

BITTNET SYSTEMS SA

INDIVIDUAL FINANCIAL STATEMENTS

ACCORDING WITH ORDER OF THE MINISTER OF
PUBLIC FINANCE NO. 2844/2016 FOR THE
APPROVAL OF
ACCOUNTING REGULATIONS, WITH
SUBSEQUENT AMENDMENTS ("OMFP NO.
2844/2016"), FOR 6 MONTHS ENDED ON
JUNE 30, 2025

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

INDIVIDUAL STATEMENT OF THE COMPREHENSIVE INCOME

	Note	June 30, 2025	June 30, 2024
		<hr/>	<hr/>
Revenue from contracts with customers	[4]	5,093,374	6,040,247
Cost of sales		<u>(2,422,736)</u>	<u>(2,781,877)</u>
Gross margin		2,670,639	3,258,370
Other income		30,617	31,228
Selling expenses		(1,691,229)	(2,371,299)
General and administrative expenses		(7,967,560)	(3,997,036)
Gain/(loss) on equity securities		(119,749)	(29,833)
Financial income	[6]	2,970,208	8,842,138
Financial expenses	[6]	<u>(2,555,761)</u>	<u>(1,911,302)</u>
Gross profit		(6,662,834)	3,822,268
Income tax		<u>652,452</u>	<u>(354,318)</u>
Net profit:		(6,010,382)	3,467,950

The financial statements on page [3] to page [29] were approved and signed on August 29, 2025.

Mihai Logofătu

General Manager

Adrian Stănescu

Financial Director

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INDIVIDUAL STATEMENT OF FINANCIAL POSITION

	Notes	June 30, 2025	Dec 31, 2024
Assets			
Fixed assets			
Intangible assets		6,273,548	6,340,337
Tangible fixed assets		467,471	534,741
Usage rights		6,604,589	6,642,437
Participation titles	[7]	66,515,257	70,468,278
Other financial assets		40,560,636	23,657,055
Taxput off		2,733,552	2,081,100
Total fixed assets		123,155,052	109,723,948
Current assets			
Inventory		5,161	5,216
Services in progress		865,213	810,819
Trade receivables		3,091,191	3,856,996
Other receivables		10,214,362	9,747,134
Financial assets at fair value	[8]	3,630,971	5,710,669
Cash and cash equivalents		405,348	15,329,850
Total current assets		18,212,246	35,460,684
TOTAL ASSETS		141,367,299	145,184,633
CAPITAL AND LIABILITIES			
Share capital		63,417,671	63,417,671
Issue premiums		31,934,768	31,934,768
Other equity items		(12,078,052)	(12,156,041)
Reserves		1,442,164	1,442,164
Retained earnings		2,115,819	8,126,201
Total capital and reserves	[9]	86,832,371	92,764,764
Long-term debts			
Bonds	[10]	31,351,733	30,718,474
Bank loans		-	-
Leasing Debts		11,703,342	13,095,069
Deferred tax		-	-
Total long-term debt		43,055,075	43,813,543
Current liabilities			
Bonds	[10]	167,418	167,365
Bank loans		-	-
Leasing Debts		4,130,030	3,897,322
Corporate tax liabilities		-	-
Contractual liabilities		358,431	463,881
Trade debts		2,195,637	3,571,151
Other debts		445,858	400,775
Provisions		4,182,478	105,831
Total current liabilities		11,479,853	8,606,326
Total debts		54,534,928	52,419,869
TOTAL CAPITAL AND LIABILITIES		141,367,299	145,184,633

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INDIVIDUAL CASH FLOW STATEMENT

