

BITTNET SYSTEMS SA

INDIVIDUAL FINANCIAL STATEMENTS

ACCORDING WITH
ORDER OF THE MINISTER OF PUBLIC FINANCE
NO. 2844/2016 FOR THE APPROVAL OF
ACCOUNTING REGULATIONS, WITH
SUBSEQUENT AMENDMENTS ("OMFP NO.
2844/2016")

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INDIVIDUAL SITUATION OF THE GLOBAL RESULT

	Note	<u>2025</u>	<u>2024</u>
Revenue from contracts with customers	[6]	17,902,981	9,217,903
Cost of sales	[7]	(10,863,489)	(4,604,591)
Gross margin		7,039,492	4,613,312
Other income	[8]	37,506	32,684
Selling expenses	[9,11]	(3,311,869)	(4,262,527)
General and administrative expenses	[10,11]	(6,808,371)	(7,994,175)
Impairment	[8]	-	(1,428,990)
Gain/(loss) on equity securities		(101,720)	(39,541)
Financial income	[12]	7,247,885	22,425,716
Financial expenses	[12]	(4,599,100)	(4,016,001)
Gross profit		(496,178)	9,330,479
Income tax	[13]	547,165	461,271
Net profit:		50,987	9,791,750
	[5]		
Earnings per share			
basic		0.0001	0.0153
diluted		0.0001	0.0142

The financial statements from page [3] to page [56] were approved and signed on March 27, 2026.

Mihai Logofătu
General Manager

Adrian Stănescu
Financial Director

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INDIVIDUAL STATEMENT OF FINANCIAL POSITION

	Notes	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Assets			
Fixed assets			
Intangible assets	[14]	6,270,757	6,340,337
Tangible fixed assets	[15]	402,772	534,741
Usage rights	[24]	5,655,730	6,642,437
Participation titles	[16]	66,533,285	70,468,278
Other financial assets	[17]	40,216,341	23,657,055
Taxput off	[13]	2,628,265	2,081,100
Total fixed assets		121,707,150	109,723,948
Current assets			
Stocks	[18]	166,465	5,216
Services in progress		2,913,097	810,819
Trade receivables	[17]	5,938,087	3,856,996
Other receivables	[17]	7,243,788	9,747,134
Financial assets at fair value	[16]	3,459,404	5,710,669
Cash and equivalents	[20]	4,822,633	15,329,850
Total current assets		24,543,472	35,460,684
TOTAL ASSETS		146,250,622	145,184,633
 CAPITAL AND LIABILITIES			
Share capital		63,417,671	63,417,671
Issue premiums		31,934,768	31,934,768
Other equity items		(15,237,955)	(12,156,041)
Reserves		1,442,164	1,442,164
Retained earnings		8,177,188	8,126,201
Total capital and reserves	[21]	89,733,837	92,764,764
Long-term debts			
BONDS	[22]	21,194,200	30,718,474
Bank loans	[23]	-	-
Leasing Debts	[24]	9,829,790	13,095,069
Deferred tax	[13]	-	-
Total long-term debt		31,023,990	43,813,543
Current liabilities			
Bonds	[22]	10,475,771	167,365
Bank loans	[23]	-	-
Leasing Debts	[24]	3,863,814	3,897,322
Corporate tax liabilities	[13]	-	-
Contractual liabilities	[25]	265,014	463,881
Trade debts	[25]	9,768,323	3,571,151
Other debts	[25]	1,014,043	400,775
Provisions	[25]	105,831	105,831
Total current liabilities		25,492,796	8,606,326
Total debts		56,516,786	52,419,869
TOTAL CAPITAL AND LIABILITIES		146,250,622	145,184,633

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INDIVIDUAL CASH FLOW STATEMENT

	2025	2024
Gross profit	(496,178)	9,330,479
Adjustments for:		
Depreciation expenses	2,317,789	2,115,786
Adjustments for depreciation	-	1,428,990
Expenses related to assets disposed of	-	-
Benefits granted to SOP employees	311,804	1,043,509
Adjustments for impairment of receivables	(9,430)	-
Interest expenses and other financial costs	3,524,295	3,061,569
Interest expenses on leasing liabilities	792,270	937,340
Interest income and other financial income	(3,695,579)	(3,133,882)
Gain/Loss on securities investments	(3,552,302)	(19,291,832)
Win/Loss of titles put in equivalence	101,720	39,541
Operating profit before changes in working capital	(705,612)	(4,468,501)
Variation in accounts receivable balances	(3,193,429)	6,158,919
Variation in inventory account balances	(161,249)	(4,818)
Variation in debt account balances	6,611,572	1,228,741
Cash generated from operations	2,551,283	2,914,341
Profit tax paid	-	-
Net cash from operating activities	2,551,283	2,914,341
Investment activities:		
Payments for the acquisition of participating interests	1	(23,268,595)
Proceeds from the sale of participating interests	6,125,000	23,419,650
Loans granted to related entities	(11,866,260)	407,498
Acquisitions of tangible and intangible assets	(953,756)	(1,179,799)
Proceeds from other financial assets	157,754	1,467,912
Dividends received	1,660,277	2,501,753
Interest received	2,525,479	4,722,050
Net cash from investing activities	(2,351,504)	8,070,470
Financing activities:		
Sales of own shares	-	2,857,998
Acquisition of own shares	(3,393,718)	(766,058)
Proceeds from bond issuance	-	6,197,011
Interest on leasing debts	(792,270)	(937,340)
Leasing debt payments	(3,780,845)	(3,781,643)
Interest paid	(2,740,163)	(2,760,899)
Net cash from financing activities	(10,706,995)	809,070
Net increase in cash and cash equivalents	(10,507,217)	11,793,881
Cash and cash equivalents at the beginning of the financial year	15,329,850	3,535,970
Cash and cash equivalents at the end of the financial year	4,822,633	15,329,851

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INDIVIDUAL SITUATION OF CHANGES IN EQUITY

	Share capital	Issue premiums	Other equity items	Legal reserves	Retained earnings	Total Capital
Jan 1, 2024	63,417,672	31,934,768	(15,291,490)	956,462	(1,179,845)	79,837,567
Net result	-	-	-	-	9,791,750	9,791,750
Other elements of the overall result	-	-	-	-	-	-
Total Overall result	-	-	-	-	9,791,750	9,791,750
Share capital increase	-	-	-	-	-	-
Acquisition of own shares	-	-	(766,058)	-	-	(766,058)
Sales of own shares	-	-	2,857,998	-	-	2,857,998
Benefits granted to SOP employees	-	-	1,043,509	-	-	1,043,509
Legal reserve distribution	-	-	-	485,702	(485,702)	-
Dec 31, 2024	63,417,672	31,934,768	(12,156,041)	1,442,164	8,126,201	92,764,764
Net profit	-	-	-	-	50,987	50,987
Other elements of the overall result	-	-	-	-	-	-
Total Overall result	-	-	-	-	50,987	50,987
Share capital increase	-	-	-	-	-	-
Acquisition of own shares	-	-	(3,393,718)	-	-	(3,393,718)
Sales of own shares	-	-	-	-	-	-
Benefits granted to SOP employees	-	-	311,804	-	-	311,804
Legal reserve distribution	-	-	-	-	-	-
Dec 31, 2025	63,417,672	31,934,768	(15,237,955)	1,442,164	8,177,188	89,733,837

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NOTA 1. GENERAL INFORMATION

Operational activities

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

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
SUBSIDIARIES - % ownership		
Dendrio Solutions	96.5%	96.5%
Dendrio Innovations, 100% owned by Dendrio Solutions	96.5%	96.5%
Dendrio Technology, 100% owned by Dendrio Solutions	96.5%	96.5%
IT Prepared	-	50.2%
Bittnet Training	100%	100%
Elian Solutions	61.69%	61.69%
Elian Development Systems, 100% owned by Elian Solutions	61.69%	61.69%
Nenos Software	60.97%	60.97%
Nonlinear	60%	60%
(*) The Group sold its entire stake in IT Prepared in May 2024		
MINORITY INTERESTS		
E-Learning Company	23%	23%
Digital Intelligence Partners, owned by Dendrio Solutions	23.35%	23.35%

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

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

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

During 2025, the average number of employees of the Company was 16. The following table presents the division by functional departments at the end of the fiscal years 2024-2025:

<u>Department</u>	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Delivery	2	2
Sales	7	9
Administrative	9	6
Total	18	17

Company Management

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

- 1) **Ivylon Management SRL** – executive administrator, through Mihai Alexandru Constantin Logofătu;
- 2) **Angel Lucian Claudiu** – non-executive director;
- 3) **Eccleston Square Capital Limited** represented by CIUCU BOGDAN-ANDREI – non-executive administrator;
- 4) **CONSTANTINESCU GABRIEL-CLAUDIU** – non-executive director;

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5) **Quercus Solutions SRL** represented by MICHEȘ PAUL – non-executive administrator.

On 21.10.2025, the company's shareholders met at the General Meeting to elect new members to the Board of Directors, following the resignations submitted by 3 of the members elected at the AGM in January 2024. Following the casting of votes, the shareholders elected the new composition of the Board of Directors, the new members having the mandates aligned with the old members, namely until January 2028:

- 1) **Ivylon Management SRL**– executive administrator, through Mihai Alexandru Constantin Logofătu. As of 31.12.2025, Mihai Logofătu holds a number of 55,651,882 shares, which represents 8.77% of the share capital. Mihai Logofătu is co-founder of Bittnet Systems. Mihai Logofătu is also the general manager of the Issuer;
- 2) **Angel Lucian Claudiu**– non-executive administrator, who holds on 31.12.2025 a number of 5,468,395 shares of the Issuer, i.e. a percentage of 0.86% of the share capital;
- 3) **Marketing Expert Consulting SRL** represented by TUDOR ADINEL – non-executive director. At the date of election as a member of the Board of Directors, as well as on 31.12.2025, Mr. Tudor or the company Marketing Expert Consultin did not hold shares of the issuer;
- 4) **PODARIU AUREL CONSTANTIN**– non-executive director. At the date of election as a member of the Board of Directors, as well as on 31.12.2025, Mr. Podariu did not hold shares of the issuer;
- 5) **LOGOFĂTU CRISTIAN ION** – non-executive director. As of 31.12.2025, Cristian Logofătu holds 58,005,988 shares, representing 9.14% of the share capital. Cristian Logofătu is co-founder of Bittnet Systems. Cristian and Mihai Logofătu are brothers.

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

NOTA 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Declaration of conformity

The Issuer's individual financial statements have been prepared in accordance with the 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 Issuer prepared and published on March 27, 2026 consolidated financial statements prepared in accordance with EU IFRS and OMFP 2844/2016.

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

The main accounting policies adopted in the preparation of the financial statements are disclosed in Note 27 "Significant accounting policies".

b) Business continuity

The year 2025 has put the Company in front of one of the most complex periods in its history. The national and international context has changed the rhythm of the IT market: postponed decisions, budgets put on hold by customers and high volatility in both the IT sector and the national economy. In the first half of the year, the prolonged electoral cycle, the instability caused by the negotiations for the formation of a new governing coalition, the discussions on the country rating and the delays in the implementation of projects financed through the PNRR, contributed to a sudden stop in investments, as well as to significant fluctuations felt in the economy: from pressures on the exchange rate to the increase in the costs of capital and reluctance to obtain financing for the development of projects.

