ITPrepared-SRL/7A6AD>

On 31.03.2025, ITPrepared's financial results were consolidated into the group's financial statements.

TTM outlook of the financial results

As with each reporting period, we present below the group's results from an annualized perspective (TTM - the last 12 months), to have an idea of the medium/long-term evolution of the Bittnet group's business.

RON	Trailing 12M Q1 2025	Trailing 12M Q1 2024	Evolution
Revenue from contracts with customers	409,380,812	349,773,231	17%
Cost of sales	(333,813,766)	(287,875,086)	16%
Gross margin	75,567,046	61,898,145	22.1%
Other income	2,414,392	2,169,698	11.3%
Sales/distribution costs	(20,572,444)	(18,757,404)	9.7%
Administrative expenses	(44,052,952)	(40,680,421)	8.3%
EBIT	13,356,042	4,630,018	188.5%
One-off result	-	120,843	-
Operating profit (excluding one-offs)	13,356,042	4,509,184	196.2%
SOP expenses	(962,436)	(1,213,172)	-20.7%
Pre-acquisition costs M&As	(45,510)	(596,100)	-92.4%
Goodwill impairment	(2,078,990)	-	-
Gain/(loss) on equity-accounted securities	(92,232)	(119,961)	-23.1%
Financial income	(3,308,306)	(2,163,803)	52.9%
Financial expenses	(7,515,212)	(6,712,822)	12%
Gross profit	(646,644)	(6,175,840)	-89.5%
Income tax	1,548,296	(228,436)	777%
Net profit, of which:	(2,194,940)	(5,947,404)	-63.1%
Attributable to the parent company	(2,703,984)	(735,228)	267.8%
Non-controlling interests	509,044	(709,746)	-171.7%

Declaration

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

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

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

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

When reading forward-looking statements, investors should carefully consider the above factors and other uncertainties or events, particularly in light of the political, economic, social and legal environment in which the Company operates. Given these risks and uncertainties, investors should not rely on forward-looking statements as a prediction of actual results.

Risk Factors

We remind you that investing in shares or bonds issued by Bittnet involves a number of risks specific to financial instruments but also to the industry or economic context in which the Bittnet group operates. These are described in detail in the Universal Registration Document published on the issuer's page on the BVB and on its own website: <https://investors.bittnet.ro/document-de-inregistrare/>

Annex 1 – Alternative performance indicators

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

Indicator	Definition / Calculation method	Why is it relevant?
Operating Profit	<p>It's about the profit from the core business, serving customers.</p> <p>It takes into account all income and expenses associated with current activity and ignores financial income and expenses, or those related to holding-type (group) activity.</p> <p>It is obtained by eliminating from the results of each business line the income and expense items (cash or non-cash) that are not related to the current activity.</p> <p>The most significant adjustments (differences between Gross Profit and Operating Profit) are:</p> <ol style="list-style-type: none"> 1. Elimination of Financial Result (adding financial expenses to Gross Profit and subtracting financial income); 2. Elimination of IFRS, non-cash, Stock Option Plan-related adjustments; 3. Elimination of Other income and Other expenses (non-repeatable items, unrelated to the core activity). 	<p>Operating activity (also called "current" or "core") represents the company's business.</p> <p>Thus, the performance and activity of businesses is measured compared to the competition, regardless of the tax environment, the accounting reporting framework, or the company's financing method (the mix of equity and debt, the costs of maintaining a stock exchange, etc.).</p> <p>In other words, this is the result that the company (or each business segment) would have if it operated as a company financed entirely from its own sources (shareholders' capital).</p>
Gross Margin, or Margin (in English) "Gross Margin" / "GM"	<p>The calculation formula for this indicator is: Revenue MINUS Direct Expenses. Thus, from the invoices issued to customers, the value of the expenses directly associated with those projects (obtaining those revenues) is subtracted. In the case of software license resale projects, we buy a license for 90 ron and sell it to the customer for 100 ron. The difference is the Gross Margin.</p> <p>If we invoice a client for cloud project implementation services, the Gross Margin represents the difference between the Revenue invoiced to the client and the Cost for the man-hours required for the implementation, regardless of whether the engineer performing the implementation is an employee or a Bittnet subcontractor.</p>	<p>This indicator is the company's "GDP", the added value we produce for our partners.</p> <p>This indicator reflects both the value we bring to customers and the amounts of money we have available to cover fixed expenses.</p>

Annex 2 – Indicators according to Annex 13 of ASF Reg. 5 / 2018

Indicator (calculation formula)	31.03.2025	31.03.2024	31.03.2023
Current liquidity indicator (Current assets / Current liabilities)	1.12	1.15	1.21
Debt ratio indicator (Net TL Debt / Equity) x 100	87%	79%	42%
Turnover rate of flows - customers (Average customer balance / turnover) x 90 days	160 days	110 days	84 days
Fixed asset turnover rate (Turnover / Fixed assets)	0.41	0.31	0.52

Interim financial results (unaudited)

BITTNET SYSTEMS SA

CONSOLIDATED INTERIM REPORTING

CONSOLIDATED FINANCIAL STATEMENTS
FOR 3 MONTHS ENDED AT MARCH 31st, 2025

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

content

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENT OF CASH FLOWS	5
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
NOTA 1. GENERAL INFORMATION	8
NOTA 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS.....	13
NOTA 3. ESSENTIAL ACCOUNTING ESTIMATES AND JUDGEMENTS.....	14
NOTA 4. INFORMATION BY ACTIVITY SEGMENTS EXCLUDING DISCONTINUED OPERATIONS	15
NOTA 5. REVENUE FROM CONTRACTS WITH CUSTOMERS.....	19
NOTA 6. CLASSIFICATION OF EXPENSES BY NATURE.....	22
NOTA 7. FINANCIAL INCOME AND EXPENSES	23
NOTA 8. INTERRUPTED ACTIVITIES.....	24
NOTA 9. BUSINESS COMBINATIONS	25
NOTA 10. TITLES	29
NOTA 11. CAPITAL AND RESERVES	31
NOTA 12. NON-CONTROLLING INTERESTS.....	36
NOTA 13. BONDS.....	37
NOTA 14. BANK LOANS	40
NOTA 15. INFORMATION ON RELATED PARTY RELATIONS.....	41
NOTA 16. CONTINGENT LIABILITIES.....	42
NOTA 17. EVENTS AFTER THE BALANCE SHEET DATE	46

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	<u>March 31, 2025</u>	<u>Mar 31, 2024</u>
Ongoing activities			
Revenue from contracts with customers	[5]	46,434,925	41,167,156
Cost of sales		(38,261,958)	(34,450,853)
Gross margin		8,172,967	6,716,303
Other income		365,221	313,924
Selling expenses		(4,699,666)	(4,925,719)
General and administrative expenses		(11,377,621)	(10,396,784)
Impairment		-	-
Other expenses		-	-
Gain/(loss) on equity securities	[10]	(64,230)	(11,539)
Losses on investments measured at fair value through profit or loss	[10]	(1,317,053)	(1,681,771)
Financial income	[7]	159,526	111,746
Financial expenses	[7]	(2,263,820)	(1,358,045)
Gross profit / (loss)		(11,024,676)	(11,231,884)
Income tax		1,490,205	1,515,253
Profit / (loss) from continuing operations		(9,534,471)	(9,716,632)
Interrupted activities			
Net profit / (loss) from discontinued operations		-	9,984
Net profit, of which:		(9,534,471)	(9,706,648)
related to the parent company		(9,436,840)	(9,099,972)
related to minority interests		(97,631)	(606,675)
Other elements of the overall result		-	-
Total Overall result		(9,534,471)	(9,706,648)
related to the parent company		(9,436,840)	(9,099,972)
related to minority interests		(97,631)	(606,675)

The interim consolidated financial reporting from page [3] to page [48] was approved and signed on May 30, 2025.

Mihai Logofătu
General Manager

Adrian Stănescu
Financial Director

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	March 31 2025	December 31, 2024
Assets			
Fixed assets			
Goodwill		67,927,004	67,950,004
Other intangible assets		8,565,023	8,661,920
Tangible fixed assets		6,509,091	7,058,287
Usage rights		21,623,618	22,412,622
Equivalent securities	[10]	1,207,623	1,271,853
Other financial assets		414,463	378,633
Deferred tax		5,725,980	4,165,763
Total fixed assets		111,972,801	111,899,083
Current assets			
Stocks		6,214,540	4,811,756
Services in progress		15,414,575	15,324,838
Trade receivables		69,166,433	105,920,420
Other receivables		17,798,985	18,138,601
Financial assets at fair value		4,393,616	5,710,669
Cash and cash equivalents		21,965,136	73,355,404
Total current assets		134,953,286	223,261,688
TOTAL ASSETS		246,926,087	335,160,771
CAPITAL AND LIABILITIES			
Share capital		63,417,672	63,417,672
Issue premiums		31,934,768	31,934,768
Other equity items		(28,669,219)	(28,669,257)
Reserves		2,104,581	2,104,581
Retained earnings		(7,855,787)	1,581,052
Capital related to the parent company	[11]	60,932,015	70,368,816
Non-controlling interests	[12]	6,728,871	6,826,502
Total capital and reserves		67,660,886	77,195,318
Long-term debts			
Corporate Bonds	[13]	31,093,724	30,718,474
Bank loans	[14]	11,477,529	12,525,113
Leasing Debts		16,416,210	17,479,202
Long-term debts		-	-
Total long-term debt		58,987,463	60,722,790
Current liabilities			
Corporate Bonds	[13]	167,430	167,365
Bank loans	[14]	19,152,135	15,974,109
Leasing Debts		6,845,988	6,422,410
Dividends to be paid		450,942	544,411
Corporate tax liabilities		863,467	794,758
Contractual liabilities		18,153,867	19,038,100
Trade debts		66,280,066	136,778,390
Other debts		7,099,304	16,258,583
Provisions		1,264,538	1,264,538
Total current liabilities		120,277,738	197,242,663
Total debts		179,265,201	257,965,453
TOTAL CAPITAL AND LIABILITIES		246,926,087	335,160,771