	June 30, 2025	June 30, 2024
Gross profit	(6,662,834)	3,822,268
Adjustments for:		
Depreciation expenses	1,203,960	1,056,417
Adjustments for depreciation	-	-
Expenses related to assets disposed of	-	-
Benefits granted to SOP employees	311,804	575,803
Adjustments for impairment of receivables	-	-
Provisions	4,076,647	-
Interest expenses and other financial costs	1,916,481	1,424,994
Interest expenses on leasing liabilities	418,161	507,340
Interest income and other financial income	(1,715,607)	(1,585,297)
Gain/Loss on securities investments	(1,254,597)	(7,256,840)
Win/Loss of titles put in equivalence	119,749	29,833
Operating profit before changes in working capital	(1,586,236)	(1,425,484)
Variation in accounts receivable balances	1,351,009	862,263
Variation in inventory account balances	55	193
Variation in debt account balances	(1,435,881)	(295,042)
Cash generated from operations	(1,671,054)	(858,069)
Profit tax paid	-	(90,464)
Net cash from operating activities	(1,671,054)	(948,533)
Investment activities:		
Payments for the acquisition of participating interests	-	(6,390,015)
Proceeds from the sale of participating interests	6,125,000	-
Loans granted to related entities	(17,908,940)	(2,765,233)
Acquisitions of tangible and intangible assets	(856,275)	(101,191)
Other investments in financial assets	-	(0)
Proceeds from other financial assets	-	-
Dividends received	1,473,685	644,116
Interest received	1,489,302	2,897,700
Net cash from investing activities	(9,677,227)	(5,714,624)
Financing activities:		
Proceeds from the share issue	-	-
Sales of own shares	-	2,857,998
Acquisition of own shares	(233,815)	-
Bank loan withdrawals	-	-
Bank loan repayments	-	-
Proceeds from bond issuance	-	6,197,011
Repayments from the bond issue	-	-
Interest on leasing debts	(418,161)	(481,637)
Leasing debt payments	(1,641,076)	(1,727,769)
Interest paid	(1,283,169)	(1,227,139)
Net cash from financing activities	(3,576,221)	5,618,464
Net increase in cash and cash equivalents	(14,924,502)	(1,044,693)
Cash and cash equivalents at the beginning of the financial year	15,329,850	3,535,970
Cash and cash equivalents at the end of the financial year	405,348	2,491,277

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INDIVIDUAL STATEMENT OF CHANGES IN EQUITY

	Share capital	Issue premiums	Other equity items	Legal reserves	Retained earnings	Total CAPITAL
December 31, 2023	63,417,672	31,934,768	(15,291,490)	956,462	(1,179,846)	79,837,567
Net result	-	-	-	-	3,467,950	3,467,950
Other elements of the overall result	-	-	-	-	-	-
Total Overall result	-	-	-	-	3,467,950	3,467,950
Share capital increase	-	-	-	-	-	-
Acquisition of own shares	-	-	-	-	-	-
Sales of own shares	-	-	2,857,998	-	-	2,857,998
Benefits granted to SOP employees	-	-	575,803	-	-	575,803
Legal reserve distribution	-	-	-	-	-	-
June 30, 2024	63,417,672	31,934,768	(11,857,689)	956,462	2,288,104	86,739,317
December 31, 2024	63,417,672	31,934,768	(12,156,041)	1,442,164	8,126,201	92,764,764
Net profit	-	-	-	-	(6,010,382)	(6,010,382)
Other elements of the overall result	-	-	-	-	-	-
Total Overall result	-	-	-	-	(6,010,382)	(6,010,382)
Share capital increase	-	-	-	-	-	-
Acquisition of own shares	-	-	(233,815)	-	-	(233,815)
Sales of own shares	-	-	-	-	-	-
Benefits granted to SOP employees	-	-	311,804	-	-	311,804
Legal reserve distribution	-	-	-	-	-	-
June 30, 2025	63,417,672	31,934,768	(12,078,052)	1,442,164	2,115,819	86,832,371

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NOTA 1. GENERAL INFORMATION

Operational activities

The financial statements include the individual financial information of Bittnet Systems (the "Company" or the "Issuer"), with its registered office in Bucharest, Str. Sergent Nutu Ion, no. 44, cl. ONE Cotroceni Park, building A&B, floor 4, sector 5. The Company has the following subsidiaries registered in Romania:

	<u>June 30, 2025</u>	<u>Dec 31, 2024</u>
SUBSIDIARIES - % ownership		
Dendrio Solutions	96.5%	96.5%
Dendrio Innovations (ex Dataware Consulting)	96.5%	96.5%
Dendrio Technology (ex Top Tech)	96.5%	96.5%
IT Prepared (*)	-	50.2%
Bittnet Training (ex Equatorial Gaming)	100%	100%
Elian Solutions	61.69%	61.69%
Elian Development Systems (ex Kepler Management)	61.69%	61.69%
Nenos Software	60.97%	60.97%
Nonlinear	60%	60%

(*) The company sold its entire stake in IT Prepared in May 2025

MINORITY INTERESTS

E-Learning Company	23%	23%
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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 size in which the activity is organized in centers (cells) as independent as possible, in areas of interest - development pillars or business units, 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 BSE Regulated Market and are part of the main BSE indices.

Company Management

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 30.06.2025, 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 on 30.06.2025 a number of 5,468,395 shares of the Issuer, 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 election as a member of the Board of Directors, as well as on 30.06.2025, Mr. Ciucu or the Eccleston 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, as well as on 30.06.2025, Mr. Constantinescu did not hold shares of the issuer.
- 5) **Quercus Solutions SRL** represented by Micheş Paul – non-executive director. At the date of his election as a member of the Board of Directors, as well as on 30.06.2025, Mr. Micheş or the Quercus Solutions SRL did not hold shares of the issuer.

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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 Issuer's unaudited individual 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 unaudited unconsolidated reporting for the 6-month period ended June 30, 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 in accordance with IFRS and should be read in conjunction with the 2024 annual financial statements.

The Company has applied the same accounting policies and valuation methods in the interim reporting as for the annual financial statements. There are no significant implications related to the amendments to IFRS16 – Lease Concessions.

The individual financial statements have been prepared under the historical cost convention and the going concern basis. The financial statements are presented in RON (LEI), which is also the Issuer's functional currency.

b) Continuity of activity

2024 was characterized by slower traction, extended project completion times, and a greater demand for customized training sessions. It was a year in which the IT industry felt the brunt of cost-cutting, and customers kept their budgets tight in the first part of the year, analyzing purchases more carefully and investing more cautiously.

This situation could have generated a liquidity crisis, as consumers and companies feared a future recession or economic crisis. However, it seems that the monetary measures taken by governments and central bank have given enough confidence to the business environment that a 'credit crunch' does not occur. The company is closely monitoring liquidity indicators - the conversion of receivables into cash, turnover with customers and suppliers, etc.

Based on the analysis of future cash flows and the analysis of existing obligations, as well as based on the results of the current year, the Company's Management believes that the principle of business continuity appropriately applied in the preparation of the financial statements as of June 30, 2025.

NOTA 3. ESSENTIAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Society 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
- Estimating the recoverable value of investments in subsidiaries to assess possible impairment

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

NOTA 4. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from customer contracts is detailed in the following table:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Training services	4,758,736	5,919,476
IT solutions for integrating services, products and licenses	334,638	120,771
Total	<u>5,093,374</u>	<u>6,040,247</u>

Revenue from a geographical perspective

The services are meaningfully provided and the goods delivered to entities in Romania.

Essential reasoning

The Company analyzed, in light of the provisions of IFRS 15, whether it acts in its own name (as a Principal) in its 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 Company considers that it has the obligations in its own name, and therefore acts as a „Principal” and not as an intermediary („Agent”). To reach this conclusion, the Company analyzed the ordering and delivery processes of the equipment and licenses, the moment of transfer of rights from the supplier to the Company and from the Company to the customer, and the occurrence of risks associated with control.

The company sells the rights to 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 consulting services (pre- and post-sales) and the goods produced by the manufacturers is, in fact, what ensures the benefit of the customers, in the form of a solution customized to the specific needs (e.g. providing various upgrade options and maximum flexibility) and legally compliant. Also, after the conclusion of the contract, throughout the duration of the contract, the Company is the sole point of contact and solely responsible to the client for any problems (in which case the Company'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 Company are produced by other entities, the Company's promise to its own customers is not to manufacture 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 Company's promise represents a single performance obligation (i.e. to provide a customized and legally compliant solution) and the Company assumes the performance risk for the entire solution, which attests to the Company's control over the products in the delivery stream. Regarding delivery to the customer, it is carried out by the Company – 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 designated portals (processes carried out by the Company's team). Also, through the contracts concluded with the manufacturers, the Company receives, according to its status as an authorized partner, the right to use the manufacturer's intellectual property, which is separate from the actual licenses sold to customers; as such, the Company controls the entire promise to the customer before delivery.