For the Company, these realities translated into contracts whose signing was postponed, procedures already started that slowed down and payment delays for delivered projects. The constructive part is that there were time lags and not waivers and cancellations. Starting with the third quarter, the IT market went through a gradual thaw and a gradual resumption of investment plans, both in the public and private sectors, a signal that the fundamentals of demand remained solid, even if the pace was temporarily affected in the first part of 2025.

Based on the analysis of future cash flows and the analysis of existing obligations, as well as based on the results of the current year, the Company's Management believes that the principle of business continuity is appropriately applied in the preparation of the financial statements as of December 31, 2025.

c) New standards and interpretations, which have not yet been adopted

At the date of authorization of the financial statements for issue, new IFRS standards, amendments and interpretations were issued that are not yet in force or have not been early applied by the Company.

The Company has analyzed their impact on the financial statements and presents below a summary of those relevant to the Company's activity.

Standards and amendments applicable from 2024-2026

IAS 1 – Classification of Liabilities (Amendments)

Application: January 1, 2024

Summary: Clarifies the classification of debts as current/non-current based on the right to defer payment.

Includes covenant requirements.

Impact: Low/insignificant impact

IAS 1 – Presentation of Accounting Policies (Amendments)

Application: January 1, 2023 (still relevant)

Summary: Requires presentation of significant accounting policies, not general ones.

Impact: Moderate impact (presentation only)

IAS 8 – Accounting Estimates

Application: January 1, 2023

Summary: Clarifies the difference between changes in estimates and accounting policies.

Impact: Low impact

IAS 12 – Deferred Tax (Pillar II)

Application: January 1, 2023–2024

Summary: Introduces temporary exceptions to the recognition of deferred tax for the global minimum tax (OECD Pillar II).

Impact: Insignificant impact

IFRS 16 – Lease liabilities in sale & leaseback transactions (Amendment)

Application: January 1, 2024

Summary: Clarifies the subsequent measurement of leaseback obligations.

Impact: Insignificant impact

IFRS 7 & IAS 7 – Supplier Financing Arrangements

Application: January 1, 2024

Summary: Presentation requirements for supplier financing schemes.

Impact: Low impact

d) Other standards

The following new and amended standards are not expected to have a significant impact on the Company's financial statements:

IFRS 18 – Preparation and presentation of financial statements

Application: January 1, 2027

Summary: Replaces IAS 1 (partially) and introduces:

- new categories in P&L (operating, investing, financing)
- standardized subtotals (e.g. operating profit)
- strict rules for non-GAAP measures

Impact on SA: High impact (presentation)

IFRS 9 & IFRS 7 – Amendments regarding classification and ECL

Application: January 1, 2026 (anticipated)

Summary:

- clarifications regarding the classification of financial assets
- improvements in the expected loss (ECL) model

Impact: Moderate impact

IFRS 10 & IAS 28 – Sale or contribution between investor and associate

Implementation: Deferred (indefinite)

Summary: Accounting treatment for transactions with associated entities / joint ventures

Impact: Low impact

The Group anticipates that the adoption of these new standards and amendments to existing standards will not have a significant impact on the Group's consolidated financial statements in the period of initial application.

NOTA 3. ESSENTIAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Essential reasoning

- Revenue recognition (Note 6) – principal/agent relationship regarding the resale of software licenses;
- Bittnet brand recognition (Note 14);
- Recognition of employee/collaborator loyalty program through share offering – “SOP” (Note 20)

Estimates and assumptions

- Evaluation of the consideration related to the employee/collaborator loyalty program through the offering of shares – “SOP” (Note 20)
- Assessment of adjustments for impairment of receivables (Note 17)
- Estimating the recoverable value of investments in subsidiaries to assess possible impairment

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

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NOTA 4. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Currency risk
- Other market price risks and
- Liquidity risk.

Along with all other businesses, the Company is exposed to risks arising from the use of its financial instruments. This note describes the objectives, policies and processes for managing risks and the methods used to assess them. Additional quantitative information regarding these risks is presented throughout these financial statements.

There have been no material changes during the periods reported in relation to the Company's exposure to financial instrument risks, its risk management objectives, policies and processes, or the methods used to assess them in previous periods, unless otherwise specified in this note.

(i) Main financial instruments

The main financial instruments used by the Company, from which the financial instrument risk results, are the following:

- Receivables and loans;
- Cash and cash equivalents;
- Variable rate bank loans;
- Bank loans and fixed rate bonds;
- Trade and other debts.

(ii) Financial instruments by category

FINANCIAL LIABILITIES	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Loans from bond issues	31,669,971	30,885,839
Lease liabilities	13,693,604	16,992,391
Bank loans	-	-
Trade and other debts	10,128,678	3,903,875
Total	<u>55,492,252</u>	<u>51,782,105</u>

FINANCIAL ASSETS	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Receivables and loans	53,169,729	36,884,609
Financial assets at fair value	3,459,404	5,710,669
Cash and cash equivalents	4,822,633	15,329,850
Total	<u>61,451,766</u>	<u>57,925,128</u>

(iii) Financial instruments not measured at fair value

Financial instruments that are not measured at fair value include cash and cash equivalents, receivables and loans, trade and other payables, bank loans and bonds.

As a result of their short-term nature, the carrying amount of cash and cash equivalents, trade and other receivables, and trade and other payables, including loans, approximates their fair value.

General objectives, policies and processes

The Board of Directors has overall responsibility for determining the Company's risk management objectives

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and policies and, while retaining responsibility for them, has delegated authority to design and operate the processes that ensure the effective implementation of the objectives and policies in the Company's finance function. The Board receives monthly reports from the Company's CFO through which it reviews the effectiveness of the processes implemented and the adequacy of the objectives and policies it establishes.

The general objective of the Board of Directors is to establish policies that aim to reduce risks as much as possible, without unduly affecting the competitiveness and flexibility of the Company. More details regarding these policies are presented below:

Credit risk

Credit risk represents the risk that the Company's debtors will not be able to honor their obligations when they fall due, due to the deterioration of their financial situation. The Company is less exposed to this risk due to the specific nature of the products and services sold, which are aimed at companies of certain sizes, with a particular financial situation.

The company analyzes new customers using specialized tools (sites specifically for analyzing customer creditworthiness) and has a strict procedure regarding the documentation of orders and the provision of services or delivery of goods.

However, the Company has not identified a solution that can completely eliminate credit risk, this being one of the most important risks for a company of our size.

Additional relevant information regarding trade and other receivables, which are neither past due nor impaired, is presented in Note 16.

Cash in bank and short-term deposits

Society regularly monitors banks' credit ratings, and no losses from counterparty default are expected at the reporting date. For all financial assets for which impairment requirements have not been applied, the carrying amount represents the maximum exposure to credit loss.

Market risk

Market risk arises from the Company's use of interest-bearing financial instruments, tradable and denominated in foreign currencies. There is a risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Interest rate risk

The Company is exposed to the risk of interest rate increases, having contracted bank loans and from the issue of bonds, all in LEI. Any increase in the interest rate will be reflected in the increase in financial costs. The Company regularly monitors the market situation in order to forecast the risk associated with the interest rate.

All current borrowings have a fixed annual interest rate (bonds and leasing). The weighted cost of borrowed capital is just under 9% per annum. We believe that the coming financial period will be a period in which the fact that, for the most part, the price of borrowed capital has been fixed will constitute a competitive advantage.

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Variable interest rate	-	-
Fixed interest	45,363,574	47,878,230
Total	<u>45,363,574</u>	<u>47,878,230</u>

As of December 31, 2025, if the interest rates on loans in LEI had been 1 percentage point higher/lower, with all other variables held constant, the gross profit for the year would have been the same (December 31, 2024: same), mainly due to higher/lower interest expenses on variable rate loans.

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Currency risk

An important element of market risk is the risk of exchange rate fluctuations. The company aims to be neutral towards the risk of exchange rate fluctuations. The activities carried out in this regard are:

- The company avoids, as much as possible, submitting "cross currency" sales offers (offers with the sales price expressed in a currency other than the purchase currency);
- Most sales prices in contracts are expressed in foreign currency, with invoicing in lei at the exchange rate on the date of delivery.

As of December 31, the Company's net exposure to foreign exchange risk was as follows (amounts in LEI equivalent):

Net financial assets/(liabilities) in foreign currency	Dec 31, 2025	Dec 31, 2024
EUR	(16,444,035)	(16,465,644)
USD	115,672	256,262

At 31 December 2025, if the EUR/RON exchange rate had been 1% higher/lower, with all other variables held constant, gross profit for the year would have been 164,440 lower/higher (31 December 2024: 164,656), mainly due to the revaluation of net financial assets denominated in EUR.

Other market risk

The Company holds some investments in other listed companies. Management believes that the exposure to market risk from this activity is acceptable in the Company's circumstances, but is much higher than the risk associated with an investment in government securities or participation in investment funds, mainly due to the volatility and unpredictable evolution of share prices, both in the short and long term.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and financial expenses and the principal repayments of its debt instruments. There is a risk that the Company will encounter difficulties in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to enable it to meet its liabilities as they fall due. To achieve this objective, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days. The Company also seeks to reduce liquidity risk by fixing interest rates (and therefore cash flows) on a portion of its long-term borrowings, and this is discussed in the "interest rate risk" section above.

The following table presents the contractual maturities (representing contractual cash flows of financial liabilities):

December 31, 2025	Carrying amount	Up to 2 months	2 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Loans from bond issues	31,669,971	149,060	10,326,710	4,956,923	16,237,277	-
Leasing Debts	13,693,604	481,464	3,382,350	4,010,477	5,819,313	-
Bank loans	-	-	-	-	-	-
Trade and other debts	10,128,678	10,128,678	-	-	-	-
Total	55,492,252	10,759,202	13,709,060	8,967,400	22,056,590	-

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December 31, 2024	Carrying amount	Up to 2 months	2 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Loans from bond issues	30,885,839	167,365	-	9,715,173	21,003,301	-
Leasing Debts	16,992,391	441,325	3,455,997	3,703,185	9,391,883	-
Bank loans		-	-	-	-	-
Trade and other debts	3,903,875	3,903,875	-	-	-	-
Total	51,782,105	4,512,565	3,455,997	13,418,359	30,395,184	-

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NOTA 5. EARNINGS PER SHARE

The company presents both basic earnings per share and diluted earnings per share:

- basic earnings per share are calculated by dividing the net profit for the current year attributable to the Company's equity holders by the weighted average number of shares during the period;
- Diluted earnings per share are calculated based on net profit, adjusted for the dilutive effect of employee stock options.

Earnings per share are adjusted retroactively at the beginning of the first reported period for the increase in the number of shares resulting from capitalization.

The calculation of earnings per share for the financial years 2023-2024 is presented in the following table:

	2025	2024
Net profit attributable to the parent company (A)	50,987	9,791,750
Number of shares - beginning of the period	634,176,714	634,176,714
Premium capitalization/retained earnings	-	-
Shares issued during the period for acquisition of participating interests (Note 23)	-	-
Shares issued during the period for cash (Note 23)	-	-
Number of shares - end of period	634,176,714	634,176,714
Average common shares during the period (B)	634,176,714	634,176,714
Dilutive stock (SOP)	-	47,563,254
Overall average (C)	634,176,714	681,739,968
Earnings per share		
basic (A/B)	0.0001	0.0154
diluted (W/C)	0.0001	0.0144

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NOTA 6. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenues from customer contracts for the financial years 2024-2025 are detailed in the following table:

	<u>2025</u>	<u>2024</u>
Training services	13,283,568	8,574,731
IT solutions for integrating services, products and licenses	4,619,412	643,172
Total	<u>17,902,981</u>	<u>9,217,903</u>

Revenue from a geographical perspective

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

Essential reasoning

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

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

The company sells the rights to the goods produced by the manufacturers in combination with its own value-added services. These services are of the "advisory" and "know-how" type (often governed and certified by the status of partners with the manufacturers), ensuring that the solutions sold to the customers meet their specific requirements and needs. These services are an integral and essential part of the obligations assumed towards the customers, because these services do not offer a separate value to the customers, and are not invoiced separately. The combination of qualified consulting services (pre- and post-sales) and the goods produced by the manufacturers is, in fact, what ensures the benefit of the customers, in the form of a solution customized to the specific needs (e.g. providing various upgrade options and maximum flexibility) and legally compliant. Also, after the conclusion of the contract, throughout the duration of the contract, the Company is the sole point of contact and solely responsible to the client for any problems (in which case the Company's team resolves the deficiencies and/or liaises with the manufacturer to remedy the problems that have arisen) or additional requirements (e.g. software upgrade).