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

CONSOLIDATED STATEMENT OF CASH FLOWS

		March 31, 2025	March 31, 2024
Net profit		(9,534,471)	(9,706,648)
Adjustments for:			
Depreciation expenses		2,503,629	2,537,583
Expenses related to assets disposed of		52,541	830
Benefits granted to SOP employees		233,853	314,926
Expenses related to acquisitions of participating interests		-	-
Interest expenses and other financial costs		2,057,332	1,552,198
Income tax expenses		(1,490,205)	(1,508,943)
Interest income and other financial income		(159,527)	(114,532)
Gain/Loss on securities investments	[10]	1,317,053	1,681,771
Gain/Loss on equity securities	[10]	64,230	11,539
Operating profit before changes in working capital		(4,955,565)	(5,231,276)
Variation in accounts receivable balances		37,055,324	24,604,499
Variation in inventory account balances		(1,402,785)	(2,321,372)
Variation in debt account balances		(75,541,836)	(56,310,462)
Cash generated from operations		(44,844,862)	(39,258,611)
Profit tax paid		(1,302)	(38,613)
Net cash from operating activities		(44,846,164)	(39,297,224)
Investment activities:			
Payments for the acquisition of subsidiaries/businesses, +/- cash acquired		(4,977,000)	(6,000,000)
Payments for the acquisition of participating interests		-	-
Proceeds from sale of participating interests, +/- cash sold		-	-
Loans granted to related entities		-	150,000
Acquisitions of tangible and intangible assets		(243,306)	(219,997)
Other investments in financial assets		-	-
Proceeds from other financial investments		-	-
Dividends received		-	-
Interest received		72,238	102,211
Net cash from investing activities		(5,148,068)	(5,967,785)
Financing activities:			
Payments for acquisitions of minority interests		-	-
Proceeds from the share issue		-	-
Sales of own shares		-	2,857,998
Share buybacks		(233,815)	-
Bank loan withdrawals		3,176,947	(602,269)
Bank loan repayments		(1,046,505)	(1,736,017)
Proceeds from bond issuance		-	-
Repayments from the bond issue		-	-
Interest on leasing debts		(302,388)	(338,103)
Leasing debt payments		(1,517,180)	(1,467,076)
Interest		(1,379,629)	(1,227,890)
Dividend paid to minority interests		(93,469)	(94,198)
Net cash from financing activities		(1,396,038)	(2,607,554)
Net increase in cash and cash equivalents		(51,390,270)	(47,872,563)
Cash and cash equivalents at the beginning of the financial year		73,355,404	70,013,171
Cash and cash equivalents at the end of the financial reporting period		21,965,136	22,140,608

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING
for 3 months ended March 31, 2025
(all amounts are expressed in RON, unless otherwise specified)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING
for 3 months ended March 31, 2025
(all amounts are expressed in RON, unless otherwise specified)

		Capital	Issued premium	Other element of capital	Reserves	Reported result	Capital total	Related to minority interests	Total equity
31 dec 2023		63,417,672	31,934,768	(16,150,032)	1,355,734	(7,714,326)	72,843,816	8,449,099	81,292,914
Net profit		-	-	-	-	(9,099,972)	(9,099,972)	(606,675)	(9,706,648)
Other element of the overall result		-	-	-	-	-	-	-	-
Total Overall result		-	-	-	-	(9,099,972)	(9,099,972)	(606,675)	(9,706,648)
Share capital increases		-	-	-	-	-	-	-	-
Own share transactions		-	-	-	-	-	-	-	-
Benefits granted to SOP employees	[11]	-	-	314,926	-	-	314,926	-	314,926
Interests that do not control	[11]	-	-	-	-	-	-	-	-
Distribution of dividends	[11]	-	-	2,857,998	-	-	2,857,998	-	2,857,998
Distribution of the legal reserve	[12]	-	-	-	-	-	-	-	-
Net profit	[12]	-	-	-	-	-	-	-	-
Other element of the overall result		-	-	-	-	-	-	-	-
31 march 2024		63,417,672	31,934,768	(12,977,108)	1,355,734	(16,814,299)	66,916,767	7,842,424	74,759,190
31 dec 2024		63,417,672	31,934,768	(28,669,257)	2,104,581	1,581,052	70,368,816	6,826,502	77,195,318
Net profit		-	-	-	-	(9,436,840)	(9,436,840)	(97,631)	(9,534,471)
Other elements of the overall result		-	-	-	-	-	-	-	-
Total Overall result		-	-	-	-	(9,436,840)	(9,436,840)	(97,631)	9,118,826
Share capital increase		-	-	-	-	-	-	-	-
Own share transactions		-	-	-	-	-	-	-	-
Benefits granted to SOP employees	[11]	-	-	233,853	-	-	233,853	-	233,853
Interests that do not control	[11]	-	-	(233,815)	-	-	(233,815)	-	(233,815)
Distribution of dividends	[11]	-	-	-	-	-	-	-	-
Distribution of the legal reserve	[12]	-	-	-	-	-	-	-	-
Net profit	[12]	-	-	-	-	-	-	-	-
Other elements of the overall result		-	-	-	-	-	-	-	-
31 march 2025		63,417,672	31,934,768	(28,669,219)	2,104,581	(7,855,787)	60,932,015	6,728,871	67,660,886

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025
(all amounts are expressed in RON, unless otherwise specified)

NOTA 1. GENERAL INFORMATION

Structure and activities

The financial statements include the consolidated financial information of the parent company Bittnet Systems S.A. (the "Issuer"), with its registered office in Bucharest, Str. Sergent Ion Nuțu, no. 44, One Cotroceni Park, Building A and Building B, floor 4, sector 5, and of the following subsidiaries, all of which are registered in Romania:

	31 mar 2025	31 dec 2024
Subsidiary - %		
Dendrio Solutions	96.5%	96.5%
Dendrio Innovations (ex Dataware Consulting	96.5%	96.5%
Dendrio Technology (ex Top Tech)	96.5%	96.5%
zNet Computer (*)	-	-
IT Prepared	50.2%	50.2%
Equatorial Gaming	100%	100%
Equatorial Training (**)	-	-
Computer Learning Center (**)	-	-
Fort SA (fosta Global Resolution Experts) (***)	-	-
GRX Advisory (***)	-	-
ISEC Associates (***)	-	-
Eliau Solutions	61.69%	61.69%
Kepler Management Systems, 100% owned by Eliau Solutions	61.69%	61.69%
Nenos Software	60.97%	60.97%
Nonlinear	60%	60%
(*) zNet Computer was absorbed by Top Tech on 31.12.2024		
(**) Equatorial Training and Computer Learning Center were absorbed by Equatorial Gaming on 30.12.2024		
(***) The Group sold its entire stake in Fort SA (Fort SA and subsidiaries GRX Advisory and ISEC Associates) in December 2024		
Minority interest		
E-Learning Company	23%	23%

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

Bittnet Systems SA

BITTNET SYSTEMS SA INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

Bittnet was founded in 2007 and focused on providing IT training and integration solutions, based on technologies from market leaders such as Cisco, Microsoft, Dell, Oracle, HP, VMware, Google, Amazon Web Services.

The Group's continuous evolution process, both through the launch of new products and services and through continuous acquisitions, has led to the current dimension in which the activity is organized in centers ("cells") as independent as possible, in areas of interest - "development pillars" or "business units" (Training, Cloud & Infrastructure, Cybersecurity and Business applications & Software development), which represent sub-domains of activity in the IT&C Services area. Bittnet is today a conglomerate that offers investors exposure to the entire IT&C industry in Romania.

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

a) Education Division

This division contains 2 companies (**Bittnet Systems** and Equatorial Gaming (which absorbed Equatorial Training and Computer Learning Center in December 2024), which are joined by minority ownership in **The E-Learning Company**), which offers training to adults in two areas: Technical Skills and Human Skills both in classic, face-to-face, Virtual Remote format, but also instructor-led or in eLearning format. The trainings offered allow experts access to technology by teaching IT skills, from the basic ones (e.g.: Microsoft Office Suite) to the most advanced (Cloud, DevOps, Cybersecurity). The business training portfolio includes project management, IT service management, business intelligence, CRM, ERP, Agile, etc.

Equatorial Gaming.

Equatorial, a game-based learning company, specializes in providing training and consulting programs in transformational learning at individual, team and organizational levels in Romania and abroad. In 2015, the company invented and launched Equatorial Marathon, an Alternate Reality Game for corporations, which increases employee engagement and stimulates behavioral changes. In 2018, Equatorial launched a new product: VRunners, an evolution of the Marathon application for mobile platforms. In 2019, Equatorial launched 2 new games: White Hat and Bona Fides Agency.

In December 2024, Equatorial Gaming absorbed Computer Learning Center, acquired by the Group in August 2021 and specialized in providing cybersecurity training programs.

The E-Learning Company SA

The E-Learning Company has a diverse portfolio of solutions and products structured across multiple 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 was allocated a seat on the Board of Directors of E-Learning Company.

Following Bittnet Systems' entry into the shareholding, a loan agreement was signed by Bittnet Systems and E-Learning Company, the balance of which on 31.12.2024 amounted to 450,000 ron.

b) Digital Infrastructure Division (Cloud & Infrastructure)

This division contains 4 companies (**Dendrio Solutions**, **Dendrio Innovations** (formerly Dataware Consulting), Dendrio Technology (formerly Top Tech, which absorbed 2Net Computer in December 2024) and IT Prepared)

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

which offers complex IT solutions to clients in the corporate, large corporate, enterprise and public sector segments from all over the country but also from abroad (especially CEE and the USA).

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

The services offered are both in the classic (project-based) and "managed services" format, the managed ones being delivered mainly to clients in mature markets, Europe and the United States.

Dendrio Solutions

The IT solutions provided by Dendrio include: general consulting services, IT assessment services, implementation and migration services, maintenance and support services, infrastructure optimization services and IT training services. The company is the only "hybrid multi-cloud" integrator in Romania, consolidating its position as a company certified by the world's leading IT providers, focusing on cloud and cybersecurity.

