

BITTNET SYSTEMS SA
CONSOLIDATED INTERIM REPORTING

CONSOLIDATED FINANCIAL STATEMENTS
FOR 6 MONTHS ENDED AT JUNE 30, 2025

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

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BITTNET SYSTEMS SA
INTERIM CONSOLIDATED FINANCIAL REPORTING
for the 6 months ended June 30, 2025
(all amounts are expressed in RON, unless otherwise specified)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Note | June 30, 2025 | 30 Jun 2024 |
|---|------|---------------------|--------------------|
| Ongoing activities | | | |
| Revenue from contracts with customers | [5] | 103,983,209 | 169,505,875 |
| Cost of sales | | (84,418,681) | (137,468,705) |
| Gross margin | | 19,564,528 | 32,037,170 |
| Other income | | 818,604 | 2,082,192 |
| Sales expenses | | (10,466,452) | (9,950,413) |
| General and administrative expenses | | (26,584,690) | (21,808,190) |
| Other expenses | | - | (45,510) |
| Gain/(loss) on equity-accounted securities | [10] | (119,749) | (29,833) |
| Losses on investments measured at fair value through profit or loss | [10] | (2,079,698) | (3,239,323) |
| Financial income | [7] | 3,141,282 | 232,360 |
| Financial expenses | [7] | (4,831,963) | (3,146,840) |
| Gross profit / (loss) | | (20,558,139) | (3,868,387) |
| Income tax | | 2,744,366 | (664,675) |
| Profit / (loss) from continuing operations | | (17,813,773) | (4,533,063) |
| Interrupted activities | | | |
| Net profit / (loss) from discontinued operations | | - | 330,674 |
| Net profit, of which: | | (17,813,773) | (4,202,388) |
| related to the Parent Company | | (17,600,959) | (5,435,428) |
| related to minority interests | | (212,814) | 1,233,040 |
| Other elements of the overall result | | - | - |
| Total Overall result | | (17,813,773) | (4,202,388) |
| related to the Parent Company | | (17,600,959) | (5,435,428) |
| related to minority interests | | (212,814) | 1,233,040 |

The interim consolidated financial reporting from page [3] to page [41] was approved and signed on August 29, 2025.

Mihai Logofătu
General Manager

Adrian Stănescu
Financial Director

BITTNET SYSTEMS SA
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for the 6 months ended June 30, 2025

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Notes | June 30, 2025 | December 31, 2024 |
|--|-------|--------------------|----------------------|
| Assets | | | |
| Fixed assets | | | |
| Goodwill | | 64,531,266 | 67,950,004 |
| Other intangible assets | | 8,927,442 | 8,661,920 |
| Tangible assets | | 5,973,341 | 7,058,287 |
| Usage rights | | 20,287,151 | 22,412,622 |
| Equivalent securities | [10] | 6,152,104 | 1,271,853 |
| Other financial assets | | 391,782 | 378,633 |
| Deferred tax | | 7,055,409 | 4,165,763 |
| Total fixed assets | | 113,318,495 | 111,899,083 |
| Current assets | | | |
| Inventory | | 3,889,560 | 4,811,756 |
| Services in progress | | 14,556,839 | 15,324,838 |
| Trade receivables | | 38,342,894 | 105,920,420 |
| Other receivables | | 17,069,042 | 18,138,601 |
| Financial assets at fair value | | 3,630,971 | 5,710,669 |
| Cash and equivalents | | 26,625,392 | 73,355,404 |
| Total current assets | | 104,114,699 | 223,261,688 |
| TOTAL ASSETS | | 217,433,194 | 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 | | (28,591,269) | (28,669,257) |
| Reserves | | 2,104,581 | 2,104,581 |
| Retained earnings | | (15,750,183) | 1,581,052 |
| Capital related to the parent company | [11] | 53,115,569 | 70,368,816 |
| Non-controlling interests | [12] | 5,940,582 | 6,826,502 |
| Total capital and reserves | | 59,056,152 | 77,195,318 |
| Long-term debts | | | |
| Bonds | [13] | 31,351,733 | 30,718,474 |
| Bank loans | [14] | 10,465,596 | 12,525,113 |
| Leasing Debts | | 15,560,041 | 17,479,202 |
| Total long-term debt | | 57,377,370 | 60,722,790 |
| Current liabilities | | | |
| Bonds | [13] | 167,418 | 167,365 |
| Bank loans | [14] | 14,531,368 | 15,974,109 |
| Leasing Debts | | 6,626,357 | 6,422,410 |
| Dividends to be paid | | 75,942 | 544,411 |
| Corporate tax liabilities | | 68,993 | 794,758 |
| Contractual liabilities | | 16,798,808 | 19,038,100 |
| Trade debts | | 49,212,941 | 136,778,390 |
| Other debts | | 8,176,660 | 16,258,583 |
| Provisions | | 5,341,185 | 1,264,538 |
| Total current liabilities | | 100,999,672 | 197,242,663 |
| Total debts | | 158,377,042 | 257,965,453 |
| TOTAL CAPITAL AND LIABILITIES | | 217,433,194 | 335,160,771 |