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

Although the Company usually has no inventory risk before receiving the order from the customer, from that moment on the Company assumes the inventory risk until the final transfer of control over the goods to the end customer. Even if by definition there is only one manufacturer for each type of equipment or software license sold to customers, the Company may decide to purchase directly from the manufacturer, or from any other authorized supplier (distributor, importer, European, global wholesaler, etc.). If, for any reason, the delivery to the customer is not completed, or is not successfully carried out (in accordance with

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the obligations assumed towards the customer), the Company will remain in possession of the goods without being able to return them to the supplier or sell them to another customer. Also, in certain situations, the Company places orders in advance with suppliers (i.e. before receiving the order from the customer) to secure volume discounts or to take advantage of advantageous prices (thus voluntarily assuming the inventory risk), and subsequently transfers goods to customers, as they confirm their purchase intentions.

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

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

NOTA 7. COST OF SALES

The costs related to sales for the financial years 2024-2025 are presented in the following table:

	<u>2025</u>	<u>2024</u>
Cost of goods sold and licenses	2,865,908	469,193
Other direct materials	293,172	246,712
Cloud services	410,248	14,335
Personnel expenses	1,189,913	339,062
Subcontractor expenses	49,444	294,545
Services provided by third parties	6,054,804	3,240,744
Total	<u>10,863,489</u>	<u>4,604,591</u>

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NOTA 8. OTHER INCOME and OTHER EXPENSES

a) Other income

	<u>2025</u>	<u>2024</u>
Other	37,506	32,684
Total	32,684	32,684

b) Other expenses

	<u>2025</u>	<u>2024</u>
Impairment of holding in E-Learning Company (Note 16)	-	1,428,990
Total	-	1,428,990

NOTA 9. SALES EXPENSES

Selling expenses for the financial years 2024-2025 are presented in the following table:

	<u>2025</u>	<u>2024</u>
Personnel expenses	325,246	1,330,304
Subcontractor expenses	1,972,874	1,934,949
Commissions and fees	270,568	253,878
Advertisement	743,181	743,395
Total	3,311,869	4,262,527

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NOTA 10. GENERAL AND ADMINISTRATIVE EXPENSES

The administrative expenses for the financial years 2024-2025 are detailed in the following table:

	<u>2025</u>	<u>2024</u>
Materials	36,005	78,877
Personnel expenses	1,507,662	2,907,470
Provisions for unused vacations	(11,398)	(48,189)
Subcontractor expenses	1,051,503	799,265
Amortization	2,317,789	2,115,786
Rent	110,668	3,168
Travel and transportation	13,024	18,025
Insurance	66,441	52,416
Postal and telecommunications	38,031	36,126
Donations	28,740	77,919
Receivables adjustments	(9,430)	-
Bank fees	45,775	51,909
Other third-party services	1,340,889	1,647,032
Miscellaneous	272,671	254,372
Total	<u>6,808,371</u>	<u>7,994,175</u>

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NOTA 11. CLASSIFICATION OF EXPENSES BY NATUR

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

	<u>2025</u>	<u>2024</u>
Materials and goods	329,176	325,589
Resold licenses	2,865,908	469,193
Personnel expenses	3,022,822	4,576,836
Provisions for unused vacations	(11,398)	(48,189)
Subcontractor expenses	3,073,821	3,028,759
Amortization	2,317,789	2,115,786
Cloud services	410,248	14,335
Rent	110,668	3,168
Commissions and fees	270,568	253,878
Advertisement	743,181	743,395
Travel and transportation	13,024	18,025
Insurance	66,441	52,416
Postal and telecommunications	38,031	36,126
Donations	28,740	77,919
Receivables adjustments	(9,430)	-
Bank fees	45,775	51,909
Services provided by third parties	7,395,693	4,887,776
Miscellaneous	272,671	254,372
Total operational expenses	<u>20,983,729</u>	<u>16,861,293</u>

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NOTA 12. FINANCIAL INCOME AND EXPENSES

Details regarding income and expenses for the financial years 2024-2025 are presented in the following table:

FINANCIAL INCOME / EXPENSES	2025	2024
Interest income	3,695,579	3,133,882
Investment income/expenses	5,638,312	23,315,963
Income/expenses from securities valuation	(2,086,006)	(4,024,130)
Bank interest	-	(76,548)
Interest on bonds issued	(3,524,295)	(2,985,021)
Leasing Interest	(792,270)	(937,340)
Net income/expenses exchange rate differences	(282,535)	(17,092)
Total	2,648,785	18,409,714

NOTA 13. PROFIT TAX

Details regarding current and deferred income tax for the financial years 2024-2025 are presented in the following table:

	2025	2024
Current income tax	-	-
Deferred tax	(547,165)	(461,271)
Total income tax	(547,165)	(461,271)

Corporate tax reconciliation

	2025	2024
Gross profit from operations	(496,178)	9,330,479
Corporate tax rate in Romania of 16% (2024: 16%)	(79,389)	1,492,877
The impact of non-taxable income and non-deductible expenses	626,554	(1,954,148)
Tax credits	-	-
Tax exemptions	-	-
Income tax for the year	(547,165)	(461,271)

The company has tax losses carried forward in Romania that are available for 7 years for offset against future taxable profits. The tax losses will expire in 2029-2030.

Deferred tax assets have been recognized in relation to these losses because they can be used to offset the Company's taxable profits and there are prospects of recovery in the near future (i.e. 3-5 years).

Details regarding the expiration date, by year, of the tax loss as of 31.12.2025 are presented in the table below:

Total tax loss, of which recoverable up to:	Tax loss	Deferred income tax (16%)
December 31, 2029	5,618,423	898,948
December 31, 2030	7,388,452	1,182,152
Total	13,006,873	2,081,100

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Deferred tax

Deferred tax payable and recoverable are measured at the effective tax rate of 16%. Deferred tax payable and recoverable, as well as deferred tax expense/(income) recognized in the statement of comprehensive income, are fully attributable to the tax loss.

NOTA 14. INTANGIBLE ASSETS

Intangible assets mainly include the Bittnet Brand and software licenses.

	Bittnet brand	Licenses and other intangibles	Total other intangible assets
Net worth			
On 31.12.2023	5,790,355	913,846	6,704,201
Inputs	-	96,407	96,407
Assignments/transfers	-	-	-
Amortization	-	(460,271)	(460,271)
On 31.12.2024	5,790,355	549,982	6,340,337
Inputs	-	226,717	226,717
Assignments/transfers	-	-	-
Amortization	-	(296,297)	(296,297)
On 31.12.2025	5,790,355	480,402	6,270,757

Essential considerations – Bittnet brand (recognition, evaluation, registration)

Bittnet brand

The Company controls the Bittnet Brand in a total value of 5.8 million lei, having the ability to obtain future economic benefits from the supporting resource and to restrict others' access to those benefits. The ability to control future economic benefits comes from legal rights whose application can be supported in court - according to Law 8 of Copyright.

Essential considerations – indefinite lifespan

The Bittnet brand was acquired from a third party. It was determined to have an indefinite useful life as there is no intention to abandon the brand name. The Company has the ability to maintain the value of the brand for an indefinite period of time. Thus, the brand is not amortized, but is tested annually for impairment. Since the brands do not generate largely independent cash inflows, they are allocated to the Company's CGUs (Training) for impairment testing of goodwill as part of the business assets.

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NOTA 15. TANGIBLE ASSETS

Tangible assets mainly include office space arrangements and equipment necessary for operational activities. Movements within tangible assets are presented in the table below.

	Rented spaces and layouts	Technical installations and machines	Other equipment and furniture	Total fixed assets
Cost				
On 31.12.2023	678,751	224,428	95,272	998,451
Leasing entries	-	-	-	-
Inputs	4,784	5,414	9,346	19,544
Assignments/Transfers	(1,132)	(15,460)	-	(16,593)
On 31.12.2024	682,403	214,383	104,618	1,001,403
Leasing entries	-	-	-	-
Inputs	-	-	-	-
Assignments/Transfers	-	-	-	-
On 31.12.2025	682,403	214,383	104,618	1,001,403
Amortization				
On 31.12.2023	78,002	196,583	61,196	335,780
Period cost	113,200	7,894	25,249	146,343
Assignments/Transfers	-	(15,460)	-	(15,640)
On 31.12.2024	191,202	189,016	86,445	466,663
Period cost	113,354	6,010	12,604	131,968
Assignments/Transfers	-	-	-	-
On 31.12.2025	304,556	195,026	99,049	598,631
Net worth				
On 31.12.2025	377,847	19,357	5,569	402,772
On 31.12.2024	491,201	25,367	18,173	534,741
On 31.12.2023	600,749	27,846	34,076	662,671

No mortgages or guarantees were established regarding the tangible assets held.

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NOTA 16. PARTICIPATION TITLES

I. branches

	Dec 31, 2025	Dec 31, 2024
Dendrio Solutions	48,422,241	48,422,241
IT Prepared (*)	-	3,833,272
Bittnet Training	6,915,321	6,915,321
Elian Solutions	5,039,651	5,039,651
Nenos Software & Nonlinear	4,985,939	4,985,939
Total	65,363,152	69,196,424

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

Depreciation of investments in subsidiaries

As part of its accounting policy, the Company estimates annually the recoverable amount of investments in its subsidiaries to assess whether there is a possible impairment. The recoverable amount is determined using a value in use approach, which involves estimating future cash flows for each major segment of the business and applying appropriate discount rates.

Estimating the recoverable amount of investments in the Company's subsidiaries involves significant judgments regarding assumptions such as future cash flows, growth rates, gross and net operating margins, net working capital requirements and discount rates, as well as economic assumptions such as the evolution of costs and salaries in the economic and inflation context. Management analyzes the value of investments at the segment level.

Cash flow projections are generally based on a five-year financial planning period using business plans approved by management. The business plans include, among other things, management's current view of market growth, prices and costs. In any case, the growth rate used to extrapolate cash flow projections beyond the planning period does not exceed the long-term average growth rate for the relevant market for the products and country in which the cash-generating unit operates.