Dendrio Technology (formerly Top Tech)

Top Tech SRL is a Romanian company, an integrator of IT&C products and services, with business in the Transylvania area. Currently, TopTech has partnerships with some of the most important technology manufacturers, such as Dell or HP, for the delivery of equipment, solutions and technological services. The company has over 80 employees and collaborators, being one of the most important IT integrators in the central and western part of Romania. TopTech has offices in Deva, Sibiu, Timisoara, Cluj-Napoca, Alba-Iulia and Medias.

2Net Computer

2NET Computer SRL is a Romanian company with over 20 years of experience in providing IT&C products and services, mainly in the Brasov area and the center of the country, for local and international clients with a presence in Brasov, Harghita and Covasna counties. 2Net Computer provides technology products and solutions from leading international vendors, including: design and implementation of technical security systems; technology solutions & services for configuring equipment, servers, storage, networking, software, virtualization, hardware & software security; sales of hardware components / PC / printers, copiers & multifunction devices / scanners.

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

Dendrio Innovations (formerly Dataware Consulting)

Dataware Consulting is one of the leading integrators of technology solutions and services regarding the implementation and configuration of IT infrastructures, data networks, storage and security solutions from leading international technology vendors.

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

IT Prepared (rebranded: Optimizer)

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

IT Prepared SRL is an IT services company founded in 2016, specializing in providing IT support services and managed services for managing IT infrastructures, primarily to clients in Romania.

c) Cybersecurity Division

This division contained 3 companies (Fort SA - formerly Global Resolutin Experts, GRX-Advisory and ISEC Associates) that provide cybersecurity services to corporate, large corporate, enterprise and public sector clients across the country.

ISEC Associates

ISEC Associates is a full-service security audit, consulting and testing company. ISEC helps companies identify, assess, secure and manage information security. By acquiring ISEC, Bittnet has expanded its position in the cybersecurity market.

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

Fort (formerly Global Resolution Experts) is a cybersecurity professional services company, providing penetration testing, as well as design, implementation and maintenance of cybersecurity solutions. Fort wholly owns GRX Advisory SRL, which provides similar services.

The services offered by Fort are similar to those offered by ISEC: professional services in the cybersecurity area: IT compliance audit, Penetration testing services for Web applications and IT infrastructure, for beneficiaries in Romania and the European Union; Design, implementation and maintenance services for IT management systems and information security for compliance with ISO27001, ISO9001, ISO20000 standards; Design services for controls and IT security systems to be implemented (VPN, Antivirus/AntiX, DLP, NAC, IDS/IPS); Architectural design services for technical IT infrastructure solutions regarding the integration of financial IT systems in the Public Cloud; Architectural design services for technical IT infrastructure solutions for the implementation of complex IT systems in the public sector (without participation in the implementation of the respective solutions by the beneficiaries).

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

d) Business applications & Software development division

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

Elian Solutions

Elian Solutions specializes in providing implementation services for ERP (Enterprise Resource Planning) solutions, Microsoft Dynamics NAV. Elian is the only partner that 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 payables, to be able to forecast, interalia, cash flow, to track production, cost centers and much more.

Kepler Management Systems

In November 2023 the Group informed investors and the market about the signing of the share purchase agreement for the acquisition of Kepler Management Systems. Kepler Management is a company similar in profile and business to Elian Solutions, being one of the main Microsoft partners in Romania for the

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

implementation and support of the ERP (enterprise resource planning) solution Microsoft Dynamics 365 Business Central.

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

Nenos Software & Nonlinear

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

Group Management

Given the current size of the Group, the General Meeting of April 20, 2023 approved the expansion of the Board of Directors from 3 to 5 members, as follows:

- 1) **Ivylon Management SRL**– executive administrator, through Mihai Alexandru Constantin Logofătu. On 31.12.2024, Mihai Logofătu holds a number of 55,651,882 shares which represents 8.77% of the share capital. Mihai Logofătu is co-founder of Bittnet Systems.
- 2) **Cristian Ion Logofatu**– non-executive director. As of 31.12.2024, Cristian Logofătu holds a number of 53,592,812 shares which represents 8.45% of the share capital. Cristian Logofătu is co-founder of Bittnet Systems.
- 3) **Angel Lucian Claudiu**– non-executive administrator, who holds a number of shares on 31.12.2024, 5,468,395 shares of the Issuer, i.e. a percentage of 0.86% of the share capital.
- 4) **Rudolf Paul Wiesenthal**– non-executive director, does not hold shares of the Issuer as of 31.12.2024.
- 5) **Dynamic Data Drawings SRL**– non-executive director, through Anca Mănițiu. Anca Mănițiu holds 763,237 shares of the Issuer as of 31.12.2023, representing 0.12% of the share capital.

Given the approaching expiration of the Board of Directors' mandates at the end of January 2024, the issuer convened the General Meeting of Shareholders for January 25, 2024 to elect a new Board. Following the casting of votes, the shareholders elected the new Board of Directors for a 4-year mandate and which has the following composition:

- 1) **Ivylon Management SRL**– executive administrator, through Mihai Alexandru Constantin Logofătu. On 31.03.2025, Mihai Logofătu holds a number of 55,651,882 shares, which represents 8.77% of the share capital. Mihai Logofătu is a co-founder of Bittnet Systems.
- 2) **Angel Lucian Claudiu**– non-executive administrator, who holds a number of shares on 31.03.2025 5,468,395 shares of the Issuer, 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 Ecclestone company did not hold shares of the issuer.
- 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 the issuer.
- 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 the issuer.

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

The operational management of Bittnet Systems is ensured by: Mihai Logofătu – CEO and co-founder and Adrian Stănescu – CFO, together with Cristian Herghelegiu – VP Technology and Cristina Rațiu – CEO Education. The 4 individuals are identified as key management from an IFRS perspective.

NOTA 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Declaration of conformity

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards adopted by the European Union ("EU IFRS"), and in accordance with OMFP 2844/2016, as amended and supplemented, "for the approval of accounting regulations in accordance with International Financial Reporting Standards".

The consolidated reporting for the 3-month period ended March 31, 2025 has been prepared in accordance with IAS 34 "Interim Financial Reporting". This reporting does not include all the information and disclosures that would be required in a complete set of financial statements under IFRS and should be read in conjunction with the 2024 annual financial statements.

The Group applied the same accounting policies and valuation methods in the interim reporting as for the annual financial statements.

There are a number of standards, amendments to standards and interpretations issued by the IASB that are effective in future accounting periods that the Group has decided not to early adopt. The Group is currently assessing the impact of these new accounting standards and amendments, but does not anticipate a significant impact.

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets held for sale and measured at fair value through profit and loss, and on a going concern basis. The consolidated financial statements are presented in RON, which is also the functional currency of the Group.

b) Continuity of activity

2024 was characterized by slower traction, a prolonged project completion period, and a greater requirement for customization of delivered solutions. It was a year in which the IT industry felt the brunt of cost cuts, and customers kept their budgets tight in the first part of the year, analyzing purchases more carefully and investing with great caution.

The Group has net current assets of 26,019 thousand ron as of December 31, 2024 (20,073 thousand ron as of December 31, 2023) and sufficient cash availability of 70,355 thousand ron (70,013 thousand ron as of December 31, 2023), recording positive cash flows from operations in both years. The Group closely monitors liquidity indicators – conversion of receivables into cash, transactions with customers and suppliers, etc.

Based on the analysis of future cash flows at business segment level and the analysis of existing obligations, as well as based on the results of 2024, the Group's Management believes that the principle of business continuity is appropriately applied in the preparation of the financial statements as of March 31, 2025.

Cyclical/seasonality of income

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

Historically, given the seasonality of budgets and spending patterns in the IT&C sector in Romania and globally, Bittnet's most significant results have always been recorded in the last months of the year, more precisely in the 4th quarter of each year. We mention this aspect because throughout the period we were listed on AeRO, we only published semi-annual results, and investors did not have the opportunity to fully understand our performance from one quarter to another.

As a guide, in the company's history, the results from the first nine months represented approximately 60% of the year's turnover, and the 4th quarter, approximately 40%. This is due to the specifics of our clients, large, very large and even giant companies, which operate with annual budgets.

NOTA 3. ESSENTIAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The group does SOME estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions in the future. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Essential reasoning

- Revenue recognition – principal/agent relationship regarding the resale of software licenses
- Bittnet brand recognition
- Recognizing employee/collaborator loyalty program by offering shares – "SOP"

Estimates and assumptions

- Evaluation of the consideration related to the employee/collaborator loyalty program through the offering of shares – "SOP"
- Valuation of adjustments for impairment of receivables
- Evaluation related to the goodwill impairment test

Except for the valuation of financial assets held for sale and the estimated value for the adjustment of receivables, the Group does not hold assets and liabilities included in the financial statements that require the measurement and/or presentation of fair value.

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

NOTA 4. INFORMATION BY ACTIVITY SEGMENTS EXCLUDING DISCONTINUED OPERATIONS

Segment reporting is consistent with internal reporting to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and evaluating the performance of the operating segments, has been identified as the Executive Management who makes strategic decisions.

Bittnet Group operates in four key divisions: Education, Cloud & Infrastructure, Cybersecurity, Business application & Software development.

- **Education** -this division contains 2 companies (**Bittnet Systems** and Equatorial Gaming), which offers training to adults in two areas: Technical Skills and Human Skills both in classic, face-to-face, Virtual Remote format, but also instructor-led or in eLearning format. The trainings offered allow experts access to technology by teaching IT skills, from the basic ones (e.g.: Microsoft Office Suite) to the most advanced (Cloud, DevOps, Cybersecurity). The business training portfolio includes project management, IT service management, business intelligence, CRM, ERP, Agile, etc.
- **Cloud & Infrastructure** -this division contains 4 companies (**Dendrio Solutions, Dendrio Innovations (formerly Dataware Consulting), Dendrio Technology (formerly Top Tech)** and **IT Prepared**) which offers complex IT solutions to clients in the corporate, large corporate, enterprise and public sector segments from all over the country but also from abroad (especially CEE and the USA).

The solutions offered start from the physical infrastructure of communications, perimeter security, video systems, digital signage systems and computing and printing systems and continue with the design and implementation of complex IT architectures of data center/hybrid or cloud type, enterprise networking, cyber security platforms and the implementation of related software platforms, including collaboration platforms (modern workplace type). The services offered are both in classic regime (project-based) and in "managed services" format, the managed ones being delivered mainly to clients in mature markets, Europe and the United States.