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

CONSOLIDATED STATEMENT OF CASH FLOWS

| | | June 30, 2025 | June 30, 2024 |
|--|------|---------------------|---------------------|
| Net profit | | (17,813,773) | (4,202,388) |
| Adjustments for: | | | |
| Depreciation expenses | | 5,138,631 | 5,162,443 |
| Expenses related to assets disposed of | | 181,556 | 434,031 |
| Benefits granted to SOP employees | | 311,804 | 575,803 |
| Provisions | | 4,076,647 | - |
| Expenses related to acquisitions of participating interests | | - | 45,510 |
| Interest expenses and other financial costs | | 3,711,912 | 3,333,390 |
| Income tax expenses | | (2,744,366) | 731,196 |
| Interest income and other financial income | | (317,686) | (193,255) |
| Gain/Loss on securities investments | [10] | (743,893) | 3,172,499 |
| Gain/Loss on equity-based securities | [10] | 119,749 | 29,833 |
| Operating profit before changes in working capital | | (8,079,420) | 9,089,063 |
| Variation in accounts receivable balances | | 68,369,866 | (52,645,732) |
| Variation in inventory account balances | | 922,195 | (4,898,529) |
| Variation in debt account balances | | (91,965,290) | 22,759,218 |
| Cash generated from operations | | (30,752,649) | (25,695,980) |
| Income tax paid | | (871,045) | (423,143) |
| Net cash from operating activities | | (31,623,694) | (26,119,123) |
| Investment activities: | | | |
| Payments for acquisition of subsidiaries/businesses, +/- cash acquired | | (4,977,000) | (7,607,155) |
| Payments for the acquisition of minority interests | | (5,000,000) | - |
| Proceeds from sale of participating interests, +/- cash sold | | 5,915,316 | - |
| Loans to related entities | | 100,000 | 150,000 |
| Acquisitions of tangible and intangible assets | | (877,468) | (1,144,177) |
| Other investments in financial assets | | - | - |
| Proceeds from other financial investments | | - | - |
| Dividends received | | - | 66,824 |
| Interest received | | 141,878 | 169,715 |
| Net cash from investing activities | | (4,697,273) | (8,364,792) |
| Financing activities: | | | |
| Proceeds from share issue | | - | - |
| Sales of own shares | | - | 2,857,998 |
| Share buybacks | | (233,815) | - |
| Bank loan withdrawals | | - | 1,071,649 |
| Bank loan repayments | | (3,502,258) | - |
| Proceeds from bond issue | | - | 6,197,011 |
| Repayments from bond issues | | - | - |
| Interest on leasing debts | | (598,217) | (677,905) |
| Lease debt payments | | (3,276,207) | (3,307,123) |
| Interest paid | | (2,480,384) | (2,427,446) |
| Dividends paid to minority interests | | (318,165) | (3,264,486) |
| Net cash from financing activities | | (10,409,045) | 449,698 |
| Net increase in cash and cash equivalents | | (46,730,012) | (34,034,217) |
| 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 year | | 26,625,392 | 35,978,954 |