Although the Company usually has no inventory risk before receiving the order from the customer, from that moment on the Company assumes the inventory 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 Company may decide to purchase directly from the manufacturer, or from any other authorized supplier (distributor, importer, European, global wholesaler, etc.). If, for any reason, the delivery to the customer is not completed, or is not successfully carried out (in accordance with

the obligations assumed towards the customer), the Company will remain in possession of the goods without being able to return them to the supplier or sell them to another customer. Also, in certain situations, the Company places 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 Company 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 Company has the freedom to establish prices with the customers; thus, the Company 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 Company is the supplier of the goods, even if they are produced by manufacturers and/or delivered by distributors, the Company being fully responsible for the good delivery of the agreed projects.

Additionally, the Company bears the full credit risk for the entire value of the goods (hardware and software) – orders once placed with suppliers (either directly with the manufacturer or with authorized intermediaries) are non-refundable. In evaluating the decision to initiate and/or continue business relationships with customers, the Company analyzes only the ability and intention/creditworthiness of customers to pay invoices on time. The Company has complete control over the sales strategy, decides which goods and services to offer, deliver and ultimately implement/configure.

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NOTA 5. CLASSIFICATION OF EXPENSES BY NATURE

The classification of total operational expenses, by nature, for the financial years 2024-2025 is detailed in the following table:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Materials and goods	102,524	215,745
Resold licenses	15,742	94,948
Personnel expenses	1,923,390	2,314,430
Provisions for unused vacations	-	-
Subcontractor expenses	1,432,773	1,544,557
Amortization	1,203,960	1,056,417
Rent	11,927	1,584
Commissions and fees	130,467	172,807
Advertisement	391,081	586,779
Travel and transportation	3,617	5,992
Insurance	30,303	21,364
Postal and telecommunications	18,536	17,424
Donations	28,316	49,838
Receivables adjustments	-	-
Bank fees	23,610	26,383
Services provided by third parties	2,593,543	2,890,188
Provisions	4,076,647	
Miscellaneous	95,088	151,755
Total operational expenses	<u>12,081,524</u>	<u>9,150,211</u>

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NOTA 6. FINANCIAL INCOME AND EXPENSES

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

FINANCIAL INCOME / EXPENSES	June 30, 2025	June 30, 2024
	<u> </u>	<u> </u>
Interest income	1,715,607	1,585,297
Investment income/expenses	3,334,300	10,496,164
Income/expenses from securities valuation	(2,079,698)	(3,239,323)
Bank interest	-	(40,575)
Factoring costs	-	20
Interest bonds issued	(1,916,481)	(1,384,439)
Leasing Interest	(418,161)	(481,637)
Net income/expenses exchange rate differences	(221,119)	(4,670)
	<u> </u>	<u> </u>
Total	<u>414,447</u>	<u>6,930,836</u>

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NOTA 7. PARTICIPATION TITLES

I. Branches / Subsidiaries

	<u>June 30, 2025</u>	<u>Dec 31, 2024</u>
SUBSIDIARIES - % ownership		
Dendrio Solutions	96.5%	96.5%
Dendrio Innovations (ex Dataware Consulting)	96.5%	96.5%
Dendrio Technology (ex Top Tech)	96.5%	96.5%
IT Prepared (*)	-	50.2%
Bittnet Training (ex Equatorial Gaming)	100%	100%
Elian Solutions	61.69%	61.69%
Elian Development Systems (ex Kepler Management)	61.69%	61.69%
Nenos Software	60.97%	60.97%
Nonlinear	60%	60%
(*) The Group sold its entire stake in IT Prepared in May 2025		
MINORITY INTERESTS		
E-Learning Company	23%	23%

The Group's continuous evolution process, both through the launch of new products and services and through continuous acquisitions, has led to the current size in which the activity is organized in centers (cells) as independent as possible, in areas of interest - development pillars or business units, 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.

a) Education Division

This division contains 2 companies (**Bittnet Systems** and Bittnet Training (formerly Equatorial Gaming and which absorbed Equatorial Training and Computer Learning Center in December 2024), to which is added the minority holding 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.