- **Cybersecurity** -This division contains 3 companies (Fort (formerly Global Resolutin Experts), GRX-A and ISEC Associates) that provide cybersecurity services to corporate, large corporate, enterprise and public sector clients across the country.

The Group's Cybersecurity Division was sold at the end of December 2024.

- **Business applications & Software development** -this division contains 4 companies: Elian Solutions, Kepler Management Systems, Nenos Software & Nonlinear.

Elian Solutions and Kepler Management Systems are specialized in providing implementation services for ERP (Enterprise Resource Planning) solutions, Microsoft Dynamics NAV. Elian is the only partner that 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 payables, to be able to forecast, inter alia, cash flow, to track production, cost centers and much more.

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

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

Gross margin is the main indicator that Management follows in evaluating the performance of each segment. Also, selling costs are tracked by each segment, while other general and administrative costs have not been allocated.

OPERATIONAL RESULTS

3 months ended March 31, 2025	Education	Cloud&Infras tructure	Cybersecurity	BA & Software	Total
Total income	2,190,734	39,193,006	-	7,401,354	48,785,094
Intersegment revenue	(4,230)	(2,315,939)	-	(30,000)	(2,350,169)
Revenue from contracts with customers	2,186,504	36,877,067	-	7,371,354	46,434,925
Cost of sales	(1,119,849)	(31,821,469)	-	(5,320,640)	(38,261,958)
Gross margin	1,066,655	5,055,598	-	2,050,713	8,172,967
Allocated selling costs	(866,141)	(3,388,892)	-	(312,780)	(4,567,812)
Other income	2,343	338,371	-	24,507	365,221
Allocated operational expenses	(348,153)	(6,051,217)	-	(1,105,657)	(7,505,027)
EBITDA	(145,296)	(4,046,140)	-	656,783	(3,534,652)
Depreciation	(472,251)	(1,580,719)	-	(272,733)	(2,325,703)
Operating profit per segment	(617,547)	(5,626,858)	-	384,050	(5,860,355)
Other expenses					(233,853)
Financial income	5	54,037	-	16,748	70,790
Financial expenses	(109,717)	(1,574,079)	-	(49,273)	(1,733,070)
Unallocated expenses					(3,268,188)
Gross profit from continuing operations	(727,260)	(7,146,900)	-	351,525	(11,024,676)
Gross profit from discontinued operations			-		-

3 months ended March 31, 2024	Education	Cloud&Infras tructure	Cybersecurity	BA & Software	Total
Total income	2,117,500	34,163,862	-	6,920,064	43,201,426
Intersegment revenue	(108,561)	(1,622,788)	-	(302,921)	(2,034,270)
Revenue from contracts with customers	2,008,939	32,541,074	-	6,617,143	41,167,156
Cost of sales	(1,263,529)	(28,311,481)	-	(4,875,843)	(34,450,853)
Gross margin	745,410	4,229,593	-	1,741,300	6,716,303
Allocated selling costs	(1,089,868)	(3,131,232)	-	(412,071)	(4,633,171)
Other income	29,931	258,027	-	25,465	313,423
Allocated operational expenses	(679,303)	(5,032,751)	-	(725,951)	(6,438,006)
EBITDA	(993,831)	(3,676,362)	-	628,743	(4,041,450)

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

Depreciation	(233,840)	(1,680,475)	-	(239,227)	(2,153,541)
Operating profit per segment	(1,227,670)	(5,356,837)	-	389,516	(6,194,991)
Other expenses					(314,926)
Financial income	(2,837,187)	224,730	-	1,239	(2,611,218)
Financial expenses	2,543,555	(1,297,271)	-	(127,903)	1,118,381
Unallocated expenses					(3,229,130)
Gross profit from continuing operations					(11,231,884)
Gross profit from discontinued operations			16,294		16,294

EBITDA per segment per business was calculated as operating profit per segment plus depreciation.

Unallocated sales costs, other unallocated income, operating expenses and other unallocated expenses belong to the activity of the listed company Bittnet Systems (e.g. maintaining financial instruments in trading – shares and bonds, marketing and investor relations expenses, legal and corporate governance expenses, pre-acquisition costs of mergers and acquisitions of new companies) and cannot be allocated to any of the operating segments.

ASSETS / LIABILITIES

March 31, 2025	Education	Cloud&Infras tructure	Cybersecurity	BA & Software	Total
Assets by segment	14,216,340	185,094,976	-	22,150,868	221,462,184
Unallocated assets	-				25,486,903
Total Assets					246,949,087
Debts by segment	10,790,126	129,729,705	-	7,507,215	148,027,047
Unallocated liabilities					31,261,154
Total Debts					179,288,201

March 31, 2024	Education	Cloud&Infras tructure	Cybersecurity	BA & Software	Total
Assets by segment	14,855,060	154,658,072	-	26,122,003	195,635,135
Unallocated assets	-				5,787,889
Total Assets					201,423,024
Debts by segment	9,790,850	98,515,466	-	11,264,291	119,570,607
Unallocated liabilities					24,392,615
Total Debts					143,963,222

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

The main unallocated assets are the bonds issued by Bittnet Systems on the regulated market in Romania.

The main unallocated liabilities are the rights of use and financial assets related to Bittnet Systems.

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

NOTA 5. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from customer contracts is detailed in the following table:

	<u>March 31, 2025</u>	<u>Mar 31, 2024</u>
Training services	2,234,104	1,905,924
IT solutions for integrating services, products and licenses	13,623,870	14,076,825
Total	<u>15,857,974</u>	<u>15,982,750</u>
Selling IT integration products	20,115,477	15,568,226
licenses	10,432,550	9,603,614
Licenses recognized on a "net" basis (*)	28,924	12,567
Sale of goods	<u>30,576,951</u>	<u>25,184,406</u>
Total	<u>46,434,925</u>	<u>41,167,156</u>

(*) In the first quarter of 2025, the Group acted as Agent for total sales of software licenses worth 500,015 RON (Q1 2024: 199,329 RON) and, as such, recognized the revenues resulting from the resale of these software licenses on a "net" basis, i.e. the resulting gross margin worth 28,924 RON (Q1 2024: 12,567 RON) was recognized in full as revenue, with zero selling costs.

Revenue from a geographical perspective

Services are significantly provided and goods delivered to entities in Romania.

Essential reasoning

The Group analyzed, in light of the provisions of IFRS 15, whether it acts in its own name ("Principal") in the relationship with customers, respectively whether it controls the promised goods and services before transferring the good or service to a customer.

Analyzing the contracts for the sale of goods (hardware equipment and software licenses), the Bittnet Group considers that in most cases it has obligations in its own name, and therefore acts as a "Principal" and not as an intermediary ("Agent"). To reach this conclusion, the Group analyzed the ordering and delivery processes of the equipment and licenses, the moment of transfer of rights from the supplier to the Group and from the Group to the customer, and the occurrence of risks associated with control.

The Group sells the rights to the goods produced by the manufacturers in combination with its own value-added services. These services are of the "advisory" and "know-how" type (often governed and certified by the status of partners with the manufacturers), ensuring that the solutions sold to the customers meet their specific requirements and needs. These services are an integral and essential part of the obligations assumed towards the customers, because these services do not offer a separate value to the customers, and are not invoiced separately. The combination of qualified consultancy services (pre- and post-sales) and the goods produced by the manufacturers is, in fact, what ensures the benefit of the customers, in the

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

form of a solution customized to the specific needs (e.g. ensuring various upgrade options and maximum flexibility) and legally compliant. Also, after the conclusion of the contract, for the entire duration of the contract, the Group is the sole point of contact and solely responsible to the client for any problems (in which case the Group's team resolves the deficiencies and/or liaises with the manufacturer to remedy the problems that have arisen) or additional requirements (e.g. software upgrade).

Even if the IT equipment or software licenses sold by the Group are produced by other entities, the Group's promise to its own customers is not to produce those goods, but to deliver them, and often to perform additional activities such as installation, customization, combination, activation, configuration, optimization and maintenance during operation – these being key elements of the performance obligations assumed towards customers. From the customer's perspective, the Group's promise represents a single performance obligation (i.e. providing a customized and legally compliant solution) and the Group assumes the performance risk for the entire solution, which attests to the Group's control over the products in the delivery flow. Regarding delivery to the customer, it is carried out by the Group – which takes effective possession of the goods (including the software activation keys) and transmits them to the end customer, along with the specific internal activation processes in the designated portals (processes performed by the Group's team). Also, through the contracts concluded with the manufacturers, the Group receives, according to its status as an authorized partner, the right to use the manufacturer's intellectual property, which is separate from the actual licenses sold to customers; as such, the Group controls the entire promise to the customer before delivery.

Although the Group does not usually have stock risk before receiving the order from the customer, from that moment on the Group assumes stock risk until the final transfer of control over the goods to the end customer. Even if by definition there is only one manufacturer for each type of equipment or software license sold to customers, the Group may decide to purchase directly from the manufacturer, or from any other authorized supplier (distributor, importer, European, global wholesaler, etc.). If, for any reason, delivery to the customer is not completed, or is not successfully carried out (in accordance with the obligations assumed towards the customer), the Group will remain in possession of the goods without being able to return them to the supplier or sell them to another customer. Also, in certain situations, the Group places orders in advance with suppliers (i.e. before receiving the order from the customer) to secure volume discounts or to take advantage of advantageous prices (thus voluntarily assuming the inventory risk), and subsequently transfers goods to customers, as they confirm their purchase intentions.

In conclusion, the Group makes a promise to the customers to deliver the goods, takes possession and control of them and establishes the selling prices, within the framework of negotiation processes. The Group has the freedom to establish prices with the customers; thus, the Group can grant additional discounts, or can request an increase in the price to reflect currency risks, speed of delivery, risk of non-collection from the customer, etc. In other words, in front of the customers, the Group is the supplier of the goods, even if they are produced by manufacturers and/or delivered by distributors, the Group being fully responsible for the good delivery of the agreed projects.