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | | Share capital | Issue premiums | Other equity items | Legal reserves | Retained earnings | Total CAPITAL | Things who does not control | Total equity |
|--------------------------------------|------|-------------------|-------------------|---------------------|------------------|---------------------|---------------------|-----------------------------|---------------------|
| Dec 31, 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 | | - | - | - | - | (5,435,428) | (5,435,428) | 1,233,040 | (4,202,388) |
| Other elements of the overall result | | - | - | - | - | - | - | - | - |
| Total Overall result | | - | - | - | - | (5,435,428) | (5,435,428) | 1,233,040 | (4,202,388) |
| BNET share capital increase | | - | - | - | - | - | - | - | - |
| Subsidiary share capital increases | | - | - | - | - | - | - | 6,571,537 | 6,571,537 |
| Benefits granted to SOP employees | [11] | - | - | 575,803 | - | - | 575,803 | - | 575,803 |
| Share buybacks | [11] | - | - | - | - | - | - | - | - |
| Sales of own shares | [11] | - | - | 2,857,998 | - | - | 2,857,998 | - | 2,857,998 |
| Acquisitions of minority interests | [12] | - | - | (3,427,888) | - | - | (3,427,888) | - | (3,427,888) |
| Non-controlling interests | [12] | - | - | - | - | 2,178,463 | 2,178,463 | (335,588) | 1,842,875 |
| Dividend distribution | | - | - | - | - | - | - | - | - |
| June 30, 2024 | | 63,417,672 | 31,934,768 | (16,144,119) | 1,355,734 | (10,971,292) | 69,592,763 | 15,918,087 | 85,510,850 |
| Dec 31, 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 | | - | - | - | - | (17,600,959) | (17,600,959) | (212,814) | (17,813,773) |
| Other elements of the overall result | | - | - | - | - | - | - | - | - |
| Total Overall result | | - | - | - | - | (17,600,959) | (17,600,959) | (212,814) | (17,813,773) |
| BNET share capital increase | | - | - | - | - | - | - | - | - |
| Subsidiary share capital increases | | - | - | - | - | - | - | - | - |
| Benefits granted to SOP employees | [11] | - | - | 311,804 | - | - | 311,804 | - | 311,804 |
| Share buybacks | [11] | - | - | (233,815) | - | - | (233,815) | - | (233,815) |
| Sales of own shares | [11] | - | - | - | - | - | - | - | - |
| Acquisitions of minority interests | [12] | - | - | - | - | - | - | - | - |
| Non-controlling interests | [12] | - | - | - | - | 269,724 | 269,724 | (176,146) | 93,578 |
| Dividend distribution | | - | - | - | - | - | - | (496,961) | (496,961) |
| June 30, 2025 | | 63,417,672 | 31,934,768 | (28,591,269) | 2,104,581 | (15,750,183) | 53,115,569 | 5,940,582 | 59,056,152 |

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NOTA 1. GENERAL INFORMATION

Group structure and operational activities

The financial statements include the consolidated financial information of the parent company Bittnet Systems SA (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:

| | <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 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 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 BSE Regulated Market and are part of the main BSE indices.

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), 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 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.

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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 agreement, Bittnet was allocated a seat on the Board of Directors of E-Learning Company. In the meantime, the company returned to sole administration, with the board of directors' activity ceasing.

b) Digital Infrastructure Division (Cloud & Infrastructure)

This division currently contains 3 companies (**Dendrio Solutions**, **Dendrio Innovations** (formerly Dataware Consulting), **Dendrio Technology** (formerly Top Tech, 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 solutions offered start from physical communications infrastructure, perimeter security, video systems, digital signage systems and computing and printing systems and continue with the design and implementation of complex IT architectures such as data center/hybrid or cloud, enterprise networking, cybersecurity 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 Braşov area and the center of the country, for local and international clients with a presence in Braşov, 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; marketing of hardware components / PC / printers, copiers & multifunction / scanners.

In December 2024, 2Net Computer was absorbed by Dendrio Technology (Braşov regional office).

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.

IT Prepared (rebranded: Optimizer)

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.

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IT Prepared was deconsolidated at balance sheet level on 31.05.2025, following the full sale of the Group's stake to Arctic Stream.

c) Cybersecurity Division

This division contained 3 companies (Fort SA - formerly Global Resolution 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 fully owns GRX Advisory SRL and ISEC Associates with 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 stake to the alternative investment funds Agista Investments 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, development and support services for Microsoft Dynamics 365 Business Central ERP (Enterprise Resource Planning) solutions. As a long-term Microsoft partner, ELIAN held Gold Partner status until 2022, and is currently a Certified Solution Provider (CSP) for Business Applications, being a pioneer in Eastern Europe within the new Microsoft cloud partnership program. The solution implemented by ELIAN allows companies to know the situation of inventories, receivables and payables, to be able to forecast, interalia cash-flow, to track production, cost centers and much more.

Elian Development Systems (formerly Kepler Management)

In November 2023 the Group informed investors and the market about the signing of the share purchase agreement for the purchase 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 implementation and support of the ERP (enterprise resource planning) solution Microsoft Dynamics 365 Business Central.

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.

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Group 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, 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 election as a member of the Board of Directors, as well as on 30.06.2025, Mr. Ciucu or the Eccleston 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, 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 company Quercus Solutions did not hold shares of the issuer.

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 Raţiu – CEO Education. The 4 individuals are identified as key management from an IFRS perspective.