Transactions 2025

Change of name from Equatorial Gaming to Bittnet Training

As part of the process of simplifying the Group's structure and from a commercial point of view, Equatorial Gaming, part of the Education pillar of the group, underwent a rebranding process and its commercial name was changed, thus becoming Bittnet Training. The name change was registered in the Trade Register in March 2025.

Transactions 2024

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 at that time) to change the legal form of organization of Equatorial Gaming from a joint stock company (SA) to a limited liability company (SRL). The founding shareholder also agreed to transfer at 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.

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Computer Learning Center (CLC) – 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 acts, 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 & Digital Infrastructure Division

This division contains 3 companies (**Dendrio Solutions, Dendrio Innovations** (formerly Dataware Consulting), Dendrio Technology (formerly TopTech, which absorbed 2Net Computer in December 2024)) 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 IT 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.

Transactions 2025

Sale of majority stake in ITPrepared – May 2025

In May 2025, the management decided to sell the majority stake in the IT managed services company ITPrepared (Optimizor). The transaction price amounted to 6.12 million ron.

In almost 4 years of belonging to the Bittnet group, Optimizor went through an extensive rebranding process, perfecting its new visual and brand identity and growing its business from 2.34 million ron (in 2020 - the year before joining the group), to over 9.77 million ron in 2024. Optimizor also distributed dividends to the parent company Bittnet Systems SA, from the profits made during this period, in the amount of 2.2 million ron. By selling the 50.2% stake in Optimizor, Bittnet achieved an IRR (internal rate of return) margin of approximately 40%.

The sale of the majority stake in Optimizor falls within the Bittnet group's strategy, announced since the beginning of last year, to make the portfolio holdings profitable and simplify the group structure.

Acquisition of minority stake in Digital Intelligence Partners (DIP)

In June 2025, Dendrio Solutions SRL, part of the group's digital infrastructure pillar, made a minority investment in the company focused on digitalization products Digital Intelligence Partners SRL. The investment amounted to 5 million ron for which it acquired 23.35% of the share capital and voting rights of the target company.

Transactions 2024

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

As part of the Bittnet Group's restructuring plan, in April 2024 the Group's management, together with the minority shareholders of Dendrio Solutions, decided to consolidate the holdings in the Digital Infrastructure pillar under the legal entity Dendrio Solutions. Thus, Agista Investments and Bittnet Systems, shareholders

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in both Dendrio Solutions and TopTech, transferred their holdings in the company TopTech (Agista Investments – 14% and Bittnet Systems – 40%) to Dendrio Solutions for a total amount of 14,464,286 ron (Agista Investments – 3,750,000 ron and respectively Bittnet Systems – 10,714,286 ron).

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, while the intragroup transaction between Bittnet Systems and Dendrio Solutions was aligned in terms of price, considering the value of the total resulting capital of Top Tech, i.e. 27,785,714 ron.

Bittnet Systems also transferred its holding in Dataware Consulting (28.87%) to Dendrio Solutions for a total amount of 14,435,000 ron. The intragroup transaction price was based on a total equity value of 50 million ron for Dataware Consulting, the same value based on which the Group acquired the last 30% of Dataware Consulting from the original shareholders in December 2023.

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. The pre-capitalization value of Dendrio Solutions and its wholly-owned subsidiaries: Dataware Consulting, Top Tech and 2Net Computer (together the "Dendrio Group") was negotiated by the Group with Agista Investments and the 2 co-founders of Dataware Consulting under competitive market conditions at 109 million ron.

Following these operations, Dendrio Solutions' equity was increased by approximately 33.9 million ron through the contribution of the current associates, Bittnet Systems and Agista Investments, as well as the 2 new associates, and the resulting shareholding structure is: Bittnet Systems - 84.7245%, Agista Investments - 11.7765%, Dataware co-founders - Constantin Savu and Catalin Georgescu - 3.499%.