Management has determined the values assigned to each of the key assumptions above, as follows:

Assumptions	Approach used to determine values
Sales volume	The sales volume for the next 5 years has been projected taking into account past data and demand expectations for the next 5 years. The average sales volume growth rate is 10%.
Sales price	It was assumed that sales prices would increase in line with inflation and industry-specific growth rates; the increases took into account management strategy and expectations for price variations as a result of the CAGR variation for each segment. The average increase in sales value is approximately 1%.
Budgeted EBITDA	Based on the past performance of each business segment and expectations regarding the improvement of operating costs as a result of synergies at Group level.
Other operating costs	Fixed costs of business segments that do not vary significantly with sales volumes or selling prices. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases, but without reflecting any future restructuring

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	or cost-saving measures. The amounts disclosed above represent average operating costs for the five-year forecast period.
Annual capital costs	Expected cash costs in segments. This is based on management's historical experience and replacement costs. No additional revenues or cost savings are assumed in the value-in-use model as a result of these costs.
Weighted average cost of capital (WACC)	This is the weighted average cost of capital used to extrapolate cash flows beyond the budget period. To calculate the discount rate, the Company used the Weighted Average Cost of Capital (WACC), which reflects the optimal financing structure applied to the flows in numerical order.
Pre-tax discount rate	Reflects specific risks related to relevant segments and countries
Long-term growth rate	The long-term growth rate used in impairment testing is 3% for all subsidiaries. The long-term growth rate was determined by an independent appraiser as of December 31, 2025.

Education

The recoverable amount of the Education division of RON 40,033 thousand was determined based on a value in use calculation, using cash flow projections from the financial budgets approved by the Group Management for a five-year period. The pre-tax discount rate applied to the cash flow projections is 14.1%, and cash flows beyond the five-year period are extrapolated using a growth rate of 3%. As a result of the analysis, there is a free space of RON 28,088 thousand and management has not identified an impairment for this UGN in 2025 or 2024.

Cloud & Infrastructure

The recoverable amount of the Cloud & Infrastructure division of RON 132,105 thousand was determined based on a value in use calculation using cash flow projections from the financial budgets approved by the Group Management for a five-year period. The pre-tax discount rate applied to the cash flow projections is 14.1%, and cash flows beyond the five-year period are extrapolated using a growth rate of 3%. As a result of the analysis, there is a free space of RON 73,352 thousand and management has not identified an impairment for this UGN in 2025 or 2024.

Business applications & Software development

The recoverable amount of the Platforms/Business Applications & Software Development division of 59,974 thousand lei was determined based on a value in use calculation using cash flow projections from the financial budgets approved by the Group Management for a five-year period. The pre-tax discount rate applied to the cash flow projections is 14.1%, and cash flows beyond the five-year period are extrapolated using a growth rate of 3%. As a result of the analysis, there is a free space of 25,838 thousand lei and management has not identified an impairment for this UGN in 2025 or 2024.

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

a) Education Division

This division contains 2 companies (**Bittnet Systems** and Bittnet Training (formerly Equatorial Gaming and which absorbed Equatorial Training and Computer Learning Center in December 2024), which are joined by minority ownership in **The E-Learning Company**), which offers training to adults in two areas: Technical Skills and Human Skills both in classic, face-to-face, Virtual Remote format, but also instructor-led or in eLearning format. The trainings offered allow experts access to technology by teaching IT skills, from the

basic ones (e.g. Microsoft Office Suite) to the most advanced ones (Cloud, DevOps, Cybersecurity). Business Portfolio

Transactions 2025

Change of name from Equatorial Gaming to Bittnet Training

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

Transactions 2024

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

At the end of April 2024, Bittnet decided (together with the founding shareholder of Equatorial Gaming who still owned 1% of the company) to change the legal form of organization of Equatorial Gaming from a joint stock company (SA) to a limited liability company (SRL). The founding shareholder also agreed to transfer at nominal value the minority holding it still had in Equatorial Gaming to Bittnet Systems, namely the transfer of all 1,430 registered shares held, with a nominal value of 1 lei and a total value of 1,430 lei. Following the registration operation at the Trade Register level, Equatorial Gaming is 100% owned by Bittnet Systems.

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

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

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

This division currently contains 3 companies (**Dendrio Solutions, Dendrio Innovations**(formerly Dataware Consulting), and 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 the physical communications infrastructure, perimeter security, video systems, digital signage systems and computing and printing systems and continue with the design and implementation of complex IT architectures such as data center/hybrid or cloud, enterprise networking, cyber security platforms and the implementation of related software platforms, including collaboration platforms (modern workplace).

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

Transactions 2025

Sale of majority stake in 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 lei.

In the 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 lei (in 2020

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- the year before joining the group), to over 9.77 million lei 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 lei. 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 2024, to make portfolio holdings profitable and simplify the group structure.

Transactions 2024

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

As part of the Bittnet Group's restructuring and simplification plan, in April 2024 the Group's management, together with the minority shareholders of Dendrio Solutions, decided to consolidate the holdings in the Digital Infrastructure pillar under the legal entity Dendrio Solutions. Thus, Agista Investments and Bittnet Systems, partners in both Dendrio Solutions and Top Tech, transferred their holdings in the company Top Tech (Agista Investments – 14% and Bittnet Systems – 40%) to Dendrio Solutions for a total amount of 14,464,286 lei (Agista Investments – 3,750,000 lei and respectively Bittnet Systems – 10,714,286 lei).

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

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

As a result of these transactions, Dendrio Solutions individually and directly owns 100% of the shares of Top Tech and Dataware Consulting, considering the profiles of IT&C solutions and services integrators that the 3 companies have.

Following the transactions described above, the sellers (Agista Investments and Bittnet Systems respectively) were allocated shares in Dendrio Solutions as part of a share capital increase through the recognition and conversion of certain liquid and due receivables. Also within this operation, the receivables of the 2 Dataware Consulting co-founders - Constantin Savu and Catalin Georgescu - were converted into capital (allocated Dendrio shares), in a total amount of 5,000,000 lei, according to the contract for the assignment of the 30% difference in the Dataware Consulting company to the Bittnet group from December 2023. The pre-capitalization value of Dendrio Solutions and its wholly-owned subsidiaries: Dataware Consulting, Top Tech and 2Net Computer (together the "Dendrio Group") was negotiated by the Group with Agista Investments and the 2 co-founders of Dataware Consulting under competitive market conditions at 109 million lei.

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

Acquisition of minority holding in Agista Investments in December 2024

In December 2024, Bittnet Systems signed the completion certificates regarding the acquisition of the 11.7765% stake in the shares held by the alternative investment fund Agista Investments for the amount of 16,828,603.38 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 nominal value of 10 lei and a total nominal value of 900,140 lei. The buyer and seller in this transaction established the price based on a capitalization of Dendrio Solutions of 142,899,896 lei.

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

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

Merger of companies from the Digital Infrastructure pillar in December 2024: Dendrio Technology (formerly Top Tech) – 2Net Computer

On 12.08.2024, the merger project was submitted to the Commercial Register - together with the rest of the supporting documents necessary for such an operation - between Top Tech SRL (as the absorbing company) and 2Net Computer SRL (as the absorbed company) in line with the Bittnet group's plans to simplify the group structure and operations. The project was finalized on 31.12.2024, and at the end of it, the shares of 2Net Computer were canceled, the company's assets and liabilities being absorbed into Dendrio Technology (formerly Top Tech).

c) Cybersecurity Division

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

The Cybersecurity division was sold in full to alternative investment funds Agista Investments and Impetum Investments in December 2024.

Transactions 2024

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

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

Cybersecurity division sale – December 2024

In December 2024, Bittnet Systems (as seller) and alternative investment funds Agista Investmens and Impetum Investments (as buyers) signed the completion certificates regarding the transaction of 6,598,350 Fort SA shares (58.8650% of the share capital and voting rights), representing Bittnet's entire holding in Fort for the amount of 23,490,126 lei. 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 lei/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 lei, a loan granted for a period of 6 months and with an interest rate of 6% per annum.

d) Business applications & Software development division

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

Elian Solutions

Elian Solutions & Kepler Management Systems are specialized in providing implementation services for ERP (Enterprise Resource Planning) solutions, Microsoft Dynamics NAV. Elian is the only partner that holds a Gold Certificate for this solution from Microsoft in Romania. The solution implemented by Elian allows companies to know the situation of stocks, receivables and payables, to be able to forecast, interalia, cash flow, to track production, cost centers and much more.

Nenos Software & Nonlinear

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

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

Transactions 2025

Name change from Kepler Management Systems to Elian Development Systems

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

Transactions 2024

Elian Solutions - share capital increase in May 2024

At the end of May 2024, Bittnet Systems transferred its 24.2% minority stake in Kepler Management Systems to Elian Solutions for the total amount of 1,429,651 lei. The intragroup transaction price was based on the total acquisition cost for Kepler Management of 5,950,800 lei (i.e. the consideration paid plus pre-acquisition M&A costs), through which the Group acquired 100% of Kepler Management from the original shareholders in November 2023. Following the registration of the new capital structure in the Trade Register, Kepler Management Systems is 100% owned by Elian Solutions.

Also at the end of May, Bittnet Systems, together with the other 2 associates of Elian Solutions, made the decision to increase the share capital of Elian Solutions with the value of certain liquid and due receivables resulting from the transfer of the holding in Kepler Management, as well as by converting into capital the intragroup loan in the amount of 3,100,000 lei, an amount granted by Bittnet Systems to Elian Solutions in November 2023 for the acquisition of Kepler Management Systems.

Following these operations, Elian Solutions' equity was increased by 4,529,651 lei, through the conversion of certain liquid and due receivables of Bittnet Systems, and the share of Bittnet Systems' holding in Elian Solutions increased to 61.6878% after registering the increase in the Trade Register records. The pre-capitalization value of Elian Solutions and its wholly-owned subsidiary, Kepler Management, was negotiated by the Group with the 2 minority shareholders of Elian Solutions under competitive market conditions at RON 16.2 million, using a multiplier of 6.5x EV/net profit, based on fiscal year 2023 figures.

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

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

In November 2023 the Group informed investors and the market about the signing of the share purchase agreement for the acquisition of Kepler Management Systems. The transaction price involved a tranche of 1,000,000 lei 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 lei which was calculated and paid in April 2024, after the closing of Kepler's individual annual financial statements for 2023.

II. Minority-owned securities

The E-Learning Company SA

The E-Learning Company has a diverse portfolio of solutions and products structured across multiple directions covering areas such as personal and professional development, communication, sales and negotiation, marketing, human resources, project management, Microsoft Office, finance, English, etc.

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The total value of the transaction was 2.5 million lei. The price to the ELC founders was made in two tranches (850,000 lei paid in 2021 and respectively 1,682,690 lei – the tranche calculated after the closing of the financial results on 31.12.2021 - paid 50% in April 2022 and 50% in March 2023).

The investment was accounted for using the equity method from the date it became an associated entity, namely in January 2021. In applying the equity method, financial information as of January 31, 2021 was used.

During 2024, the Group recorded through equity-accounted securities the portion related to the holding (23%) of the net loss realized by E-Learning Company.