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

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 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 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 or loss, and on a going concern basis. The consolidated financial statements are presented in LEI, which is also the functional currency of the Group.

b) Business continuity

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 lei as of December 31, 2024 (20,073 thousand lei as of December 31, 2023) and sufficient cash availability of 70,355 thousand lei (70,013 thousand lei 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 the business segment level and the analysis of existing obligations, as well as based on the results of 2024, the Group's Management believes that business continuity principles appropriately applied in the preparation of the financial statements as of June 30, 2025.

Cyclicity/seasonality of income

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 the AeRO market, 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 of 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. SIGNIFICANT 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 by offering shares – "SOP"
- Valuation of adjustments for impairment of receivables
- Valuation 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 have assets and liabilities included in the financial statements that require the measurement and/or presentation of fair value.

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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 currently operates in three key divisions: Education, Cloud & Infrastructure, Business application & Software development.

- **Education** -this division contains 2 companies (**Bittnet Systems** and Equatorial Gaming, rebranded Bittnet Training), 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 3 companies (**Dendrio Solutions, Dendrio Innovations (formerly Dataware Consulting)** and **Dendrio Technology (formerly Top Tech)** 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 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 regime (project-based) and in the "managed services" format, the managed ones being delivered mainly to clients in mature markets, Europe and the United States.

The fourth company within the Cloud & Infrastructure division – IT Prepared, was sold at the end of May 2025.

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

Elian Solutions and Elian Development Systems are specialized in providing implementation services for ERP (Enterprise Resource Planning) solutions, Microsoft Dynamics 365 Business Central. The solution implemented by Elian allows companies to know the situation of inventories, 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.

The Group's Cybersecurity Division (which contained 3 companies - Fort (formerly Global Resolution Experts), GRX-A and ISEC Associates) was sold at the end of December 2024.

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

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OPERATIONAL RESULTS

| 6 months ended 30 Jun 2025 | Education | Digital Infra | Cybersecurity | BA & Software | Total |
|--|------------------|---------------------|---------------|-------------------|---------------------|
| Total income | 5,500,875 | 86,588,031 | - | 16,074,373 | 108,163,279 |
| Intersegment revenue | (47,253) | (3,711,077) | - | (421,741) | (4,180,070) |
| Revenue from contracts with customers | 5,453,622 | 82,876,954 | - | 15,652,632 | 103,983,209 |
| Cost of sales | (2,702,506) | (70,669,036) | - | (11,047,139) | (84,418,681) |
| Gross margin | 2,751,117 | 12,207,918 | - | 4,605,493 | 19,564,528 |
| Allocated selling costs | (1,633,137) | (8,083,468) | - | (622,433) | (10,339,038) |
| Other income | 30,617 | 728,884 | - | 59,102 | 818,604 |
| Allocated operational expenses | (965,419) | (11,846,699) | - | (2,423,802) | (15,235,920) |
| EBITDA by segments | 183,178 | (6,993,365) | - | 1,618,360 | (5,191,827) |
| Depreciation | (959,012) | (3,256,000) | - | (562,431) | (4,777,443) |
| Operating profit per segment | (775,834) | (10,249,365) | - | 1,055,929 | (9,969,270) |
| Financial income | 9 | 107,233 | - | 17,853 | 125,095 |
| Financial expenses | (182,979) | (3,569,530) | - | (182,494) | (3,935,003) |
| Other expenses | | | | | (311,804) |
| Unallocated expenses | | | | | (6,467,157) |
| Gross profit from continuing operations | (958,803) | (13,711,662) | - | 891,288 | (20,558,139) |
| Gross profit from discontinued operations | | | - | | - |

| 6 months ended 30 Jun 2024 | Education | Digital Infras | Cybersecurity | BA & Software | Total |
|--|------------------|--------------------|----------------|-------------------|--------------------|
| Total income | 6,550,906 | 157,708,782 | - | 13,954,256 | 178,213,945 |
| Intersegment revenue | (36,079) | (8,075,979) | - | (596,012) | (8,708,070) |
| Revenue from contracts with customers | 6,514,827 | 149,632,803 | - | 13,358,245 | 169,505,875 |
| Cost of sales | (3,115,372) | (124,337,940) | - | (10,015,392) | (137,468,705) |
| Gross margin | 3,399,455 | 25,294,862 | - | 3,342,852 | 32,037,170 |
| Allocated selling costs | (1,659,190) | (6,680,711) | - | (778,737) | (9,118,638) |
| Other income | 39,612 | 2,001,508 | - | 40,570 | 2,081,691 |
| Allocated operational expenses | (1,216,557) | (11,602,947) | - | (1,968,246) | (14,787,750) |
| EBITDA by segments | 563,320 | 9,012,713 | - | 636,440 | 10,212,472 |
| Depreciation | (800,687) | (3,396,304) | - | (497,099) | (4,694,090) |
| Operating profit per segment | (237,367) | 5,616,408 | - | 139,342 | (5,518,383) |
| Financial income | 34 | 424,908 | - | 16,036 | 440,978 |
| Financial expenses | (604,574) | (2,722,184) | - | (251,155) | (3,577,914) |
| Other expenses | | | | | (621,313) |
| Unallocated expenses | | | | | (5,628,521) |
| Gross profit from continuing operations | (841,908) | 3,319,132 | | (95,778) | (3,868,387) |
| Gross profit from discontinued operations | | | 397,195 | | 397,195 |