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 face value of 10 ron and a total face value of 900,140 ron. The buyer and seller in this transaction established the price based on a market 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) – 2Net 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 2Net 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 2Net Computer were canceled, the company's assets and liabilities being absorbed into Dendrio Technology (formerly Top Tech).

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.

Transactions 2024

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

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 ron 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 ron 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.

d) Business applications & Software development division

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

Elian Solutions

Elian Solutions & 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, interalia, cash flow, to track production, cost centers and much more.

Nenos Software & Nonlinear

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

By taking over majority stakes in Nenos Software and Nonlinear, Bittnet has consolidated its position in the software development division, while also entering the artificial intelligence sector.

Transactions 2025

Name change from Kepler Management Systems to Elian Development Systems

As part of the process of simplifying the group structure, the company acquired at the end of 2023, Kepler Management Systems, went through a rebranding and name change process, becoming Elian Development Systems. The name change was registered in the Trade Register in February 2025.

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Transactions 2024

Eliau 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 Eliau 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 Eliau Solutions.

Also at the end of May, Bittnet Systems, together with the other 2 associates of Eliau Solutions, made the decision to increase the share capital of Eliau 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 Eliau Solutions in November 2023 for the acquisition of Kepler Management Systems.

Following these operations, Eliau 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 Eliau Solutions increased to 61.6878% after registering the increase in the Trade Register records. The pre-capitalization value of Eliau Solutions and its wholly-owned subsidiary, Kepler Management, was negotiated by the Group with the 2 minority shareholders of Eliau Solutions under competitive market conditions at RON 16.2 million, using a multiplier of 6.5x EV/net profit, based on fiscal year 2023 figures.

The total impact on Non-Controlling Interests resulting from the transaction described above was an increase of RON 1,573,964 (see Note 25).

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.

II. Minority-owned securities

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.

	<u>June 30, 2025</u>	<u>Dec 31, 2024</u>
E-Learning Company		
Initial balance	1,271,853	2,797,884
Dividends distributed	-	(57,500)
Gain/(loss) on equity securities	(119,749)	(39,541)
Impairment	-	(1,428,990)
Final balance	<u>1,152,105</u>	<u>1,271,853</u>

In the first half of 2025, the Group recorded through equity-accounted securities the portion related to the holding (23%) of the net loss realized by E-Learning Company in H1 2025.

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NOTA 8. FINANCIAL ASSETS AT FAIR VALUE

Other financial assets (securities) at fair value

	<u>June 30, 2025</u>	<u>Dec 31, 2024</u>
Softbinator Technologies	3,630,971	5,710,669
Arctic Stream	-	-
Total	<u>3,630,971</u>	<u>5,710,669</u>

Details regarding the evolution of securities at fair value in 2023 are presented in the table below:

	<u>Arctic Stream</u>	<u>Softbinator Technologies</u>	<u>Total</u>
Value 31.12.2024	-	5,710,669	5,710,669
Inputs	-	-	-
Outputs	-	-	-
Revaluation	-	(2,079,698)	(2,079,698)
Value 30.06.2025	<u>-</u>	<u>3,630,971</u>	<u>3,630,971</u>

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 owns a number of 3,820,868 shares, representing 17.9086% of the total Softbinator Technologies shares.

On 30.06.2025, the investment in Softbinator Technologies shares was revalued using the average trading price on the AeRO market on 30.06.2025.

Arctic Stream

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.

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NOTA 9. CAPITAL AND RESERVES

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

	<u>30 Jun, 2025</u>	<u>Dec 31, 2024</u>
Share capital	63,417,672	63,417,672
Issue premiums	31,934,768	31,934,768
Other equity items	(12,078,052)	(12,156,041)
Legal reserves	1,442,164	1,442,164
Retained earnings	8,126,201	(1,665,548)
Current overall result	(6,010,382)	9,791,749
Total	<u>86,832,371</u>	<u>92,764,764</u>

a) Share capital

The share capital of the parent company Bittnet Systems 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	<u>30 Jun 2025</u>	<u>Dec 31, 2024</u>
AGISTA INVESTMENTS SRL	13.75%	13.75%
IMPETUM INVESTMENTS SA	13.33%	13.33%
Mihai Logofatu	8.77%	8.77%
Cristian Logofatu	8.90%	8.59%
Others	55.25%	55.56%
Total	<u>100%</u>	<u>100%</u>

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

The Company 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

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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 30.06.2025	5,369,000

During January 2024, the Company fully sold the 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.