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
E-Learning Company		
Initial balance	1,271,853	2,797,884
Contingent consideration	-	-
Dividends distributed	-	(57,500)
Gain/loss on equity securities	(101,720)	(39,541)
Impairment	-	(1,428,990)
Final balance	<u>1,170,133</u>	<u>1,271,853</u>

The following tables illustrate the summarized financial information of the Group's investment in E-Learning Company, at Balance Sheet and Profit and Loss Account level:

	<u>2025</u>	<u>2024</u>
Revenue from contracts with customers	2,766,138	2,210,695
Direct expenses	(1,249,312)	(858,122)
Gross margin	1,516,826	1,352,574
Other income	9,361	1,223
Cost of sales	(224,579)	(211,441)
Administrative expenses	(1,633,800)	(1,283,681)
Other expenses	(13,325)	(19,840)
Financial income/expenses	(49,926)	(10,751)
Gross profit	(395,442)	(171,917)
Income tax	-	-
Net profit	(395,442)	(171,917)

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	Dec 31, 2025	Dec 31, 2024
Assets		
Intangible assets		
Other intangible assets	228,816	473,619
Tangible assets	14,819	21,708
Total fixed assets	243,635	495,327
Current assets		
Stocks	0	313,488
Prepaid expenses	100,361	204,002
Trade and other receivables	723,009	208,881
Cash and equivalents	13,245	42,478
Total current assets	836,615	768,849
TOTAL ASSETS	1,080,250	1,264,176
 CAPITAL AND LIABILITIES		
Share capital	90,000	90,000
Reserves	18,000	18,000
Accumulated losses / retained earnings	(313,238)	166,463
Total capital and reserves	(205,238)	274,463
 Current liabilities		
Dividends paid	134,480	134,480
Trade and other debts	1,151,008	855,233
Total current liabilities	1,285,488	989,713
Total debts	1,285,488	989,713
TOTAL CAPITAL AND LIABILITIES	1,080,250	1,264,176

The Company's investment in E-Learning Company SRL is tested annually for impairment. Management used the value in use approach to calculate the recoverable amount of the investment. The aggregate recoverable amount of the investment is then compared to its aggregate carrying amount. An impairment loss is recognized if the aggregate carrying amount of the investment exceeds its recoverable amount. The value in use is determined based on future cash flows discounted using the weighted average cost of capital (WACC). The discount rate reflects the current assessment of the time value of money and the risks specific to the investment.

The recoverable amount of E-Learning Company SRL of 6,917 thousand lei was determined based on a value in use calculation using cash flow projections from the financial forecasts for a five-year period. The pre-tax discount rate applied to the cash flow projections is 14.1%, and cash flows beyond the five-year period are extrapolated using a growth rate of 3%. As a result of the analysis, the recoverable amount of the Group's investment in E-Learning Company SRL is 1,372 thousand lei. Consequently, the Group did not record an impairment of the investment as of 31.12.2025.

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NOTA 17. FINANCIAL ASSETS AT FAIR VALUE

Other financial assets (securities) at fair value

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Softbinator Technologies	3,459,404	5,710,669
Arctic Stream	-	-
Total	<u>3,459,404</u>	<u>5,710,669</u>

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

	<u>Arctic Stream</u>	<u>Softbinator Technologies</u>	<u>Total</u>
Value 31.12.2024	-	5,710,669	5,710,669
Inputs	-	-	-
Outputs	-	(165,259)	(165,259)
Revaluation	-	(2,086,006)	(2,086,006)
Value 31.12.2025	<u>-</u>	<u>3,459,404</u>	<u>3,459,404</u>

Softbinator Technologies

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

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

Bittnet owns, as of 31.12.2025, a number of 3,637,266 shares, representing 17.04% of the total shares of Softbinator Technologies (symbol: CODE).

On 31.12.2025, the investment in Softbinator Technologies shares was revalued using the average trading price on the AeRO-SMT market on 31.12.2025.

Arctic Stream

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

During the third quarter of 2024, the Group liquidated the remaining position it held in Arctic Stream, so that at the end of the reporting period the Group no longer held AST shares in its portfolio. The total sale value of the Group's stake in AST shares was 1,471,321 lei.

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NOTA 18. TRADE RECEIVABLES AND OTHER RECEIVABLES

Trade receivables and other receivables are presented in the following table:

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Customer receivables		
Customer receivables	5,938,587	3,867,712
Adjustments for customer receivables	(500)	(10,715)
Net trade receivables	<u>5,938,087</u>	<u>3,856,996</u>
Other receivables		
Other project-related receivables	28,439	7,186
Related party loans (Note 27)	34,733,265	21,696,906
Sublease related assets	7,524,144	9,985,806
Guarantees	1,848	1,848
Other receivables	4,943,947	1,335,867
Supplier advances	16,542	86,838
State budget receivables	211,944	289,739
Total other receivables, of which:	<u>47,460,129</u>	<u>33,404,190</u>
Fixed assets	40,216,341	23,657,055
Current assets	<u>7,243,788</u>	<u>9,747,135</u>

Services in progress

If the sales price includes a distinct amount, specified in the contract, for the subsequent provision of services (such as revenue from the sale of manufacturer warranty services), that amount is deferred (account 472 "Contract liabilities") and recognized as income during the period in which the services are provided, but no later than the end of the period for which the subsequent provision of services was contracted. In contrast, the related expenses are deferred (account 471, "Services in progress") and recognized in the same period in which the services are provided.

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Services in progress	2,913,097	810,819

Aging situation of net customer receivables:

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Not due	3,392,266	2,613,293
0-30	1,238,620	424,015
31-90	282,489	319,417
91-180	788,582	206,062
181-360	234,911	141,936
over 360	1,218	152,273
TOTAL	<u>5,938,087</u>	<u>3,856,996</u>

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Reconciliation of customer receivables adjustments:

	<u>2025</u>	<u>2024</u>
January 1	10,715	10,715
Adjustments during the period	-	-
Cancellation of receivables	-	-
Replay adjustments	<u>(10,215)</u>	<u>-</u>
December 31	<u>500</u>	<u>10,715</u>

Significant estimates

The Group performs an impairment analysis for trade receivables and other receivables by separating the receivables into 3 categories: trade receivables from private companies, trade receivables from public entities and trade receivables from private individuals. In this process, the probability of non-collection of trade receivables is assessed, based on historical experience related to the risk of non-payment. The experience of previous years has shown that the risk of non-collection is low, with no significant losses in recent years. However, the Group's Management has analyzed the maturity intervals for each category (Non-expiring, 1-90 days, 91-180 days, 181-365 days and over 365 days); specific provisions were recorded where the degree of recoverability was considered low. Based on this analysis, the Group's Management decided not to record additional provisions in the financial statements as of 31.12.2025.

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NOTA 19. INVENTORY

Details regarding stocks are presented in the following table:

	<u>Dec 31, 2024</u>	<u>Dec 31, 2023</u>
Commodities	166,465	5,216
Total	<u>166,465</u>	<u>5,216</u>

NOTA 20. CASH AND CASH EQUIVALENTS

Details regarding cash and cash equivalents are presented in the following table:

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Bank in LEI	4,348,395	14,935,173
Bank in LEI - cash collateral	196,296	196,264
Foreign currency bank	149,439	73,020
Bank in foreign currency - cash collateral	127,463	124,353
Cash in the cash register	1,041	1,041
Total	<u>4,822,633</u>	<u>15,329,850</u>

Collateral cash deposits represent restricted cash - collateral in connection with the facilities contracted with Procredit Bank.

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NOTA 21. CAPITAL AND RESERVES

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

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Share capital	63,417,671	63,417,672
Issue premiums	31,934,768	31,934,768
Other equity items	(15,237,955)	(12,156,041)
Legal reserves	1,442,164	1,442,164
Retained earnings	8,126,201	(1,665,548)
Current overall result	50,987	9,791,749
Total	<u>89,733,837</u>	<u>92,764,764</u>

a) Share capital

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

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

Shareholders and % ownership	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
SIACP AGISTA INVESTMENTS SA	13.75%	13.75%
IMPETUM INVESTMENTS SA	10.17%	13.33%
Cristian Logofatu	9.14%	8.59%
Mihai Logofatu	8.77%	8.77%
Other shareholders	58.17%	55.56%
Total	<u>100%</u>	<u>100%</u>

Share capital	<u>2025</u>	<u>2024</u>
Issued on January 1	634,176,714	634,176,714
Options exercised	-	-
Issued in business combinations	-	-
Issued in capital increases	-	-
Issued on December 31	634,176,714	634,176,714

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

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The Company recognizes through other equity elements mainly:

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

Treasury shares held

Number of treasury shares

Balance as of 31.12.2023	9,247,200
Sales 2024	9,247,200
Redemptions 2024	4,000,000
Balance as of 31.12.2024	4,000,000
Sales 2025	-
Redemptions Q1 2025	1,369,000
Redemptions Q4 2025	20,000,000
Balance as of 31.12.2025	25,369,000

During January 2024, the Company fully sold the treasury shares held on 31.12.2023 at a total price of 2,866,327.89 lei.

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 lei.

The intermediary through which this market operation is carried out is BRK Financial Group and the maximum daily volume repurchased is within the limit of 25% of the average daily quantity of shares traded on the market, calculated according to the applicable legislation, according to art. 3 paragraph (3) letter b) of the EU Delegated Regulation 2016/1052.

The price at which the redemptions are carried out is within the range established by EGMS Decision no. 04 of 25.04.2024: minimum redemption price 0.1 RON/share (respectively the nominal value of the BNET share), and the maximum redemption price 0.25 RON/share. The implementation of the redemption program is carried out from own sources.

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

By 31.12.2025, the Issuer redeemed 5,369,000 shares with a total value of 999,873 lei.

Share buybacks – repayment of loan granted to Impetum Investments in December 2025

The last tranche (in the amount of 3 million lei) of the loan agreement granted by the Group in December 2024 to Impetum Investments (the debtor) – a loan in the amount of 5.15 million lei that aimed to acquire tranche 3 of FORT SA – was paid by the debtor, at its choice, through an alternative means of payment, namely by offsetting with the entire share capital issued by PNPL CLOUD INFRASTRUCTURE SRL (SPV/special purpose vehicle), a company capitalized upon establishment with 20 million Bittnet shares held by Impetum Investments. Thus, the last tranche of the loan granted to Impetum was paid through the transfer to Bittnet Systems SA of the share capital of the SPV created specifically for this purpose by Impetum Investments. As soon as it took possession of the shares of the SPV, the Issuer initiated procedures with the Central Depository and the ASF to transfer the 20 million BNET shares to Bittnet, as treasury shares, a necessary step in order to be able to resort to their cancellation as soon as it receives the necessary approval at a future General Meeting. At present, the Issuer has submitted the documentation to the ASF to obtain the necessary approval for the direct transfer of ownership of the 20 million BNET shares.

Essential considerations – recognition and evaluation of SOP

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

The company settles the transactions by issuing to the option holders a number of shares that are equivalent (at the market price) to the financial value of the option. The capital increase is made by lifting the preemptive right and based on the Administrator's Decision.

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

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

Significant estimates – SOP assessment

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

- spot price on the date of the AGM, i.e. the average price adjusted for splits at t-1
- strike price (on the reference date) according to each plan
- volatility, according to the analysis of the daily price of BNET shares, adjusted for splits
- risk-free interest rate, i.e. ROBOR 12M published at t-1
- the number of shares of the company as of the date of grant
- the dilution percentage in the Stock Option Plan

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

SOP 2022

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

Main coordinates of the SOP 2022 plan:

- effective date: 11.04.2022;
- duration: 2 years from the date of entry into force;
- option exercise date: 10.05 – 10.06.2024;
- exercise price: the purchase price of a share for which the call option is exercised will be established on the date of exercise of the option, taking into account the total number of shares of the Company on the date of exercise, so that the capitalization of the Company is equal to the capitalization of the company on the reference date: April 11, 2022.