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

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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 – stocks 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

| June 30, 2025 | Education | Digital Infra | Cybersecurity | BA & Software | Total |
|-------------------------|------------|---------------|---------------|---------------|--------------------|
| Assets by segment | 14,522,673 | 153,238,478 | - | 22,362,413 | 190,123,564 |
| Unallocated assets | | | | | 27,309,630 |
| Total Assets | | | | | 217,433,194 |
| Debts by segment | 15,469,230 | 104,100,240 | - | 7,288,421 | 126,857,891 |
| Unallocated liabilities | | | | | 31,519,151 |
| Total Debts | | | | | 158,377,042 |

| June 30, 2024 | Education | Digital Infra | Cybersecurity | BA & Software | Total |
|-------------------------|------------|---------------|---------------|---------------|--------------------|
| Assets by segment | 17,054,982 | 230,453,509 | - | 26,348,091 | 273,856,582 |
| Unallocated assets | | | | | 15,986,592 |
| Total Assets | | | | | 289,843,174 |
| Debts by segment | 8,633,699 | 177,660,988 | - | 7,044,984 | 193,339,672 |
| Unallocated liabilities | | | | | 30,783,023 |
| Total Debts | | | | | 224,122,695 |

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.

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NOTA 5. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is detailed in the following table:

| | <u>30 Jun 2025</u> | <u>30 Jun 2024</u> |
|---|---------------------------|---------------------------|
| Training services | 5,306,254 | 6,394,835 |
| IT solutions for integrating services, goods and licenses | 29,240,950 | 34,208,962 |
| Total | <u>34,547,204</u> | <u>40,603,797</u> |
| Sale of goods IT integration | 41,932,077 | 88,832,267 |
| LICENSE | 27,416,064 | 40,021,887 |
| Licenses recognized on a "net" basis (*) | <u>87,863</u> | <u>47,924</u> |
| Sale of goods | <u>69,436,004</u> | <u>128,902,078</u> |
| Total | <u>103,983,209</u> | <u>169,505,875</u> |

(*) In the first half of 2025, the Group acted as Agent for total sales of software licenses worth RON 976,240 (H1 2024: RON 474,560) 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 RON 87,863 (H1 2024: RON 47,924) 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 its relationship with customers, namely 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 form of a solution customized to the specific needs (e.g. providing various upgrade options and maximum flexibility) and legally compliant. Also, even after the conclusion of the contract, throughout the 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

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delivery flow. In relation to 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, together 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 inventory risk before receiving the order from the customer, from that moment on the Group 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 Group may decide to purchase directly from the manufacturer, or from any other authorized supplier (distributor, importer, European or global wholesaler, etc.). If, for any reason, delivery to the customer is not completed, or is not successful (in accordance with the obligations assumed to 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 customers to deliver the goods, takes possession and control of them and sets the selling prices, within the framework of negotiation processes. The Group has the freedom to set prices with customers; thus, the Group can grant additional discounts, or can request price increases to reflect currency risks, speed of delivery, risk of non-collection from the customer, etc. In other words, in front of 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 proper 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 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 also those mentioned in the interpretation ("agenda decision") provided by the IFRS Interpretation and Maintenance 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 a year, only made low-frequency, transactional deliveries of software licenses to a specific customer. The Group believes that these transactions represent resales of standard software licenses ("resale of standard software licences"), 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.