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

By 30.06.2025, the Group has repurchased 5,369,000 shares (0.846% of the total) with a total value of 999,873 ron.

Essential considerations – recognition and evaluation of SOP

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

The company settles the transactions by issuing to the option holders a number of shares that are equivalent (at the 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 Company has recognised the SOP transactions as being settled in shares, and has recognised and measured the services received in the Statement of Comprehensive Income and the corresponding increase directly in equity.

Transactions with employees and other collaborators providing similar services 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 GMS, i.e. the average price adjusted for splits at t-1

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- 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
- 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 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
- 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

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- 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.

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

As of 30.06.2025, as well as at the date of drafting this report, the company did not have any active incentive plan with options for employee participation in the company's capital.

Details regarding the non-monetary expense recorded with SOP are presented in the table below:

	<u>June 30, 2025</u>	<u>30 Jun 2024</u>
SOP 2022	-	108,098
SOP 2023	<u>311,804</u>	<u>467,705</u>
Total	<u>311,804</u>	<u>575,803</u>

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NOTA 10. BONDS

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

	<u>June 30, 2025</u>	<u>Dec 31, 2024</u>
BNET26E	10,252,982	9,715,173
BNET27A	4,942,563	4,928,204
BNET28	9,834,375	9,806,770
BNET28A	6,321,812	6,268,326
Accrued interest	<u>167,418</u>	<u>167,365</u>
Total, of which:	<u>31,519,151</u>	<u>30,885,839</u>
The long-term part	31,351,733	30,718,474
Short-term part (interest)	<u>167,418</u>	<u>167,365</u>

The company conducted bond offerings in 2016, 2017, 2018, 2022 and 2023 with maturities in 2019, 2022, 2023, 2026, 2027 and 2028, through which it obtained 'committed' financing of over 64 million ron from the capital market (all active 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.

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

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 lei, 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 lei, 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 lei/bond, the BNET27A issue consists of a number of 50,000 bonds with a total nominal value of 5,000,000.00 lei.

The interest is fixed 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.

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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

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

A total of 530 subscription orders were placed during the offer period at all levels of price, totaling a volume of 185,602 bonds. Considering the Issuer's establishment of the issue price at the nominal value of the bond (100 ron) and in accordance with the offer documents, the volumes subscribed to prices above the issue price were settled fully at the issue price (100 lei). Thus a volume of 87,446 of bonds represents the guaranteed allocation in the offer according to the Prospectus Offer. For the volume of bonds subscribed at the price of 100 ron/bond (i.e. for 71,050 bonds) its allocation made pro-rata, the allocation index being 0.1766924701, resulting in a volume of 12,554 bonds. The orders subscription placed at prices under the price of broadcast 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 02 February 2024, BNET28 bonds were admitted to trading on the Market Regulated and administered by BVB. 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 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 lei 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 lei/bond, the BNET28A issue consists of a number of 66,249 bonds with a total nominal value of 6,624.90 lei, by raising this market amount of the issuer. 6,359,904 lei, due to the reduced issue price at 96 lei/bond.

BNET28A bonds carry a fixed interest rate of 9% per year, 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.

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NOTA 11. 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:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Management contracts	2,122,358	1,701,613
SOP expenses	311,804	500,135
Total	<u>2,434,162</u>	<u>2,201,748</u>

As of June 30, 2025, the liabilities related to management contracts amount to 347,893 ron (December 31, 2024: 354,143 ron).