The fair value assessment at the grant date (according to IFRS 2) – the date of approval of the plan by the OGMA, 20.04.2022 – was performed using the Black - Scholes model, using the following values for the model:

- spot price on the AGOA date, i.e. average price adjusted for splits at t-1: 0.3153
- strike price, i.e. average price adjusted for splits on the reference date, 11.04.2022: 0.3194
- volatility, according to the analysis of the daily price of BNET shares, adjusted for splits, from listing on the AeRO market until t-1: 4.28%
- risk-free interest rate, i.e. ROBOR 12M published at t-1: 4.95%
- maturity: 2 years
- number of company shares as of the grant date: 480,436,904
- Stock Option Plan dilution percentage: 5%

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

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

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

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

Main coordinates of the plan (SOP 2023):

- o effective date: 13.04.2023;
- o duration: 3 years from the date of entry into force;
- o option exercise date: 10.05 – 10.06.2026;
- o exercise price: the purchase price of a share for which the call option is exercised will be established on the date of exercise of the option, taking into account the total number of shares of the Company on the date of exercise, so that the capitalization of the Company is equal to the capitalization of the company on the reference date: April 13, 2024.

The fair value assessment at the grant date (according to IFRS 2) – the date of approval of the plan by the OGMA, 20.04.2022 – was performed using the Black - Scholes model, using the following values for the model:

- spot price on the AGOA date, i.e. average price adjusted for splits at t-1: 0.299
- strike price, i.e. average price adjusted for splits on the reference date, 13.04.2023: 0.2989
- volatility, according to the analysis of the daily price of BNET shares, adjusted for splits, from listing on the AeRO market until t-1: 4.08%
- risk-free interest rate, i.e. ROBOR 12M published at t-1: 7.25%
- maturity: 3 years
- number of company shares as of the grant date: 634,176,714
- Stock Option Plan dilution percentage: 7.5%

The full value of the plan – equal to the Black-Scholes value (0.027) * number of company shares * dilution percentage = RON 2,806,232 – will be recognized in costs over the duration of the plan, i.e. over a period of 3 years, May 2023 – April 2026. In 2024, the Company recognized an expense with SOP 2023 in the amount of 935,411 lei (2023: 623,607 lei).

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

As of 31.12.2025, 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 in 2024-2025 are presented in the table below:

	<u>2025</u>	<u>2024</u>
SOP 2022	-	108,098
SOP 2023	<u>311,804</u>	<u>935,411</u>
Total	<u>311,810</u>	<u>1,043,509</u>

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NOTA 22. BONDS

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

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
BNET26E	10,308,342	9,715,173
BNET27A	4,956,923	4,928,204
BNET28	9,861,979	9,806,770
BNET28A	6,375,298	6,268,326
Accrued interest	<u>167,429</u>	<u>167,365</u>
Total, of which:	<u>31,669,971</u>	<u>30,885,839</u>
The long-term part	21,194,200	30,718,474
Short-term part (interest)	<u>10,475,771</u>	<u>167,365</u>

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

BNET26E

Between December 21 and December 27, 2022, the issuer conducted a private placement for the issuance of corporate bonds in euros, an offer following which 20,596 bonds were subscribed by 53 investors, individuals, legal entities and professional investors. The amount raised in this round of financing through bonds was EUR 1,961,144. The selling price within this offer, on the first day of the offer/subscription period, benefited from a reduction, respectively on 21.12.2022, the price was reduced to 95% of the nominal value of the instrument, respectively 95 euros/bond. Thus, on the first day, a number of 18,334 bonds were subscribed, representing a subscription value of EUR 1,741,730. The sale price in the subscriptions made in the following days of the offer was 97% of the nominal value, respectively 97 euros/bond. Thus, during the period 22.12.2022 – 27.12.2022, a number of 2,262 bonds were subscribed, representing a subscription value of 219,414 euros. The nominal value of the BNET26E instrument is 100 EUR/bond, and the total nominal value of the issue (which will be reimbursed at maturity) is 2,059,600 EUR.

Fixed interest annual 9% per year and it is paid quarterly through the T2S mechanism 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. It requires BNET26E transactions are registered on the Square Regulated Market BVB, dedicated category of corporate meetings, on March 7, 2023.

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

BNET27A

Between May 30 and June 21, 2023, Bittnet Systems conducted its first public offering of corporate bonds on the Bucharest Stock Exchange when it offered for sale a maximum number of 50,000 corporate bonds, unsecured, with a nominal value of 100 lei, with each interested investor having the opportunity to subscribe in the price range between 96% and 104% of the nominal value of the instrument.

During the offering period, a total of 803 purchase orders were placed, for 71,814 bonds subscribed at the offer closing price of 100 lei, and 14,393 bonds subscribed at prices higher than the offer price. According to the Offering Prospectus, the allocation of shares for accepted subscriptions (placed at the offer price and at higher prices) was made pro-rata, the allocation index being 0.579993040. Subscription orders at prices lower than the issue price were cancelled.

The transaction date was June 24, 2024, and the transaction settlement date was June 26, 2024. Following the establishment of the closing price of the offer at 100 lei/bond, the BNET27A issue consists of a number of 50,000 bonds with a total nominal value of 5,000,000.00 lei.

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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 lei and were recorded at the balance sheet level at the date of bond issuance, thus reducing the total amount of debt. The issuance costs are subsequently allocated over the life of the bond issue, increasing the total carrying amount of the bond debt.

BNET28

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

A total of 530 subscription orders were placed during the offer period at all levels of price, totaling a volume total of 185,602 bonds. Considering the Issuer's establishment of the issue price at the nominal value of the bond (100 lei) and in accordance with PACKAGE of the offer, the volumes subscribed to prices above the issue price were settled fully at the issue price (100 lei). Thus, volume of 87,446 of bonds represents the guaranteed allocation in the offer according to the Prospectus Offer. For the volume of bonds subscribed at the price of 100 lei/obligation (i.e. for 71,050 BONDS) its allocation made pro-rata, the allocation index being 0.1766924701, resulting in a volume of 12,554 bonds. The orders subscription placed at prices under the price of broadcast were not executed.

The transaction date was December 13, 2024, and the transaction settlement date was December 15, 2024. Following the establishment of the closing price of the offer at 100 lei/bond, the BNET28 issue consists of a number of 100,000 bonds with a total nominal value of 10,000,000 lei.

On 02 February 2024, BNET28 bonds were admitted to trading on the Market Regulated and administered by BVB. Interest is fixed at 9.6% per annum, payable quarterly through the Central Depository. The maturity of this bond issue is June 15, 2028.

The total issuance costs for this bond issue amounted to 248,438 lei and were recorded at the balance sheet level at the date of bond issuance, thus reducing the total amount of debt. The issuance costs are subsequently allocated over the life of the bond issue, increasing the total carrying amount of the bond debt.

BNET28A

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

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

The transaction date was April 16, 2024, and the transaction settlement date was April 18, 2024. Following the establishment of the closing price of the offer at 96 lei/bond, the BNET28A issue consists of a number of 66,249 bonds with a total nominal value of 6,624.90 lei, by raising this market amount of the issuer. 6,359,904 lei, due to the reduced issue price at 96 lei/bond.

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

NOTA 23. BANK LOANS

The company had no bank loans outstanding as of December 31, 2025 and nor on December 31, 2024.

NOTA 24. LEASING DEBT

The company has concluded a long-term lease agreement for the existing headquarters with a final term in May 2029 and long-term operational leasing agreements for technical equipment with final terms in 2025-2027.

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Short-term part	3,863,814	3,897,322
The long-term part	<u>9,829,790</u>	<u>13,095,069</u>
Total	<u>13,693,604</u>	<u>16,992,391</u>

The reconciliation of lease liabilities and rights of use recognized as a result of the application of IFRS 16 is presented in the following tables:

Lease liabilities	<u>Spaces</u>	<u>Equipment</u>	<u>machines</u>	<u>Total</u>
On January 1, 2024	16,453,951	1,774,277	363,331	18,591,559
Inputs	2,056,459	26,896	99,120	2,182,475
Outputs	-	-	-	-
Interest	841,316	78,954	17,071	937,340
Exchange rate differences	(2,190)	8,673	1,688	8,171
Lease payments	<u>(3,886,633)</u>	<u>(705,752)</u>	<u>(134,769)</u>	<u>(4,727,154)</u>
On December 31, 2024	15,462,902	1,183,047	346,441	16,992,391
Inputs	482,058	-	-	482,058
Outputs	-	-	-	-
Interest	726,920	50,015	13,335	790,270
Exchange rate differences	350,929	28,002	8,760	387,692
Lease payments	<u>(4,244,028)</u>	<u>(603,315)</u>	<u>(111,464)</u>	<u>(4,958,806)</u>
As of December 31, 2025	12,778,781	657,749	257,073	13,693,604
Usage rights	<u>Spaces</u>	<u>Equipment</u>	<u>machines</u>	<u>Total</u>
On January 1, 2024	4,962,032	936,394	431,712	6,330,138
Inputs	1,695,456	26,896	99,120	1,821,472
Outputs	-	-	-	-
Amortization	<u>(1,028,866)</u>	<u>(347,626)</u>	<u>(132,680)</u>	<u>(1,509,172)</u>
On December 31, 2024	5,628,622	615,664	398,152	6,642,437
Inputs	868,706	34,110	-	902,816
Outputs	-	-	-	-
Amortization	<u>(1,420,949)</u>	<u>(350,134)</u>	<u>(118,441)</u>	<u>(1,889,523)</u>
As of December 31, 2025	5,076,380	299,640	279,711	5,655,730

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NOTA 25. TRADE AND OTHER LIABILITIES

Trade and other payables are detailed in the following table:

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Trade debts		
Providers	9,768,323	3,571,151
Other debts		
Committed debts	204,321	207,215
Other debts	50,203	19,678
Liabilities for acquisition of participations (Note 16)	-	-
Customer advances	-	1,194
VAT	589,591	-
Other budget debts	169,928	172,688
Total other liabilities, of which:	1,014,043	400,775
Long-term liabilities (share acquisitions)	-	-
Current liabilities	<u>1,014,043</u>	<u>400,775</u>

Contractual liabilities

If the sales price includes a distinct amount, specified in the contract, for the subsequent provision of services (such as revenue from the sale of manufacturer warranty services), that amount is deferred (account 472, "Prepaid income") and recognized as income during the period in which the services are provided, but no later than the end of the period for which the subsequent provision of services was contracted. In contrast, the related expenses are deferred (account 471, "Prepaid expenses") and recognized in the same period in which the services are provided.

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Contractual liabilities	265,014	463,881

Provisions

The 'Provisions' position as of 31.12.2025, in the amount of 105,831 lei, is mainly composed of: Bucharest Mall & Development litigation provision 105,831 lei.

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Provisions	105,831	105,831

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NOTA 26. INFORMATION ON RELATED PARTY RELATIONS

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

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

	<u>2025</u>	<u>2024</u>
Management contracts	3,561,253	3,886,775
SOP expenses	311,804	967,840
Total	<u>3,873,057</u>	<u>4,854,615</u>

As of December 31, 2025, the liabilities related to management contracts amount to 385,123 LEI (December 31, 2023: 354,143 lei).