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NOTA 6. CLASSIFICATION OF EXPENSES BY NATURE

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

| | <u>30 Jun 2025</u> | <u>30 Jun 2024</u> |
|------------------------------------|---------------------------|---------------------------|
| Materials and goods | 36,374,612 | 77,004,603 |
| Resold licenses | 20,912,957 | 33,179,880 |
| Personnel expenses | 25,719,821 | 24,487,200 |
| Provisions for unused vacations | - | - |
| Subcontractor expenses | 11,308,290 | 10,972,646 |
| Amortization | 5,138,631 | 4,926,794 |
| Cloud services | 1,141,338 | 2,035,391 |
| Rent | 197,472 | 143,909 |
| Commissions and fees | 774,949 | 462,512 |
| Advertisement | 1,268,005 | 1,409,415 |
| Travel and transportation | 295,339 | 395,065 |
| Insurance | 302,985 | 286,785 |
| Postal and telecommunications | 206,028 | 174,204 |
| Donations | 38,316 | 52,187 |
| Accounts receivable adjustments | - | - |
| Inventory adjustments | - | - |
| Bank fees | 269,731 | 248,513 |
| Services provided by third parties | 11,486,419 | 11,277,746 |
| Other provisions | 4,076,647 | 446,974 |
| Miscellaneous | 1,958,283 | 1,723,484 |
| Total operating expenses | <u>121,469,823</u> | <u>169,227,308</u> |

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NOTA 7. FINANCIAL INCOME AND EXPENSES

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

| FINANCIAL INCOME / EXPENSES | <u>30 Jun 2025</u> | <u>30 Jun 2024</u> |
|--|---------------------------|---------------------------|
| Interest income | 317,686 | 165,537 |
| Investment income/(expenses) | 2,823,595 | 66,823 |
| Income/(expenses) from securities valuation | (2,079,698) | (3,239,323) |
| Bank interest | (1,121,582) | (1,222,966) |
| Factoring costs | (75,633) | 20 |
| Interest on bonds issued | (1,916,481) | (1,384,439) |
| Leasing Interest | (598,217) | (647,040) |
| Net income/(expenses) from exchange rate differences | <u>(1,120,051)</u> | <u>107,584</u> |
| Total | <u>(3,770,380)</u> | <u>(6,153,803)</u> |

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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 June 30, 2024 are presented below:

| | <u>30 Jun 2024</u> |
|--|-----------------------|
| Revenue from contracts with customers | 6,734,406 |
| Cost of sales | <u>(4,350,033)</u> |
| Gross margin | 2,384,373 |
| Other income | 61,338 |
| Sales expenses | (479,983) |
| General and administrative expenses | (1,560,835) |
| Other expenses | - |
| Financial income | 27,718 |
| Financial expenses | <u>(35,416)</u> |
| Gross profit | 397,195 |
| Income tax | <u>(66,521)</u> |
| Net profit from operations | 330,674 |
| Gain on sale of discontinued operation (Note 17) | - |
| Net profit from discontinued operations | <u>330,674</u> |

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NOTA 9. BUSINESS COMBINATIONS

Transactions 2025

a) Education Division

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.

b) Cloud & Infrastructure Division (Digital Infrastructure)

Sale of majority stake in IT Prepared – May 2025

In May 2025, the management decided to sell the majority stake in the IT managed services company IT Prepared (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.

c) Division of Business applications & Software development

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.

Transactions 2024

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 at that date) 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 face value of 1 ron and a total value of 1,430 ron. Following the registration operation at the Trade Register, Equatorial Gaming (rebranded in the meantime into Bittnet Training) is 100% owned by Bittnet Systems.

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 addenda,

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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.

As a result of these transactions, Dendrio Solutions individually and directly owns 100% of the shares of Top Tech and Dataware Consulting, considering the IT&C solutions and services integrator profiles 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 difference of 30% of the Dataware Consulting company to the Bittnet group from December 2023.

Acquisition of minority stake 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 lei. 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 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.

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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 remaining 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

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. The agenda included two items that targeted the distribution of dividends related to the profit of 2023 in the 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 - through the capitalization of the issue 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.

Sale of the Cybersecurity division – 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 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

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.

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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.

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NOTA 10. Participation Titles

a) Equivalent securities

i) The E-Learning Company

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

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

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.

ii) Digital Intelligence Partners

| | June 30, 2025 | Dec 31, 2024 |
|--------------------------------------|------------------|--------------|
| Digital Intelligence Partners | | |
| Initial balance | 5,000,000 | - |
| Gain/(loss) on equity securities | - | - |
| Final balance | 5,000,000 | - |

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 lei for which it acquired 23.35% of the share capital and voting rights of the target company.

b) Other financial assets (securities) at fair value

| | June 30, 2025 | Dec 31, 2024 |
|------------------------------------|------------------|------------------|
| Softbinator Technologies SA | 3,630,971 | 5,710,669 |
| Arctic Stream SA | - | - |
| Total | 3,630,971 | 5,710,669 |

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

| | Arctic Stream | Softbinator Technologies | Total |
|-------------------------|---------------|-----------------------------|-------------|
| Value 31.12.2024 | - | 5,710,669 | 5,710,669 |
| inputs | - | - | - |
| outputs | - | - | - |
| Revaluation | - | (2,079,698) | (2,079,698) |
| Value 30.06.2025 | - | 3,630,971 | 3,630,971 |

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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 all 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

Fair value measurement

Arctic Stream is an IT integrator focusing on the technologies of 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 lei.