Intragroup loans and receivables

Other financial assets	<u>30 Jun, 2025</u>	<u>Dec 31, 2024</u>
Sublease assets	8,680,917	9,985,806
Dendrio Solutions – loan	33,937,980	15,887,470
Bittnet Training – loan	200,395	191,469
Total	<u>42,819,292</u>	<u>26,064,745</u>

The loans granted to Dendrio Solutions were granted to finance working capital and to finance the acquisition of the IT&C business from Crescendo, as well as to finance Dendrio Solutions' own contribution to the acquisition of the majority stake in Dataware. The interest on the loan is aligned with the cost of financing through bond issues (9% per year).

The loans to Bittnet Training (formerly Equatorial Gaming) were intended to meet general financing needs. The interest rate is 10% pa – in line with the interest rates practiced on the bond market at the time the loans were granted to the affiliated companies.

Loans to other related parties

Other financial assets	<u>30 Jun, 2025</u>	<u>Dec 31, 2024</u>
Impetum Investments – loan	5,304,923	5,151,693
E-Learning Company - loan	388,852	466,273
Total	<u>5,693,775</u>	<u>5,617,966</u>

For the last tranche of the sale of Fort SA, Bittnet Sytems granted a loan to Impetum Investments, the counterparty in the transaction, in the amount of 5,150,000 ron, a loan granted for a period of 6 months and with an interest rate of 6% per year.

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Impetum Investments loan rescheduling

During June-July 2025, Bittnet Systems and Impetum Investments reached an agreement to reschedule the loan granted in December 2024, and the repayment to be made over a period of 5 months as follows: installments of 500,000 ron each with payment due in July, August and October; the installment of 650,000 ron with payment due in September; and the difference of 3,000,000 ron with payment due on 15.11.2025 - for this Impetum issued a guarantee of 16,612,903 BNET shares held by Impetum.

The interest accrued during the period December 2024 - June 2025, amounting to 157,075 ron was paid at the beginning of July 2025.

The parties also agreed to change the amount of interest on the borrowed amount, starting with 30.06.2025, from 6% per annum to 10% per year.

E-Learning Company loan rescheduling

The loan to The E-Learning Company was granted for working capital financing for a period of 1 year and with an interest rate of 10% per annum. In May 2025, the parties agreed to repay the loan in 5 equal installments by September 2025.

NOTA 12. 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 Company's business activity and its financial results. The lack of stable rules, legislation and cumbersome procedures for obtaining administrative decisions may also restrict the Company's future development. In order to minimize this risk, the Company 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 manner. The company 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 letters of guarantee

On December 31, 2024, the Company had issued a bank letter of good payment guarantee in the amount of 195,726 euro in favor of One Controceni Park.

c) disputes

In the context of its day-to-day operations, the Company is subject to litigation risk, among other things, as a result of changes and developments in legislation. In addition, the Company 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 by any negative publicity it may incur. The Company's management believes that these litigations will not have a significant impact on the Company's operations and financial position.

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

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

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

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

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

On 04.11.2024, the decision was communicated to the parties, with the right to appeal within 30 days of communication. Anchor 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.

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 lei in civil damages, 267,214.96 lei in rent, services, utilities, maintains the provision regarding the obligation of the defendant to pay the amount of 102,627.51 lei 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 notification.

The decision of the Bucharest Court of Appeal was communicated on 23.06.2025. By this, the court ordered the defendant to pay the following amounts: 3,632,709.91 ron civil damages, 267,214.96 ron rent, services, utilities, 179,926.09 ron court costs in the first instance and maintaining the provision regarding the order requiring the defendant to pay the amount of 102,627.51 ron penalties.

The Group filed an appeal against the decision of the Bucharest Court of Appeal, and as of the date of this report, the first hearing date for the appeal has not yet been set, and it will be heard by the High Court of Cassation and Justice. The Group also filed a request for a temporary stay of execution, which was definitively rejected by the High Court of Cassation and Justice.

The Company recorded a provision of 105,831.42 ron in the financial statements as of 31.12.2023. On 30.06.2025, the Company supplemented the provision with the amount of 4,076,647.05 ron, so that the total value of the provision recorded for this litigation amounted to 4,182,478.47 ron, this being the best estimate of a cash outflow following this dispute.

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 has no 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.

The financial statements from page [3] to page [29] were approved and signed on August 29, 2025.

Mihai Logofătu

General Manager

Adrian Stănescu

Financial Director