Additionally, the Group bears the full credit risk for the entire value of the goods (hardware and software) – orders once placed with suppliers (either directly with the manufacturer or with authorized intermediaries) are non-refundable. In assessing the decision to initiate and/or continue business relationships with customers, the Group only analyzes the ability and intention/creditworthiness of customers to pay invoices

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

on time. The Group has complete control over the sales strategy, decides which goods and services to offer, deliver and ultimately implement/configure.

Without prejudice to the above and taking into account those mentioned in the interpretation ("agenda decision") provided by the IFRS Interpretation and Upholding Committee ("IFRIC – IFRS Interpretation Committee") in May 2022 regarding the resale of software licenses ("software resellers"), the Group analyzes the commercial relationships with its customers, in order to identify those cases in which, during the year, only made low-frequency, transactional deliveries of software licenses to a specific customer. The Group considers these transactions to represent resales of standard software licenses ("resale of standard software licenses"), in that in these cases the Group does not sell the rights associated with these software licenses in combination with its own value-added services, but only intermediates their sale from manufacturers/distributors to end customers.

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

NOTA 6. CLASSIFICATION OF EXPENSES BY NATURE

The classification of total operational expenses, by nature, for the financial years 2023-2024 is detailed in the following table:

	<u>March 31, 2025</u>	<u>Mar 31, 2024</u>
Materials and goods	17,598,278	14,495,887
Resold licenses	7,369,541	8,212,762
Personnel expenses	12,526,483	12,171,751
Provisions for unused vacations	-	-
Subcontractor expenses	5,784,820	5,753,652
amortization	2,503,629	2,423,085
Cloud services	349,141	1,472,526
rent	63,740	85,809
Commissions and fees	402,441	254,290
advertisement	397,766	824,877
Travel and transportation	126,925	193,527
insurance	153,033	116,038
Postal and telecommunications	84,621	89,266
Donations	20,168	37,745
Receivables adjustments	1,912	-
Inventory adjustments	-	-
Bank fees	126,147	120,354
Services provided by third parties	5,764,865	2,986,333
miscellaneous	1,065,735	535,454
Total operational expenses	<u>54,339,245</u>	<u>49,773,356</u>

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

NOTA 7. FINANCIAL INCOME AND EXPENSES

Details regarding income and expenses are presented in the following table:

FINANCIAL INCOME / EXPENSES	March 31, 2025	Mar 31, 2024
	<u>2025</u>	<u>2024</u>
Interest income	159,527	111,746
Investment income/(expenses)	-	-
Income/(expenses) from securities valuation	(1,317,053)	(1,681,771)
Bank interest	(639,684)	(612,087)
Factoring costs	-	20
Interest on bonds issued	(1,115,260)	(609,844)
Leasing Interest	(302,388)	(322,911)
Net income/(expenses) from exchange rate differences	(206,489)	186,776
Total	<u>(3,421,347)</u>	<u>(2,928,070)</u>

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

NOTA 8. INTERRUPTED ACTIVITIES

At the end of December 2024, the Group sold its entire stake in Fort SA and its subsidiaries, GRX Advisory and ISEC Associates. The results of the discontinued operation as of March 31, 2024 are presented below:

	<u>Mar 31, 2024</u>
Revenue from contracts with customers	2,969,704
Cost of sales	(2,079,341)
Gross margin	<u>890,363</u>
Other income	25,774
Selling expenses	(204,890)
General and administrative expenses	(684,989)
Other expenses	-
Financial income	2,786
Financial expenses	(12,750)
Gross profit	<u>16,294</u>
Income tax	(6,310)
Net profit from operations	<u>9,984</u>
Gain on sale of discontinued operation (Note 17)	-
Net profit from discontinued operations	<u>9,984</u>

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

NOTA 9. BUSINESS COMBINATIONS

Transactions in FY2024

a) Education Division

Equatorial Gaming - change of legal form and shareholding structure in April 2024

At the end of April 2024, Bittnet decided (together with the founding shareholder of Equatorial Gaming who still owned 1% of the company) 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 nominal value the minority holding it still had in Equatorial Gaming to Bittnet Systems, namely the transfer of all 1,430 registered shares held, with a nominal value of 1 ron and a total value of 1,430 ron. Following the registration operation at the Trade Register level, Equatorial Gaming is 100% owned by Bittnet Systems.

Computer Learning Center – share capital increase through conversion of receivables held by Bittnet Systems in June 2024

In June 2024, the sole shareholder Bittnet Systems SA decided to increase the share capital of CLC by the amount of 2,286,896 ron by converting certain liquid and due receivables resulting from: the intragroup loan in the amount of 1,780,000 ron according to the intragroup loan agreement and subsequent addenda, the accrued interest related to this loan in the amount of 235,653 ron, as well as commercial debts of CLC to its sole shareholder resulting from current activity in the amount of 271,243 ron.

Merger of companies in the Education pillar in December 2024: Equatorial Gaming – Equatorial Training – Computer Learning Center

On 20.08.2024, the merger project between the companies part of the Education pillar of the group, namely between Equatorial Gaming SRL (as the absorbing company) on the one hand, and Equatorial Training SRL and Computer Learning Center SRL (as the absorbed companies), on the other hand, was submitted to the Trade Register. The project was finalized on 30.12.2024, and at the end of it, the shares of the 2 absorbed companies were canceled, the assets and liabilities of the two being absorbed into Equatorial Gaming SRL. All ongoing contracts with partners, customers, suppliers and employees were taken over by Equatorial Gaming SRL.

b) Cloud & Infrastructure Division (Digital Infrastructure)

Consolidation of holdings within the pillar under Dendrio Solutions and increase of share capital in April 2024

As part of the restructuring and simplification plan of the Bittnet Group, in April 2024 the Group's management took, together with the minority shareholders of Dendrio Solutions, the decision to consolidate the holdings in the Digital Infrastructure pillar under the legal entity Dendrio Solutions. Thus, Agista Investments and Bittnet Systems, associates in both Dendrio Solutions and Top Tech, transferred their holdings in the company Top Tech to Dendrio Solutions. The price for the acquisition of 14% of Top Tech from Agista Investment was negotiated by the Group under competitive market conditions at 3,750,000 ron.

Bittnet Systems also transferred its holding in Dataware Consulting (28.87%) to Dendrio Solutions.

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

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 respectively) were allocated shares in Dendrio Solutions as part of a share capital increase through the recognition and conversion of certain liquid and due receivables. Also within this operation, the receivables of the 2 Dataware Consulting co-founders - Constantin Savu and Catalin Georgescu - were converted into capital (allocated Dendrio shares), in a total amount of 5,000,000 ron, according to the contract for the assignment of the 30% difference in the Dataware Consulting company to the Bittnet group from December 2023.

Acquisition of minority holding in Agista Investments in December 2024

In December 2024, Bittnet Systems signed the completion certificates regarding the acquisition of the 11.7765% stake in the shares held by the alternative investment fund Agista Investments for the amount of 16,828,603.38 ron. In this regard, Bittnet purchased, in two tranches (on 20.12.2024 and 24.12.2024), a number of 90,014 shares, each with a nominal value of 10 ron and a total nominal value of 900,140 ron. The buyer and seller in this transaction established the price based on a capitalization of Dendrio Solutions of 142,899,896 ron.

The transfer of shares was made after fulfilling suspensive clauses specific to these types of transactions, including obtaining approval from the Foreign Direct Investment Review Commission (CEISD) and was based on the rationale of consolidating holdings in the Digital Infrastructure pillar. Thus, with the exit of the investment fund from the Dendrio Solutions shareholder base, the holding structure in the company is as follows: Bittnet Systems – 96.501%, Constantin Savu and Cătălin Georgescu – 3.499%.

Rebranding October-November 2024

Given the desire to consolidate the holdings and businesses in the area of IT product and service integration (within the Digital Infrastructure pillar) around Dendrio Solutions but also to simplify the group structure - the companies Dataware Consulting and TopTech, part of the Digital Infrastructure pillar alongside Dendrio Solutions, went through a rebranding and name change process. Thus, at the end of October 2024, the company Dataware Consulting became Dendrio Innovations, and the company TopTech became Dendrio Technology, name changes also made at the Trade Register level.

Merger of companies from the Digital Infrastructure pillar in December 2024: Dendrio Technology (formerly Top Tech) – zNet Computer

On 12.08.2024, the merger project was submitted to the Commercial Register - together with the rest of the supporting documents necessary for such an operation - between Top Tech SRL (as the absorbing company) and zNet Computer SRL (as the absorbed company) in line with the Bittnet group's plans to simplify the group structure and operations. The project was finalized on 31.12.2024, and at the end of it, the shares of zNet Computer were canceled, the company's assets and liabilities being absorbed into Dendrio Technology (formerly Top Tech).

c) Cybersecurity Division

Fort SA: Share capital increase and dividend distribution – August/September 2024

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

On July 2, 2024, Fort SA shareholders participated in the first General Meeting organized as a company listed on the Bucharest Stock Exchange. There were two items on the agenda, which concerned the distribution of dividends related to the profit for 2023 in a total amount of 1,008,836 ron (of which 414,984 payable to minority interests) and a capital increase through the allocation of free shares - by capitalizing the share premiums. Thus, in August 2024, the gross distribution of 0.99 ron/share was made and in September 2024, the allocation of free shares was made, 10 free shares for 1 held on the registration date.

Cybersecurity division sale – December 2024

In December 2024, Bittnet Systems (as seller) and alternative investment funds Agista Investmens and Impetum Investments (as buyers) signed the completion 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 for the amount of 23,490,126 ron. This sale represented the first exit of a company in the Bittnet group and is part of Bittnet Systems' publicly declared strategy to simplify the group's structure, including through the sale of subsidiaries or business verticals.

The actual transfer of Bittnet Systems' ownership in Fort was carried out through capital market mechanisms, at a price of 3.56 ron/share, and the trading orders were executed on the DEALS market of the 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 ron, a loan granted for a period of 6 months and with an interest rate of 6% per annum.