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NOTA 11. CAPITAL AND RESERVES

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

| | <u>June 30, 2025</u> | <u>Dec 31, 2024</u> |
|------------------------|--------------------------|--------------------------|
| Share capital | 63,417,672 | 63,417,672 |
| Issue premiums | 31,934,768 | 31,934,768 |
| | (28,591,269 | |
| Other equity items |) | (28,669,257) |
| Legal reserves | 2,104,581 | 2,104,581 |
| Retained earnings | 1,850,777 | (3,752,793) |
| | (17,600,96 | |
| Current overall result | 0) | 5,333,845 |
| Total | <u>53,115,569</u> | <u>70,368,816</u> |

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 | <u>June 30, 2025</u> | <u>Dec 31, 2024</u> |
|------------------------------|--------------------------|-------------------------|
| IMPETUM INVESTMENTS SA | 13.75% | 13.75% |
| AGISTA INVESTMENTS SRL | 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 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

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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 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 Issuer has redeemed 4,000,000 shares with a total value of 766,058 ron.

Until the 30th.06.2025, The Issuer redeemed 5,369,000 shares with a total value of 999,873 ron.

Essential considerations – recognition and evaluation of SOP

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

The Group settled 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 was made by raising the pre-emptive 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 performed 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

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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 Company's total shares.

Main coordinates of the SOP 2022 plan:

- effective date: 11.04.2022;
- duration: 2 years;
- 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 maximum 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

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- 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.

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>30 June 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 12. NON-CONTROLLING INTERESTS

Details regarding non-controlling interests for the financial years 2024-2025 are presented in the following table:

| Non-controlling interests | Dendrio Solutions | Eliau & 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 | 524,031 | (175,274) | (1,371) | 168,535 | 12,396 | 418,766 | 149,933 | 136,023 | 1,233,039 |
| dividends | - | - | - | - | - | - | - | - | - |
| Capital increases | 4,997,572 | 1,573,964 | - | - | - | - | - | - | 6,571,537 |
| Business combinations | - | - | - | - | - | - | - | - | - |
| acquisitions | - | - | (13,476) | - | - | (322,112) | - | - | (335,588) |
| June 30, 2024 | 5,264,958 | 3,243,645 | - | 883,226 | 163,039 | 696,544 | 2,020,624 | 3,646,050 | 15,918,087 |
| January 1, 2025 | 1,325,359 | 3,728,202 | - | 777,022 | 240,102 | 187,380 | 568,437 | - | 6,826,502 |
| Net profit | (122,029) | 166,802 | - | (103,915) | 123,264 | (139,082) | (137,853) | - | (212,814) |
| dividends | - | - | - | (496,961) | - | - | - | - | (496,961) |
| Capital increases | - | - | - | - | - | - | - | - | - |
| acquisitions | - | - | - | - | - | - | - | - | - |
| Subsidiary sale | - | - | - | (176,146) | - | - | - | - | (176,146) |
| June 30, 2025 | 1,203,330 | 3,895,004 | - | - | 363,367 | 48,298 | 430,583 | - | 5,940,582 |

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NOTA 13. 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 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 64 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 euro, an offer following which 20,596 bonds were subscribed by 53 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 discount, 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 euro/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 euro. 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 9% per year is quarterly paid through the TzS mechanism and the Central Depository. The repayment of the nominal amount is 3.5 years from the date of issue and 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

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

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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 lei 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 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 lei - 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 lei, 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