Details regarding balances and transactions with related parties in commercial activities:

Transactions / Balances – 2025/31 Dec	Sale	Receivables	Acquisitions	Debts (incl. credit notes & rebates)
	2025	Dec 31, 2025	2025	Dec 31, 2025
Dendrio Solutions	52,804	387,072	43,027	(104,906)
Elian Solutions	-	99,559	23,150	(2,711)
Bittnet Raining (formerly Equatorial Gaming)	-	414,838	709	(2,636)
IT Prepared	-	-	38,573	-
Dendrio Technology	-	158,628	5,455	-
Dendrio Innovations	47,875	117,670	-	-
Nenos Software	-	42,060	23,253	(10,583)
Elian Development Systems (formerly Kepler Management Systems)	-	29,377	-	-
Total	100,679	1,249,205	134,167	(120,835)
Transactions / Balances – 2024/31 Dec	Sale	Receivables	Acquisitions	Liability
	2024	Dec 31, 2024	2024	Dec 31, 2024
Dendrio Solutions	469,869	742,579	98,220	94,869
Computer Learning Center	5,364	64,423	-	2,590
Elian Solutions	-	342,236	38,307	7,107
Kepler Management	-	1,353	-	-
Equatorial Gaming	-	352,771	-	-228
Equatorial Training	-	6,932	-	-
Fort	-	42,428	22,933	17,504
GRX Advisory	-	12,693	-	-
ISEC Associates	-	271	-	-
IT Prepared	-	224,281	36,298	28,783
Dendrio Technology	5,026	137,949	-	-
Dendrio Innovations	101,950	165,727	-	-
Nenos Software	-	-	20,807	-
Total	582,209	2,093,642	216,564	150,624

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Intragroup loans and receivables

Other financial assets	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Sublease assets	7,524,144	9,985,806
Dendrio Solutions – loan	34,510,230	15,887,470
Bittnet Training (formerly Equatorial Gaming) – loan	223,035	191,469
Total	<u>42,257,409</u>	<u>26,064,745</u>

The loans granted to the subsidiary Dendrio Solutions were granted to finance working capital and to finance the acquisition of the IT&C business (business transfer) from Crescendo, as well as to finance Dendrio Solutions' own contribution to the acquisition of the majority stake in Dataware Consulting (rebranded in 2024 Dendrio Innovations). The interest on the loan is aligned with the cost of financing through bond issues (9% pa).

The loan granted to the subsidiary Elian Solutions in the amount of 3.1 million lei was intended to finance the acquisition of a majority stake in Kepler Management Systems (rebranded Elian Development Systems). The loan was granted in November 2023, and the interest was aligned with the interest rate of the most recent bond issue carried out by Bittnet at that time, BNET27A, namely 10% per annum. The loan was converted into equity in a capital increase operation in May 2024.

The loans to the subsidiaries Equatorial Gaming and Equatorial Training were intended to meet the general financing needs of the two companies. The interest rates are 9% pa in the case of Equatorial Training and 10% pa in the case of the loan granted to Equatorial Gaming – in line with the interest rates practiced on the bond market at the time of granting the loans to the affiliated companies. The loan granted to Equatorial Training in the amount of 170,000 lei was fully repaid in March 2024, together with the interest due.

The loan to the subsidiary Computer Learning Center was granted to cover the financing needs of some projects in the current activity. The interest on the loan was aligned with the cost of financing through bond issues at the time of their granting (9% pa). The loan was converted into equity in a capital increase operation in June 2024. At the end of 2024, Computer Learning Center was merged by absorption into Bittnet Training (formerly Equatorial Gaming).

Interest income amounted to 2,869,970 LEI in the financial year 2025 (2024: 2,381,206 LEI).

Loans to other related parties

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

For the last tranche of the sale of Fort SA, Bittnet Systems granted – at the end of December 2024 – a loan to Impetum Investments, the counterparty in the transaction, in the amount of 5,150,000 lei, a loan granted for an (initial) period of 6 months and with an interest rate of 6% per annum (Note 16).

Repayment of loan granted to Impetum Investments

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During June-July 2025, Bittnet Systems (the lender) and Impetum Investments (the debtor) 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 lei each with payment due in July, August and October; the installment of 650,000 lei with payment due in September; and the difference of 3,000,000 lei with payment due on 15.11.2025. For the payment of the last installment in the amount of 3 million lei, the parties provided as an alternative means of payment, in case the debtor does not have funds at maturity, the transfer of the shares of a limited liability company to whose capital 20 million BNET shares held by the debtor were to be contributed. 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.

In November 2025, Impetum Investments chose as an alternative means of payment of the last tranche, according to the additional act signed between the parties, its payment by transferring the 20 million BNET shares contributed to an SPV, informing the Issuer in this regard that it was repaying the debt in this way and not by bank transfer.

On 17.11.2025, Bittnet informed investors that the last installment (in the amount of 3 million lei) was paid by the debtor, at his choice, through an alternative means of payment specified in the agreement signed by the parties, namely by offsetting with the entirety of the shares issued by PNPL CLOUD INFRASTRUCTURE SRL, a company established and operating in accordance with the laws of Romania, (SPV/ special purpose vehicle), in turn holding Bittnet shares. As soon as it took possession of the SPV, the Issuer initiated procedures with the Central Depository and the ASF to transfer the 20 million BNET shares to its ownership, as treasury shares, a necessary step in order to be able to resort to their cancellation if it receives the necessary approval at a future General Meeting.

Repayment of loan granted to E-Learning Company

At the end of December 2025, the Issuer fully repaid the loan granted to The E-Learning Company, together with the related interest. The loan to The E-Learning Company was granted for working capital financing for a period of 1 year and with an interest rate of 10% per year.

NOTA 27. CONTINGENT LIABILITIES

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

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

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

b) Bank guarantee letters

On December 31, 2025, the Company had issued a bank letter of good payment guarantee in the amount of 195,726 euros in favor of One Controceni Park, related to the headquarters rental contract.

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

c) disputes

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

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

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

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

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

The court ruled on 04.08.2023. The solution in short: "Partly admits the request, as specified. Obliges the defendant to pay the plaintiff the amount of 102,627.51 lei, 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 lei, as legal costs. With appeal within 30 days from notification. The appeal is filed with the Bucharest Court - 6th Civil Section."

On 04.11.2024, the decision was communicated to the parties, with the right to appeal within 30 days of communication. The plaintiff filed an appeal request registered on 09.12.2024, which is the subject of file no. 30598/3/2021 (250/2025) pending before the Bucharest Court of Appeal, Fifth Civil Section. The appeal request was communicated on 24.02.2025 and the Group responded in 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 lei in civil damages, 267,214.96 lei in rent, services, utilities, maintains the provision regarding the obligation of the defendant to pay the amount of 102,627.51 lei in penalties. obliges the defendant to

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pay the amount of 179,926.09 lei 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 lei rent, services, utilities, 179,926.09 lei court costs in the first instance and maintaining the provision regarding the order requiring the defendant to pay the amount of 102,627.51 lei penalties.

The Company appealed to the High Court of Cassation and Justice against the decision of the Bucharest Court of Appeal. The Company also filed a request for a provisional suspension of the execution, which was definitively rejected by the High Court of Cassation and Justice.

By decision 188/2026 pronounced on 10.02.2026, the High Court of Cassation and Justice admitted the appeal filed by BITTNET SYSTEMS SA against civil decision no. 862 of 22 May 2025 pronounced by the Bucharest Court of Appeal (V Civil Section), quashed the appealed decision and sent the case for retrial to the same court of appeal. As of the date of this report, the decision of the High Court of Cassation and Justice no. 188/10.02.2026 has not been communicated, the deadline for its drafting (of 30 days from the date of pronouncement) being extended by 30 days.

The Company recorded a provision of 105,831.42 lei in the financial statements as of 31.12.2023. On 30.06.2025, the Company supplemented the provision with the amount of 4,076,647.05 lei. On 31.12.2026, the Company reversed the additional provision established on 30.06.2025, so that the total value of the provision recorded for this litigation as of 31.12.2025 amounts to 105,831.42 lei, this being the best estimate of a cash outflow following this dispute.

d) Environmental aspects

The implementation of environmental regulations in Romania is in the development phase and the application procedures are being reconsidered by the authorities. Bittnet's professional activity has no impact on the environment. Operating in the "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 28. SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies adopted in preparing the financial statements are presented below.

a) Revenue recognition

The Company recognizes revenue to reflect performance obligations relating to the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Training services

Revenue from training services includes access to technology experts by teaching IT skills, from basic (e.g. Microsoft Office Suite) to the most advanced (Cloud, DevOps, Cybersecurity). The business training portfolio contains project management, IT service management, business intelligence, CRM, ERP, Agile, etc. Bittnet offers a wide range of IT courses. Each course can be delivered in two flexible ways: intensive (5 days a week, 8 hours a day) or mixed format (2/4/6 hour courses, depending on the client's needs). Each student receives access to dedicated equipment, official curriculum, as well as online and offline exams.

Revenue is recognized at a specific point in time, upon completion of the training as a result of fulfilling the performance obligation.

IT solutions integration services, products and licenses

The IT solutions provided by the Group include: general consulting services, IT assessment services, implementation and migration services, maintenance and support services, infrastructure optimization services. The integrator business involves providing solutions and services starting with the initial analysis, design phase, implementation and testing resulting in turnkey projects for companies with different IT needs.

Revenue from the provision of services is recognized in the period in which they were provided and in correspondence with the stage of execution. The provision of services includes the execution of works and any other operations that cannot be considered deliveries of goods.

The stage of execution of the work is determined based on work reports accompanying invoices, reception reports or other documents attesting to the stage of completion and reception of the services provided.

If the sales price includes a distinct amount, specified in the contract, for the subsequent provision of services (such as revenue from the sale of manufacturer warranty services), that amount is deferred (account 472, "Prepaid income") and recognized as income during the period in which the services are provided, but no later than the end of the period for which the subsequent provision of services was contracted. In contrast, the related expenses are deferred (account 471, "Prepaid expenses") and recognized in the same period in which the services are provided.

Revenue from the sale of goods and licenses is recognized when the customer obtains control of the transferred assets. The Group sells goods and licenses within complex IT infrastructure solutions (such as: data networks, block & file storage, storage area network, disaster recovery and business continuity solutions, forensic software and communications security solutions, data processing, physical security systems) from vendors with which it has partnerships at the highest standards, such as Fujitsu, Cisco, Brocade, Dell, HP, Xerox or Microsoft, Google, Amazon Web Services.

Performance obligations and revenue recognition methodology

The majority of the Company's revenues come from the provision of services and training and IT integration, including the sale of goods, with revenue recognized at the time control of the goods has been transferred to the customer.

The performance obligations identified in the Group's contracts are generally limited to the goods or services explicitly stipulated in that contract, with no implied promises as a result of usual business practices, published policies or other specific statements.

If the sales price includes a distinct amount, specified in the contract, for the subsequent provision of services (such as revenue from the sale of manufacturer warranty services), that amount is deferred (account 472, "Prepaid income") and recognized as income during the period in which the services are

provided, but no later than the end of the period for which the subsequent provision of services was contracted. In contrast, the related expenses are deferred (account 471, "Prepaid expenses") and recognized in the same period in which the services are provided.

Determining the transaction price

The majority of the Company's revenues are derived from fixed-price contracts and, therefore, the amount of revenue to be earned from each contract is determined by reference to fixed prices. In estimating contractual revenues, the component relating to discounts granted to customers is deducted when it is likely that these will reduce the value of revenues.

Allocation of amounts to obligations to be performed

For most contracts, there is a fixed unit price for each product or service sold. Therefore, there is no judgment applied in allocating the contract price to each product or service.

Costs of obtaining contracts

Most contracts are short-term, so any incremental commissions paid to sales personnel for the work done to obtain the contracts are recognized directly in the statement of comprehensive income, without being capitalized.

The company acts on its own behalf when it is a party that controls a good or service before it is transferred to a customer, in which case it should recognize all revenue invoiced to customers as well as the cost of goods resold to customers. In contrast, an intermediary limits itself to organizing the provision of goods or services by another party, without exercising control over these goods or services before their transfer to a customer, in which case it should recognize as revenue only the margin made on such transactions.

b) Impairment of non-financial assets (excluding inventories, investment property and deferred taxes)

Impairment tests for goodwill and other intangible assets with indefinite useful economic lives are performed annually at the end of the financial year. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. If the carrying amount of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

If it is not possible to estimate the recoverable amount of an individual asset, the impairment test is performed on the smallest group of assets of which it is a part, for which there are separately identifiable cash flows - its cash-generating units. Goodwill is allocated upon initial recognition to each of the Company's cash-generating units that is expected to benefit from a business combination that gives rise to goodwill.