All 3 companies that made up the Group's Cybersecurity division were deconsolidated at balance sheet level as of 31.12.2024, following the full sale of the shares held by the Group to the Agista Investments and Impetum Investments funds. The Cybersecurity pillar was fully consolidated at profit and loss account level in 2024, given that the sale transaction took place at the end of December 2024.

d) Division of Business applications & Software development

Elian Solutions - share capital increase in May 2024

At the end of May 2024, Bittnet Systems transferred its 24.2% minority stake in Kepler Management Systems to Elian Solutions for the total amount of 1,429,651 ron. The intragroup transaction price was based on the total acquisition cost for Kepler Management of 5,950,800 ron (i.e. the consideration paid plus pre-acquisition M&A costs), through 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 associates of Elian Solutions, made the decision to increase the share capital of Elian Solutions with the value of certain liquid and due receivables resulting from the transfer of the holding in Kepler Management, as well as by converting into capital the intragroup loan in the amount of 3,100,000 ron, an amount granted by Bittnet Systems to Elian Solutions in November 2023 for the acquisition of Kepler Management Systems.

Following these operations, Elian Solutions' equity was increased by 4,529,651 ron, through the conversion of certain liquid and due receivables of Bittnet Systems, and the share of Bittnet Systems' holding in Elian Solutions increased to 61.6878% after registering the increase in the Trade Register records. The pre-capitalization value of Elian Solutions and its wholly-owned subsidiary, Kepler Management, was negotiated

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

by the Group with the 2 minority shareholders of Elian Solutions under competitive market conditions at RON 16.2 million, using a multiplier of 6.5x EV/net profit, based on fiscal year 2023 figures.

Kepler Management – payment of tranches 2 and 3 of the acquisition transaction in January / April 2024

In November 2023 the Group informed investors and the market about the signing of the share purchase agreement for the acquisition of Kepler Management Systems. The transaction price involved a tranche of 1,000,000 ron payable in Bittnet Systems shares that would have been allocated to the former Kepler associates in a future share capital increase. Through an addendum to the share purchase agreement, the parties agreed to the cash payment of this tranche, which was made in January 2024.

Additionally, the transfer price also assumed a variable component determined as 1 x Kepler's individual EBITDA for the year 2023, the component in the amount of 1,560,215 ron which was calculated and paid in April 2024, after the closing of Kepler's individual annual financial statements for 2023.

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

NOTA 10. TITLES

a) Equivalent securities

	March 31, 2025	Dec 31, 2024
E-Learning Company		
Initial balance	1,271,853	2,797,884
Dividends distributed	-	(57,500)
Gain/(loss) on equity securities	(64,230)	(39,541)
Impairment	-	(1,428,990)
Final balance	1,207,623	1,271,853

The E-Learning Company

The Bittnet Group holds a 23% stake in the E-Learning Company. The investment was accounted for using the equity method.

In the first quarter of 2025, the Group recorded through equity instruments the portion related to the holding (23%) of the net loss realized by E-Learning Company in Q1 2025.

The Group's investment in E-Learning Company SRL is tested annually for impairment. Management has used the value in use approach to calculate the recoverable amount of the investment. The aggregate recoverable amount of the investment is then compared to its aggregate carrying amount. An impairment loss is recognized if the aggregate carrying amount of the investment exceeds its recoverable amount. The value in use is determined based on future cash flows discounted 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 SRL of 5,489 thousand RON was determined based on a value in use calculation using cash flow projections from the financial forecasts for a five-year period. The pre-tax discount rate applied to the cash flow projections is 14.58%, and cash flows beyond the five-year period are extrapolated using a growth rate of 3%. As a result of the analysis, the recoverable amount of the Group's investment in E-Learning Company SRL is 1,272 thousand RON. Consequently, the Group recorded an impairment of the investment in the amount of 1,429 thousand RON as of 31.12.2024.

b) Other financial assets (securities) at fair value

	March 31, 2025	Dec 31, 2024
Softbinator Technologies SA	4,393,616	5,710,669
Arctic Stream SA	-	-
Total	4,393,616	5,710,669

Details regarding the evolution of securities at fair value in 2025 are presented in the table below:

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

	Arctic Stream	Softbinator Technologies	Total
Value 31.12.2024	-	5,710,669	5,710,669
inputs	-	-	-
outputs	-	-	-
Revaluation	-	(1,317,053)	(1,317,053)
Value 31.03.2025	-	4,393,616	4,393,616

Softbinator Technologies

Softbinator is a product development company, specialized in the design, development and market launch of software products, mainly in the fields of Fintech, MedTech/HealthTech and EdTech for clients in Europe, North America and Asia.

Softbinator is involved in the development of software products, web and mobile solutions for the digitalization of the education process, lifestyle/medical and health, e-payments, e-commerce, online gaming and in 2020 it marked areas unexplored in previous years through digital banking (including crypto), Internet of Things (IoT), Automotive and explored a new vertical in e-commerce expertise: marketplaces.

Bittnet holds 188,980 shares, representing 18.898% of the total shares of Softbinator Technologies.

On 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

Fair value measurement

Arctic Stream is an IT integrator focusing on technologies from the American manufacturer Cisco Systems, a competitor of Dendrio Solutions in this market segment.

During the third quarter of 2024, the Group liquidated the remaining position it held in Arctic Stream, 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 stake in AST shares was 1,471,321 ron.

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

NOTA 11. CAPITAL AND RESERVES

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

	March 31, 2025	Dec 31, 2024
Share capital	63,417,672	63,417,672
Issue premiums	31,934,768	31,934,768
	(28,669,219	
Other equity items)	(28,669,257)
Legal reserves	2,104,581	2,104,581
Retained earnings	1,581,052	(3,752,793)
Current overall result	(9,436,840)	5,333,845
Total	60,932,015	70,368,816

a) Share capital

The share capital of the parent company, Bittnet Systems SA, includes only ordinary shares with a nominal value of 0.1 RON /share.

The shareholding structure at each reference date is presented in the table below:

Shareholders and % ownership	March 31, 2025	Dec 31, 2024
IMPETUM INVESTMENTS SA	13.75%	13.75%
AGISTA INVESTMENTS SRL	13.33%	13.33%
Mihai Logofătu	8.77%	8.77%
Cristian Logofătu	8.87%	8.59%
Others	55.28%	55.56%
Total	100%	100%

b) Issue premiums

The share 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, at least 5% of the profit is taken each year to form the reserve fund, until it reaches at least one fifth of the share capital. Reserves representing tax facilities cannot be distributed, having implications on the recalculation of the profit tax.

d) Other equity items

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

The Group recognizes through other equity items mainly:

- purchase/sale of treasury shares held
- loss resulting from the recognition and evaluation of SOP
- the impact generated by the operations related to the implementation of SOP

Treasury shares held

Number of treasury shares

Balance as of 31.12.2023	9,247,200
Sales 2024	9,247,200
Redemptions 2024	4,000,000
Balance as of 31.12.2024	4,000,000
Sales Q1 2025	-
Redemptions Q1 2025	1,369,000
Balance as of 31.03.2025	5,369,000

During January 2024, the Group sold all treasury shares held on 31.12.2023 at a total price of 2,866,327.89 ron.

Share buyback program – August 2024

On 07.08.2024, Bittnet Systems informed investors and the capital market about the Board of Directors' Decision of 06.08.2024 regarding the start of a share buyback program, starting with 07.08.2024.

The program implementation period was set at 18 months from the date of registration of the EGMS Decision 04 of 2024 - approving the buyback operation, in the records of the Trade Register, 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 redemptions are carried out is within the range established by EGMS Decision no. 04 of 25.04.2024: minimum redemption price 0.1 RON/share (respectively the nominal value of the BNET share), and the maximum redemption price 0.25 RON/share. The implementation of the redemption program is carried out from own sources.

By 31.12.2024, the Group has repurchased 4,000,000 shares with a total value of 766,058 ron.

Until the 31st.03.2025, the Group repurchased 5,369,000 shares with a total value of 999,873 ron.

Essential considerations – recognition and evaluation of SOP

The Group assessed from the perspective of IFRS 2 whether share-based payment transactions with employees (SOPs) are settled in cash or by issuing shares.

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

The Group settles the transactions by issuing to the 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 preemptive right and based on the Administrator's Decision.

As a result, although at an intermediate stage the "liability" is measured in relation to the settlement of the SOPs, the economic substance of the transaction is that they are settled in shares. As a result, the Group has recognised the SOP transactions as being settled in shares, and has recognised and measured the services received in the Statement of Comprehensive Income and the corresponding increase directly in equity.

Transactions with employees and other collaborators providing similar services were measured at the fair value of the equity instruments granted, as it was usually not possible to reliably estimate the fair value of the services received.

Significant estimates – SOP assessment

The fair value assessment at the grant date (according to IFRS 2) - the date of approval by the EGMS of each plan - is carried out using the Black - Scholes model, using as values for the model:

- spot price on the date of the AGM, i.e. the average price adjusted for splits at t-1
- strike price (on 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
- the number of shares of the company as of the date of grant
- the dilution percentage in the Stock Option Plan

The full value of each plan is recognized in costs over the term of each plan.

SOP 2022

By Decision No. 7 of the EGMS of April 20, 2022, the Company's shareholders voted for an incentive plan with options for key individuals with a duration of 2 years, worth a maximum of 5% of the total shares of the Company.

Main coordinates of the SOP 2022 plan:

- effective date: 11.04.2022;
- duration: 2 years from the date of entry into force;
- 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 date of exercise, so that the capitalization of the Company is equal to the capitalization of the company on the reference date: April 11, 2022.

The fair value assessment at 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 AGOA date, i.e. average price adjusted for splits at t-1: 0.3153
- strike price, i.e. average price adjusted for splits on the reference date, 11.04.2022: 0.3194

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

- volatility, according to the analysis of the daily price of BNET shares, adjusted for splits, from listing on the AeRO market until t-1: 4.28%
- risk-free interest rate, i.e. ROBOR 12M published at t-1: 4.95%
- maturity: 2 years
- number of company shares as of the grant date: 480,436,904
- Stock Option Plan dilution percentage: 5%

The full value of the plan – equal to the Black-Scholes value (0.027) * number of company shares * dilution percentage = RON 754,046 – was recognized in costs over the duration of the plan, i.e. over a period of 2 years, May 2022 - April 2024. In 2024, the Group recognized an expense with SOP 2022 in the amount of 108,098 ron (2023: 324,295 ron).

