

Transcript Teleconference of Half Year 2025 Results.

from date: 02.09.2025

We present below the evolution of the main indicators in the comparative period (H1 2025 vs. H1 2024). We observe the decrease in turnover in comparable terms, i.e. in the comparable consolidation area, as well as the decrease in EBITDA indicators, general gross margin and implicitly consolidated operating profit.

In this regard, corrective measures were taken for these indicators starting from the 2nd quarter, when we identified the slippages we have and the delays in project decisions. Restructuring measures were taken within Dendrio and at the group level, salary cuts starting with the CEO, CFO, members of the Board of Directors, giving up key positions and certain roles within the teams, as well as reducing the number of people in all structures.

At the annual level, there is a projected total reduction (impacting 2025) of 10 million lei in total costs (indirect costs) vs. the budget reference. These reduction measures are being applied gradually and will be seen in the total savings of the year, and most of the savings will be seen in the following period (in semester 2). At the level of the following years, this expenditure reduction would have an estimated impact of probably 14 million lei in the total year (12 months).

These would be the important elements of adjustment, of alignment with market conditions. We continue to see that the activity in our area has a high potential, supported by the absorption of PNRR (and European) funds. What we find is that there was a delay in the first part of the year – of projects financed from European funds, but starting with the 3rd quarter we notice a thawing of the procedures, of the projects, and the advancement through the steps that all these projects go through.

Therefore, we have also provided shareholders with an updated estimate of the indicators we expect at the end of 2025, based on the result recorded in June, plus the signed contracts that we have put under the name Backlog (contracts signed and in progress/implementation), plus the pipeline volume to which a lower materialization percentage is applied than our history, our business specifics. These measures, these calculations were made cautiously. It is still a volatile period in the market and we see that the impact of the fiscal measures announced by the government generates all kinds of slippages and delays, but we are confident based on what we see today in the activity, in the needs of our customers and doubled by the previously mentioned sources of financing.

The possibility of approaching 400 million lei in revenues (consolidated turnover) with a gross margin of 100 million and an EBITDA slightly above 24 million lei, which will lead to a net profit of 2 million lei, a profit that is influenced by the provision related to the litigation with Anchor. So we will carry these elements in the current year's P&L and they influence downward the results that we project compared to BVC.

An important element is related to the buyback program, which we approved in the general meeting in April and which would have been financed from an external source.

Respectively, the repayment of the loan granted to the buyer Ford (the Cybersecurity pillar sold by Bittnet at the end of 2024). As a result of the economic context, the contract could not be fulfilled, the loan was repaid to Bittnet, and so we signed a new agreement with the buyer, through which we will receive the money in installments, a contract that re-staggers this payment and which will allow us to collect the respective amount, in installments, until the end of this year. If there are any questions at the moment, in the analyzed period it is important to mention that a transaction was completed through which a company from the Digital Infrastructure cluster area, namely the company Optimizor, where we had a majority holding of 50.2%, was the subject of a sale transaction to the company Arctic Stream.

Following this sale, we recorded a financial profit of approximately 2.8 million lei in the financial statements, which offsets the "minus" elements that we discussed at the beginning of this presentation. The group's structure is simplified, respecting the direction and trajectory that we announced recently, focusing on the two large areas, digital platforms and the IT infrastructure area, with the education element remaining in the middle. If we look at the analyzed period, the group's result is strongly influenced by the Dendrio component (Digital Infrastructure), which is also the largest part/share of consolidated revenues.

The other two areas have a constant activity. In the Education division area we observe a higher volume of business won than in the previous period. Part of it has already been delivered, part is in the process of being delivered during the 3rd and 4th quarter, which gives us confidence that the result of 2025 in the training business unit area will be positive.

The Elian company (Platforms and software) has the best performance recorded in the middle of the year, a performance that records an increase in revenues (turnover) by 15% and in the profitability area 8 times compared to the previous year. Here our activity has been intensified, it is one of the areas in which we focus, as we have previously announced in all our presentations. We see greater potential, a double digit growth (with a two-digit percentage), a double digit profitability and a more constant, more consistent business, with less seasonality.

We believe that in the perspective of our trajectory as technology players, this digital platforms and products division should be a much larger area. At the level of the entire structure, we see potential in the market even in the current context, with the necessary delays of the moment, but we see potential in an increase in the needs that we serve with these companies and a need to finance more accelerated development for them. Having said that, we can move on to the results of the pillars themselves.

As I was saying, the biggest budget slippage, at this point, is in the Dendrio area (Digital Infrastructure), a company that historically generated 85% of the group's revenues. Here, projects were postponed or delayed due to the economic context. We see a thawing of these in the second half of the year and that is why we are confident in the forecast we published.

In the training area (Education division), projects that we announced in the public space as having been won and significantly started working. Projects that we won during the previous year and should have started then, were postponed for a few months and only started in 2025, in the second quarter, which is why we are now seeing positive activity, an increase in the volume of projects delivered. Solid pipeline for the last quarter.

In the Elian and Nenos area (Education division) it brings a growth, the most important, the highest profitability in the first part of this year. That would be a super short analysis. In the area of activity, innovation, the NENOS company has identified opportunities related to the artificial intelligence vertical, where we have already produced a series of mini-products based on AI (artificial intelligence).

One is available on the Bittnet investor relations website, an intelligent chatbot with which you can converse to more easily synthesize information about the performance of this issuer. Other examples are public on the NENOS website about how artificial intelligence can augment human work and increase productivity. We strongly believe in this transformation of the industry, not in a total replacement of humans by robots (AI), but in an augmentation of their work with tools based on artificial intelligence.

That's about it for the first half of the year. After a solid 2024 result, with the highest growth, turnover and profitability, we have a slower start to the year, in which we had to reposition our activity, to reposition ourselves, to make coherent survival decisions, to narrow down to the things that are most important, essential, to give up on non-critical projects and to prepare the organization for the second half of the year. Normal moments in any business, based on any economic cycle.

If you have any questions, please ask them, if not, we thank you for your participation and invite you to continue following the website dedicated to investor relations, where we always publish current reports on the group's activity, social media channels, where we also communicate with our investors and events, current quarterly reports, where we have the opportunity to present details of what happened. Last but not least, as always, we will be present at specific shows, such as Feel the Markets, during this week.

Thank you!