Impairment adjustments are included in profit or loss, except to the extent that they represent reversals of gains previously recognized in other comprehensive income. An impairment loss recognized for goodwill is not reversed.

c) Foreign exchange balances and transactions

Transactions carried out by the Company in a currency other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates prevailing at the time the transactions are made. Monetary assets and liabilities in foreign currencies are translated at the rates prevailing at the reporting date.

Exchange differences arising on the restatement of monetary assets and liabilities are recognized immediately in profit or loss.

d) Financial assets

The Company's accounting policy for the classification of financial assets is as follows.

Participation titles

Equity securities are recorded at acquisition cost and are tested annually for impairment.

Amortized cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments and that are not quoted in an active market. They are included in current assets, except for those that have a

maturity period greater than 12 months from the end of the reporting period. These are classified as non-current assets.

These assets arise primarily from the provision of goods and services to customers (for example, trade receivables), but also include other types of financial assets where the objective is to hold these assets to collect contractual cash flows, and the contractual cash flows are exclusively payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issuance and are subsequently carried at amortized cost using the effective interest method, less any adjustments for impairment.

Impairment adjustments for trade and other receivables are recognized based on the simplified approach under IFRS 9, using an adjustment matrix in determining the estimated losses. In this process, the probability of non-payment of trade receivables is assessed. This probability is then multiplied by the amount of the expected loss resulting from non-payment to determine the expected credit loss for trade receivables. For trade receivables, these adjustments are recorded in a separate adjustment account, with the loss being recognized within general and administrative expenses in the statement of comprehensive income. Upon confirmation that the respective trade receivable will not be collectable, the gross carrying amount of the asset is written off against the associated adjustments.

Impairment adjustments for receivables from related parties and loans to related parties are recognized based on an expected credit loss model. The methodology used to determine the amount of the adjustments is based on the existence of a significant increase in credit risk since the initial recognition of the financial asset.

For those for which credit risk has not increased significantly since the initial recognition of the financial asset, twelve-month expected credit losses are recognized together with gross interest income. For those for which credit risk has increased significantly, estimated credit losses are recognized together with gross interest income. For those that are determined to be clearly credit-impaired, expected credit losses are recognized together with interest income on a net basis.

The Company's financial assets measured at amortized cost include trade and other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents include cash on hand, time deposits with banks, other short-term highly liquid investments with original maturities of three months or less, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are presented in loans and borrowings in current liabilities in the statement of financial position.

Financial assets at fair value

The Company holds financial assets in the nature of equity securities, which are recognized in the financial statements at fair value, with changes in fair value recognized in the statement of comprehensive income.

e) Financial debts

The Company's accounting policy for classifying financial liabilities is as follows.

Bank loans and borrowings from the Company's issue of redeemable bonds are initially recognized at fair value, net of any transaction costs directly attributable to the issuance of the instrument. Interest-bearing liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that any interest expense over the repayment period is at a constant rate to the outstanding balance of the liability recorded in the statement of financial position.

Borrowings are classified as current liabilities, except where the Company has an unconditional right to defer payment of the debt for a minimum of 12 months from the end of the reporting period.

For each financial liability, interest expense includes initial transaction costs and any premium payable upon redemption, as well as any interest or coupon that must be paid over time.

The Company does not hold any derivative liabilities that are accounted for in the financial statements at fair value, with changes in fair value recognized in the statement of comprehensive income, and has no trading obligations, nor has it designated financial liabilities as being at fair value through profit or loss.

f) Share-based payments (SOP)

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The company grants share purchase options settled from equity to employees and collaborators.

The fair value of the options at the grant date is recorded systematically in the statement of comprehensive income over the period until the option is exercised. Vesting conditions that are not market-based are taken into account by adjusting the number of equity instruments expected to be recorded at each reporting date so that, ultimately, the cumulative amount recognized during the vesting period is based on the number of options that eventually become payable. Non-vesting conditions and vesting conditions are included in the fair value of the options granted. Cumulative expenses are not adjusted for the failure to satisfy a vesting condition or if a non-vesting condition is not met.

g) Leasing

Under IFRS 16, a contract is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for a mandatory payment. For this type of contract, the new model requires a lessee to recognize a right-of-use asset and a lease liability. The right-of-use asset is depreciated and the liability accrues interest.

The Group applies the following exceptions and does not account for the following as leases in accordance with IFRS 16:

- leases with a rental period of 12 months or less and which do not contain purchase options, and
- leasing contracts where the underlying asset has a low value ("low-value" leasing transactions).

The group analyzed all rental contracts for the rental of equipment and the spaces in which it operates.

The Group recognized the right-of-use assets and lease liabilities as follows:

Usage rights	Lease liabilities
Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the value of any amounts paid in advance, direct initial or preliminary costs.	Measured at the present value of lease payments, discounted using the Company's incremental borrowing rate. The company's incremental borrowing rate is the rate at which a loan could be obtained from an independent financier, under comparable terms and conditions. The average rate applied was 5% p.a.

h) Externally acquired intangible assets

Intangible assets acquired externally are initially recognized at cost and subsequently amortized on a straight-line basis over their useful economic lives: Licenses – 3-5 years, except for trademarks which are tested annually for impairment.

i) Tangible fixed assets

Tangible fixed assets include premises, equipment, machinery and other assets used for current activity. Tangible fixed assets are initially recognized at acquisition cost.

The acquisition cost includes directly attributable costs and the estimated present value of any unavoidable and future costs of dismantling and disposing of those items. The corresponding obligation is recognized within provisions.

The depreciation of other tangible assets is calculated based on the straight-line method in order to allocate their cost less residual value, over their useful lives, as follows: Space improvements - during the term of the lease, Other fixed assets - 2-5 years.

j) Stocks

Inventories are initially recognized at cost and subsequently at the lower of cost and net realizable value. Cost includes all costs of purchase, conversion costs and other costs incurred in bringing the inventories to

their present location and condition. Specific identification is used to determine the cost of interchangeable items.

k) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and an outflow of resources embodying economic benefits is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where there are a number of similar obligations, the probability that an outflow of resources will be required to settle the obligation is determined by assessing the class of obligations as a whole. A provision is recognized even if the probability of an outflow of resources related to any item included in any class of obligations is remote. Where the Company expects a reimbursement of a provision, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is theoretically certain.

Provisions are measured at the present value of the expenditures estimated to be required to settle the obligation, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

l) Employee benefits

In the normal course of business, the Company makes payments to the Romanian State on behalf of its employees for health, pension and unemployment funds. All employees of the Company are members of the Romanian State pension plan, which is a defined contribution plan. These costs are recognized in the profit and loss account together with the recognition of salary expenses.

m) Current and deferred income tax

The tax expense for the period includes current and deferred tax and is recognized in profit or loss, except when it is recognized in other comprehensive income or directly in equity because it relates to transactions that are, in turn, recognized in the same or a different period, in other comprehensive income or directly in equity.

Current income tax expense is calculated based on the tax regulations in force at the end of the reporting period. Management periodically assesses the positions in the tax returns with regard to situations where the applicable tax regulations are interpretable and establishes provisions, where appropriate, based on the amounts estimated to be due to the tax authorities.

Deferred income tax is recognized, using the balance sheet liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax that arises from the initial recognition of an asset or liability in a transaction other than a business combination and that at the time of the transaction affects neither accounting nor taxable profit is not recognized. Deferred income tax is determined based on tax rates (and legal regulations) that have been enacted or substantively enacted by the end of the reporting period and that are expected to be applied in the period in which the deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilized.

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances where there is uncertainty about the tax treatments relating to income taxes. The interpretation states the following:

- It remains to be determined whether uncertain tax treatments should be considered separately, or together as a group, depending on the approach that provides better predictions about resolution;
- Determine whether the tax authorities are likely to accept the uncertain tax treatment; and
- If it is not probable that the uncertain tax treatment will be accepted, the tax uncertainty should be measured at the most likely amount or the expected amount, whichever method better predicts the resolution of the uncertainty. The measurement should be based on the assumption that each of the tax authorities will examine the amounts that they are entitled to examine and have full knowledge of all relevant information when making those examinations.

Following the application of the provisions of IFRIC 23, no impact on income tax liabilities was identified.

NOTA 29. RUSSIA - UKRAINE CONFLICT

I. Russia - Ukraine conflict

The Russian Federation's invasion of Ukraine and the subsequent global response to these military actions could have a significant impact on some companies, particularly companies with physical operations in Ukraine, Russia and Belarus, as well as entities with indirect interests (e.g., those with suppliers and customers, investments and creditors, operating in these countries). Sanctions imposed on the Russian government, Russian entities and Russian individuals in many jurisdictions could also affect companies, such as through loss of access to financial resources and trade, as well as through the collateral effects of sanctions on global prices (e.g., oil, natural gas and other petroleum products). The effects of the conflict are wide-ranging and rapidly evolving. Companies that do not have operations in Russia and Ukraine could still be affected by the conflict, including, but not limited to:

- Destruction, confiscation or abandonment of tangible and intangible property;
- Sanctions imposed on a company that may impact its ability to operate (e.g. access to funds, banking systems, etc.);
- Sanctions imposed on a company's customers, which may impact its ability to sell goods and services and collect debts;
- Sanctions imposed on a company's suppliers, which may impact its ability to obtain raw materials, goods and services, or which may indirectly increase the costs of obtaining these elements from alternative sources;
- Sanctions imposed on an entity's creditors and/or banks, which may limit its ability to access funds and credit;
- Changes in the approach of customers and consumers towards companies with ties to Russia, Belarus or other jurisdictions related to the Russian Federation, which could reduce demand for the products of those companies;
- Changes in risk appetite that may lead to creditors and investors withdrawing their financial support for companies with ties to Russia, resulting in increased liquidity risk and/or doubts regarding the continuity of the activities of those companies;
- Volatility in the prices of financial instruments and commodities, including oil, natural gas, other petroleum products and minerals, as well as volatility in foreign exchange rates.

Based on the information available to date, the Company's Management has not identified any specific potential risks related to the Russia-Ukraine conflict and thus, at this time, no significant impact is expected on the conduct of current operations. The Company's direct exposure to third parties affected by the sanctions imposed since the conflict began (customers, suppliers, banking institutions with which the Company collaborates, which have been directly affected by the sanctions) does not exist. The indirect exposure (customers, suppliers with which the Company collaborates, with links to third parties affected by the sanctions, as well as risks related to future volatility of commodity prices or foreign exchange rates) is unquantifiable, and the Company's Management has not received any indication of any significant impact on the Company's activity to date.

NOTA 30. EVENTS AFTER THE BALANCE SHEET DATE

I. Signing an agreement for the sale of a group company

In line with the asset valuation strategy announced at the beginning of the year, the issuer has signed a non-binding termsheet agreement for the sale of Elian Solutions' shares to a foreign investor. Should the transaction reach completion, the transaction price would be between EUR 6.4 and 8 million (for the takeover of 100% of Elian Solutions) depending on the company's financial performance in 2026.

The financial statements from page [3] to page [56] were approved and signed on March 27, 2026.

Mihai Logofătu

Adrian Stănescu

General Manager

Financial Director