In May 2024, key individuals did not exercise their purchase option given the execution conditions of the plan, so the SOP2022 plan expired unexercised.

SOP 2023-2026 (Long-Term Incentive Plan through Participation in the Company's Capital)

By Decision No. 11 of the EGMS of April 27, 2023, the shareholders approved an incentive plan for key personnel based on options for participation in the company's capital. Compared to previous incentive plans, this one assumes a duration of 3 years and a value of 7.5% of the total shares of the Company.

Main coordinates of the plan (SOP 2023):

- effective date: 13.04.2023;
- duration: 3 years from the date of entry into force;
- 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 date of exercise, so that the capitalization of the Company is equal to the capitalization of the company on the reference date: April 13, 2024.

The fair value assessment at 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 AGOA date, i.e. average price adjusted for splits at t-1: 0.299
- strike price, i.e. average price adjusted for splits on 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
- number of company shares as of the grant date: 634,176,714
- Stock Option Plan dilution percentage: 7.5%

The full 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 in costs over the duration of the plan, i.e. over a period of 3 years, May 2023 – April 2026. In 2024, the Group recognized an expense with SOP 2023 in the amount of 935,411 ron (2023: 623,607 ron).

By EGMS decision no. 6 of 28.04.2025, the SOP 2023-2026 incentive plan was canceled.

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

Details regarding the expenditure recorded with SOP in 2023-2024 are presented in the table below:

	March 31, 2025	Mar 31, 2024
	<hr/>	<hr/>
SOP 2022	-	81,073
SOP 2023	233,853	233,853
	<hr/>	<hr/>
Total	233,853	314,926
	<hr/>	<hr/>

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

NOTA 12. NON-CONTROLLING INTERESTS

Details regarding non-controlling interests for the financial years 2023-2024 are presented in the following table:

**Non-controlling
interests**

	Dendrio Solutions	Elia & Kepler	Equatorial	IT Prepared	Messy & Nonlinear	Top Tech & zNet	Dataware	Fort & GRX-A & ISEC	Total
January 1, 2024	(256,645)	1,844,954	14,847	714,691	150,643	599,890	1,870,691	3,510,027	8,449,099
Net profit	(313,351)	91,134	(1,185)	95,520	6,135	(312,083)	(176,954)	4,107	(606,676)
dividends	-	-	-	-	-	-	-	-	-
Capital increases	-	-	-	-	-	-	-	-	-
Business combinations	-	-	-	-	-	-	-	-	-
ACQUISITIONS	-	-	-	-	-	-	-	-	-
March 31, 2024	(596,966)	1,936,088	13,662	810,211	156,778	287,807	1,693,738	3,514,134	7,842,423
January 1, 2025	1,325,359	3,728,202	-	777,022	240,102	187,380	568,437	-	6,826,502
Net profit	(86,806)	105,994	-	(7,999)	15,679	(55,370)	(69,129)	-	(97,631)
dividends	-	-	-	-	-	-	-	-	-
Capital increases	-	-	-	-	-	-	-	-	-
ACQUISITIONS	-	-	-	-	-	-	-	-	-
Subsidiary sale	-	-	-	-	-	-	-	-	-
(Note 17)	-	-	-	-	-	-	-	-	-
March 31, 2025	1,238,553	3,834,196	-	769,024	255,781	132,010	499,307	-	6,728,871

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

NOTA 13. BONDS

Details regarding loans from bond issues are presented in the following table:

	March 31, 2025	Dec 31, 2024
BNET26E	10,042,698	9,715,173
BNET27A	4,935,384	4,928,204
BNET28	9,820,572	9,806,770
BNET28A	6,295,069	6,268,326
Accrued interest	167,430	167,365
Total, of which:	31,261,154	30,885,839
The long-term part	31,093,724	30,718,474
Short-term part (interest)	167,430	167,365

The group launched bond offerings in 2016, 2017, 2018, 2022, 2023 and 2024 with maturities in 2019, 2022, 2023, 2026, 2027 and 2028, through which it obtained 'committed' financing of over 50 million ron from the capital market (all issues are listed on the BVB).

BNET26E

Between December 21 and December 27, 2022, the issuer conducted a private placement for the issuance of corporate bonds in euros, an offer following which 20,596 bonds were subscribed by 53 investors, individuals, legal entities and professional investors. The amount raised in this round of financing through bonds was EUR 1,961,144. The selling price within this offer, on the first day of the offer/subscription period, benefited from a reduction, respectively on 21.12.2022, the price was reduced to 95% of the nominal 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 EUR 1,741,730. The sale price in the subscriptions made in the following days of the offer was 97% of the nominal value, respectively 97 euros/bond. Thus, during the period 22.12.2022 – 27.12.2022, a number of 2,262 bonds were subscribed, representing a subscription value of 219,414 euros. The nominal value of the BNET26E instrument is 100 EUR/bond, and the total nominal value of the issue (which will be reimbursed at maturity) is 2,059,600 EUR.

Fixed interest annual 9% per year and it is paid quarterly through the T2S mechanism Central Depository. The repayment of the nominal amount is 3.5 years from the date of issue will take place on June 30, 2026.

The total issuance costs for this bond issue amounted to 735,718 ron and were recorded at the balance sheet level at the date of bond issuance, thus reducing the total amount of debt. The issuance costs are recorded over the life of the bond issue, increasing the total carrying amount of the bond debt.

BNET27A

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

Between May 30 and June 21, 2023, Bittnet Systems conducted its 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, with each interested investor having the opportunity to subscribe in the price range between 96% and 104% of the nominal value of the instrument.

During the offering period, a total of 803 purchase orders were placed, for 71,814 bonds subscribed at the offer closing price of 100 ron, and 14,393 bonds subscribed at prices higher than the offer price. According to the Offering Prospectus, the allocation of shares for accepted subscriptions (placed at the offer price and at higher prices) was made pro-rata, the allocation index being 0.5799993040. Subscription orders at prices lower than the issue price were cancelled.

The transaction date was June 24, 2024, and the transaction settlement date was June 26, 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 5,000,000.00 ron.

The interest is fixed at 10% per annum, payable quarterly through the Central Depository. The maturity of the issue is June 26, 2027. On July 19, 2023, the BNET27A bonds began trading on the Regulated Market administered by BVB.

The total issuance costs for this bond issue amounted to 114,873 ron and were recorded at the balance sheet level at the date of bond issuance, thus reducing the total amount of debt. The issuance costs are subsequently allocated over the life of the bond issue, increasing the total carrying amount of the bond debt.

BNET28

Between November 27 and December 12, 2023, a maximum number of 100,000 corporate bonds, unsecured, with an individual nominal value of 100 ron and a total nominal value of 10,000,000 ron were put up for sale, with each interested investor having the opportunity to subscribe in the price range between 94% and 106% of the nominal value.

A total of 530 subscription orders were placed during the offering period at all price levels, totaling a total volume of 185,602 bonds. Given that the Issuer set the issue price at the nominal value of the bond (100 ron) and in accordance with the offering prospectus, the volumes subscribed at prices above the issue price were fully settled at the issue price (100 ron). Thus, the volume of 87,446 bonds represents the guaranteed allocation in the offering according to the Offering Prospectus. For the volume of bonds subscribed at the price of 100 ron/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. Subscription orders placed at prices below the issue price were not executed.

The transaction date was December 13, 2024, and the transaction settlement date was December 15, 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 2, 2024, the BNET28 bonds were admitted to trading on the Regulated Market administered by BVB. The interest is fixed at 9.6% per annum, payable quarterly through the Central Depository. The maturity of this bond issue is June 15, 2028.

The total issuance costs for this bond issue amounted to 248,438 ron and were recorded at the balance sheet level at the date of bond issuance, thus reducing the total amount of debt. The issuance costs are

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

subsequently allocated over the life of the bond issue, increasing the total carrying amount of the bond debt.

BNET28A

During the period: April 02 - April 15, 2024, a maximum number of 150,000 corporate bonds, unsecured, non-convertible with an individual nominal value of 100 ron were offered for sale, each interested investor having the opportunity to subscribe in the price range of: 94 ron - 106 ron, respectively 94% and 106% of the nominal value of the instrument, according to the Offering Prospectus.

During the offering period, 501 subscription orders were received at all price levels, totaling a total volume of 111,025 bonds. Given the Issuer's setting of the issue price at RON 96 and in accordance with the Offering Prospectus, the volumes subscribed at prices higher than the issue price (i.e. at prices RON 97, 98, 99, 100, 101, 102, 103, 104, 105, 103, 104, 105, 106 together with the issue price of RON 96/bond) were fully settled at RON 96/share. Purchase orders placed at prices lower than the issue price (RON 95 and 94/bond) were not executed.

The transaction date was April 16, 2024, and the transaction settlement date was April 18, 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 6,624.90 ron, by raising this market amount of the issuer. 6,359,904 ron, due to the reduced issue price at 96 ron/bond.

BNET28A bonds carry a fixed interest rate of 9% per annum, payable quarterly through the Central Depository system, with a maturity of 4 years from issue, respectively in April 2028. Starting with 23.05.2024, BNET28A bonds are tradable on the regulated market administered by the Bucharest Stock Exchange.

The total issuance costs for this bond issue amounted to 427,889 ron and were recorded at the balance sheet level at the date of bond issuance, thus reducing the total amount of debt. The issuance costs are subsequently allocated over the life of the bond issue, increasing the total carrying amount of the bond debt.