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

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NOTA 14. BANK LOANS

Details regarding bank loans are presented in the following table:

| Values in RON | | | | 30-Jun-25 | | 31-Dec-24 | |
|----------------------------------|----------|-----------------|----------|--------------------------|--------------------|----------------|--------------------|
| Banking product | Currency | Interest rate | Maturity | Borrowed amount (in RON) | Balance as of date | Borrowed value | Balance as of date |
| ProCredit credit line (DEND) | RON | 6M+3% | 2026 | 4,500,000 | 1,765,594 | 4,500,000 | 2,524,818 |
| BT investment loan (DEND) | RON | ROBOR 3M+2.5% | 2029 | 9,724,885 | 5,185,748 | 9,724,885 | 5,795,836 |
| ProCredit investment loan (DEND) | RON | ROBOR 6M+2.5% | 2030 | 10,000,000 | 7,626,568 | 10,000,000 | 8,241,818 |
| Procredit credit line (DEND) | than EUR | EURIBOR6M+3.15% | 2028 | 5,000,000 | 1,660,725 | - | - |
| ING credit line (DEND) | RON | ROBOR 1M+2.2% | 2025 | 5,000,000 | 4,813,046 | 5,000,000 | 1,446,666 |
| BRD IMM Invest/short term (TT) | RON | ROBOR 3M+2.5% | 2025 | 3,000,000 | - | 3,000,000 | 59,548 |
| BT short term credit (DTW) | RON | ROBOR 3M+2.75% | 2025 | 15,000,000 | - | 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 | 3,945,284 | 10,000,000 | - |
| Total bank debts: | | | | | 24,996,965 | | 28,499,222 |
| Long term: | | | | | 10,465,596 | | 12,525,113 |
| Short term: | | | | | 14,531,368 | | 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, 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.

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NOTA 15. INFORMATION ON RELATED PARTY RELATIONS

Details of 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>30 Jun 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).

| Receivables and loans | <u>June 30, 2025</u> | <u>Dec 31, 2024</u> |
|--------------------------------|--------------------------|-------------------------|
| Impetum Investments – loan | 5,150,000 | 5,150,000 |
| Impetum Investments – interest | 154,923 | 1,693 |
| E-Learning Company – loan | 350,000 | 450,000 |
| E-Learning Company - interest | 38,852 | 16,273 |
| 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 annum.

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 guaranteeing a number 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 annum.

E-Learning Company loan rescheduling

The loan toThe E-Learning Companywas grantedfor 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 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. To minimize this risk, the Group regularly analyzes changes in these regulations and their interpretations.

Given that the legislation increasingly leaves the interpretation of the application of tax rules 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, as it cannot be addressed in any way in a preventive manner in a real and constructive way. The Group considers that it has paid all taxes, duties, penalties and interest on time and in full, to the extent applicable. In Romania, the fiscal year remains open for audits for a period of 5 years.

b) Bank guarantee letters (SGB)

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

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

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") became aware 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 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.

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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 support on 10.03.2025.

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 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 lei 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 Group recorded a provision of 105,831.42 ron in the financial statements as of 31.12.2023. On 30.06.2025, the Group 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.

File 665/88/2020 – Fraher Distribution litigation

By the application registered on 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 lei and obliging the defendant to pay the contractual penalties for delay, as well as the amount of 129,103.38 lei 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.
- The remaining provisions of the appealed judgment are upheld.
- 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 lei 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 period of 30 days from the communication for the parties to appeal.

On 11.04.2025, FRAHER DISTRIBUTION SRL filed an appeal. The file was submitted to the High Court of Cassation and Justice. The appeal was communicated on 16.05.2025 to Elian Solutions, which filed a response on 16.06.2025. The first hearing before the High Court of Cassation and Justice was set for 14.10.2025.

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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").

The 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 hearing on 21.08.2024 in file 19985/3/2024 (subject to 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 (subject to annulment of the termination of contract no. 281/2021 with IGPF) was also connected, the court postponed the case at the request of Idemia, who requested the introduction into the case and 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, 07.02.2025 and 11.04.2025, the case was postponed due to the lack of the expert report. The next deadline granted in the case was 05/23/2025 for the expert examination, when the court postponed the case again due to the lack of the expert report and granted a new deadline for 08/19/2025.

Given the current status of the procedure at the date of this report (August 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 as of 30.06.2025.

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 4-5 July, 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, as of 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 was no presumption regarding a potential violation of competition rules.

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Typically, 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 "service" 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

At the end of August, the addendum was signed to extend the maturity of the credit line contracted from BRD-Groupe Societe Generale by Dendrio Technology (part of the Digital Infrastructure pillar). The ceiling was extended for a period of 12 months and at the same time resized from the maximum usage value of RON 10 million to 8 million. The credit line can be used both for non-cash issuance of bank letters of guarantee, as well as for withdrawals for the financing of working capital and current activity as well as for the financing of current and future projects carried out by Dendrio Technology. The usage period is 12 months with the possibility of extension and the interest rate remained unchanged: ROBOR 3M + 1.5% per annum, calculated on the actual balance used.

The financial statements on page [3] to page [41] were approved and signed on August 29, 2025.

Mihai Logofătu

General Manager

Adrian Stănescu

Financial Director