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

NOTA 14. BANK LOANS

Details regarding bank loans are presented in the following table:

Values in RON				31-Mar-25		31-Dec-24	
Banking product	Currency	Interest rate	Maturity	Borrowed value	Balance as of date	Borrowed value	Balance as of date
ProCredit (DEND)	RON	6M+3%	2026	4,500,000	2,149,433	4,500,000	2,524,818
BT investment credit (DEND)	RON	ROBOR 3M+2.5%	2029	9,724,885	5,490,792	9,724,885	5,795,836
ProCredit investment loan (DEND)	RON	ROBOR 6M+2.5%	2030	10,000,000	7,935,286	10,000,000	8,241,818
BT short-term loan (DEND)	than EUR	EURIBOR 6M+2.15%	2024	-	-	-	-
ING credit line (DEND)	RON	ROBOR 1M+2.2%	2025	5,000,000	3,571,332	5,000,000	1,446,666
BRD IMM Invest/short term (TT)	RON	ROBOR 3M+2.5%	2025	3,000,000	5	3,000,000	59,548
BT short term credit (DTW)	RON	ROBOR 3M+2.75%	2025	15,000,000	6,016,881	15,000,000	9,082,867
Raiffeisen credit line (2NET)	RON	6M+2%	2025	2,500,000	-	2,500,000	1,347,667
BRD credit line (TT)	RON	ROBOR 3M+1.5%	2025	10,000,000	5,465,936	10,000,000	-
Total bank debts:					30,629,665		28,499,222
Long term:					11,477,529		12,525,113
Short term:					19,152,135		15,974,109

The group's bank lending structure is predominantly made up of revolving overdrafts aimed at short-term financing of specific projects. As of the date of this report, the Group has loans for financing current activity, both in national currency and in euro, from the following financial institutions: ProCredit Bank, Banca Transilvania, BRD, Unicredit Bank, Raiffeisen Bank, as well as several products such as non-cash ceilings for issuing various types of bank guarantee letters contracted from Procredit Bank and Banca Transilvania.

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

NOTA 15. INFORMATION ON RELATED PARTY RELATIONS

Details regarding balances and transactions with related parties are presented below.

The remuneration paid to Key Management (identified in Note 1) is as follows:

	March 31, 2025	Mar 31, 2024
Management contracts	1,005,229	754,357
SOP expenses	233,853	258,175
Total	1,239,082	1,012,532

As of March 31, 2025, the liabilities related to management contracts amount to 347,893 RON (December 31, 2024: 354,143 ron).

Receivables and loans	March 31, 2025	Dec 31, 2024
Impetum Investments - loan	5,150,000	5,150,000
Impetum Investments - interest	77,885	1,693
E-Learning Company - loan	450,000	450,000
E-Learning Company - interest	27,369	16,273
Total	5,705,254	5,617,966

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 ron, a loan granted for a period of 6 months and with an interest rate of 6% per annum (Note 16).

The loan toThe E-Learning Companywas grantedfor working capital financing for a period of 1 year and with an interest rate of 10% per year.

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

NOTA 16. CONTINGENT LIABILITIES

a) The risk associated with changing legislation and taxation in Romania

Changes in the legal and fiscal regime in Romania may affect the Company's economic activity. Changes related to the adjustments of Romanian legislation with European Union regulations may affect the legal environment of the Group's business activity and its financial results. The lack of stable rules, legislation and cumbersome procedures for obtaining administrative decisions may also restrict the Company's future development. In order to minimize this risk, the Group regularly analyzes changes in these regulations and their interpretations.

Considering that the legislation increasingly leaves the interpretation of the application of tax norms to the discretion of the tax authority, combined with the lack of funds in the state budget and the attempt by any means to bring these funds, we consider this risk a major one for the company, because it cannot be addressed in any way in a preventive, real and constructive way. The Group considers that it has paid all taxes, duties, penalties and penalty interest on time and in full, to the extent applicable. In Romania, the fiscal year remains open for verification for a period of 5 years.

b) Bank guarantee letters

As of December 31, 2024, the Group had issued bank guarantee letters worth EUR 195,726 (SGB issued by Bittnet Systems in favor of One Controceni Park for the HQ contract) and 12,530,833.90 ron (tender participation and good execution SGBs issued by Dendrio Solutions – 5,349,453.91 ron, Dataware Consulting – 4,338,790.51 ron and TopTech – 2,842,589.58 ron, respectively). All guarantees are issued from non-cash ceilings.

As of December 31, 2023, the Group had issued bank guarantee letters worth EUR 195,726 (good payment SGB issued by Bittnet Systems in favor of One Controceni Park) and 6,283,231 ron (tender participation and good execution SGBs issued by Dendrio Solutions – 1,929,955 ron, Dataware Consulting – 2,602,012 ron and Top Tech – 1,751,264 ron, respectively).

c) disputes

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

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

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

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

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

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

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

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

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

At the hearing on 22.05.2025, the court admitted Anchor's appeal and partially changed the appealed sentence in the sense that: admits the action in its entirety, obliges the defendant to pay the amount of 3,632,709.91 ron in civil damages, 267,214.96 ron in rent, services, utilities, maintains the provision regarding the obligation of the defendant to pay the amount of 102,627.51 ron in penalties. obliges the defendant to pay the amount of 179,926.09 ron in court costs in the first instance. The solution can be appealed within 30 days from the communication.

Following the communication of the decision of the Bucharest Court of Appeal, the Group will file an appeal within the legal term of 30 days.

File665/88/2020 – Fraher Distribution litigation

By the application registered on the docket of the Tulcea Court - Civil Section, for administrative and fiscal litigation on June 4, 2020 under no. 665/88/2020, the plaintiff FRAHER DISTRIBUTION SRL, in contradiction with the defendant ELIAN SOLUTIONS SRL, requested that the termination of Contract no. 201/29.12.2017 be declared, with the consequence of restoring the parties to the previous situation, by the defendant returning the amount of 541,490.08 ron; to be declared the termination of Contract no. 202/29.12.2017, with the consequence of restoring the parties to the previous situation, by the defendant returning the amount of 344,886 ron and obliging the defendant to pay the contractual penalties for delay, as well as the amount of 129,103.38 ron as damages; to declare the termination of Contract No. 240/21.03.2019 and to order the defendant to pay the amount of 33,868.59 ron, as damages; to order the defendant to pay the court costs.

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

- Changes in part the appealed sentence in the sense that it orders the partial termination of contract no. 201/29.12.2017 and obliges the respondent to pay the amount of 186,137 ron in favor of the appellant plaintiff.
- The remaining provisions of the appealed judgment are upheld.

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

- Admits the request of the judicial expert and orders the increase of his fee by the amount of 5,000 ron. Establishes the obligation of the appellant plaintiff to pay the expert fee in the amount of 5,000 ron.

-Orders the respondent to pay the amount of 15,925 ron as legal expenses in favor of the appellant-plaintiff, of which the amount of 5,000 ron under the condition that the appellant-plaintiff proves the payment of the increased fee of the judicial expert.

- Orders the appellant plaintiff to pay the amount of 5,672 ron as legal costs in favor of the respondent defendant. Partially compensates the legal costs up to the amount of 5,672 ron.

- With appeal within 30 days from the communication. The request for exercising the appeal is submitted to the Bucharest Court of Appeal, 6th Civil Section.

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

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

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

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

Subject: litigation regarding public procurement.

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

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

Details of the action are presented below:

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

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

At the first deadline of 21.08.2024 in file 19985/3/2024 (subject payment of penalties in the amount of 4,296,351.84 ron and reparation of the alleged damage in the amount of 4,844,605 ron), to which file 22473/3/2024 was also connected (subject annulment of the termination of contract no. 281/2021 with IGPF), the court postponed the case at the request of Idemia, who requested the introduction into the case and the communication of the IGPF action, in order to file a response. The next deadline set was 04.10.2024, when the court postponed the trial in order to take note of the documents submitted to the file. On the deadlines of 15.11.2024 and 21.11.2024, the court postponed the ruling. On the deadline of 29.11.2024, the court admitted the exception of the lateness of the counterclaim filed by IGPF in the related file (no. 22473/3/2024) and found that IGPF is deprived of the right to file the counterclaim; also, the court rejected the exception of the substantive right to action invoked by IGPF by responding to the related claim (appeal together with the merits). On the deadlines of 06.12.2024 and 07.02.2025, the case was postponed due to the lack of an expert report. The next trial date is 11.04.2025.

BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING

for 3 months ended March 31, 2025

(all amounts are expressed in RON, unless otherwise specified)

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

Competition Council investigation into the Romanian IT market

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

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

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

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

d) Environmental aspects

The implementation of environmental regulations in Romania is in the development phase and the application procedures are being reconsidered by the authorities. Bittnet's professional activity does not have a direct impact on the environment. Operating in the "services" field, our activity consists of acquiring knowledge and transferring it to clients, either within training courses or through consultancy, design and implementation services.

NOTA 17. EVENTS AFTER THE BALANCE SHEET DATE

I. General Meeting of Shareholders – April 28, 2025

On 28.04.2025, the general meeting of shareholders took place to approve the individual and consolidated financial statements of the issuer and the group to which it belongs. In addition to the traditional topics for a balance sheet AGM, the agenda also included the approval of a plan to buy back own shares within a budget of 5,000,000 ron, carried out through one or more public buyback offers carried out during 2025. All items on the agenda were approved by the shareholders.

II. Sale of 50.2% stake in IT Prepared SRL (Optimizor)

On 26.05.2025 Bittnet informed investors through a current report published on the issuer's page at BVB about the signing of the share purchase agreement for the sale of 50.2% of IT Prepared SRL (rebranded: Optimizor). The transaction price amounts to 6.12 million ron and will be paid within 5 working days of signing the contract. The sale of the majority stake in Optimizor is part of the Bittnet group's strategy, announced since the beginning of last year, to make the portfolio holdings profitable and simplify the group structure. Through this transaction, Bittnet achieves an investment return rate (IRR) of app 43%.

The financial statements on page [3] to page [46] were approved and signed on May 30, 2025.

Mihai Logofatu

Adrian Stanescu

General Manager

Financial Director

Signatures and declarations according to art. 123 2 point B, letter c) of ASF Regulation no. 1/2006

Mihai Alexandru Constantin Logofătu, as legal representative of the Chairman of the Board of Directors of the Issuer, declares that, to the best of his knowledge, the interim accounting reporting for the first quarter of 2025, which was prepared in accordance with the applicable accounting standards, provides a correct and true picture of the assets, liabilities, financial position, profit and loss account of the Issuer or its subsidiaries included in the consolidation process and that it correctly and completely presents the information about the Issuer and the group to which it belongs.

Mihai Logofătu,

30 May 2025