

BITTNET SYSTEMS S.A.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED ON
DECEMBER 31, 2025

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

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	<u>2025</u>	<u>2024</u>
Ongoing activities			
Revenue from contracts with customers	[7]	394,256,134	404,113,044
Cost of sales	[8]	<u>(333,240,210)</u>	<u>(330,002,661)</u>
Gross margin		61,015,923	74,110,382
Other income	[9]	1,252,566	2,363,095
Sales expenses	[10]	(19,619,851)	(20,798,497)
General and administrative expenses	[11]	(41,320,675)	(44,034,551)
Impairment	[9]	-	(2,078,990)
Other expenses	[9]	-	(45,510)
Gain/(loss) on equity-accounted securities	[20]	(43,346)	(39,541)
Losses on investments measured at fair value through profit or loss	[13]	(2,086,006)	(4,024,130)
Financial income	[13]	3,643,479	727,599
Financial expenses	[13]	<u>(8,707,322)</u>	<u>(7,033,711)</u>
Gross profit / (loss)		(5,865,231)	(853,853)
Income tax	[14]	<u>716,295</u>	<u>(1,523,249)</u>
Profit / (loss) from continuing operations		(5,148,936)	(2,377,102)
Interrupted activities			
Net profit / (loss) from discontinued operations		<u>-</u>	<u>11,495,927</u>
Net profit, of which:		(5,148,936)	9,118,826
related to the Parent Company		(6,061,975)	5,333,846
related to minority interests		913,039	3,784,979
Other elements of the overall result		-	-
Total Overall result		(5,148,936)	9,118,826
related to the Parent Company		(6,061,975)	5,333,846
related to minority interests		913,039	3,784,979
Earnings per share from continuing operations	[5]		
basic		(0.0096)	(0.0091)
diluted		<u>(0.0096)</u>	<u>(0.0084)</u>
Earnings per share from discontinued operations			
basic		-	0.0174
diluted		<u>-</u>	<u>0.0162</u>

The financial statements on page [3] to page [72] were approved and signed on March 27, 2026.

Mihai Logofătu
General Manager

Adrian Stănescu
Financial Director

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Assets			
Fixed assets			
Goodwill	[16]	64,531,266	67,950,004
Other intangible assets	[18]	8,766,895	8,661,920
Tangible fixed assets	[19]	5,330,713	7,058,287
Usage rights	[28]	19,954,606	22,412,622
Equivalent securities	[20]	6,228,507	1,271,853
Other financial assets		315,703	378,633
Deferred tax	[14]	5,592,242	4,165,763
Total fixed assets		110,719,930	111,899,083
Current assets			
Stocks	[21]	3,647,955	4,811,756
Services in progress	[22]	16,221,472	15,324,838
Trade receivables	[22]	121,087,646	105,920,420
Other receivables	[22]	13,344,873	18,138,601
Financial assets at fair value	[20]	3,459,404	5,710,669
Cash and equivalents	[23]	116,387,622	73,355,404
Total current assets		274,148,973	223,261,688
TOTAL ASSETS		384,868,903	335,160,771
CAPITAL AND LIABILITIES			
Share capital		63,417,672	63,417,672
Issue premiums		31,934,768	31,934,768
Other equity items		(31,751,172)	(28,669,257)
Reserves		2,233,539	2,104,581
Retained earnings		(4,785,452)	1,581,052
Capital related to the parent company	[24]	61,049,355	70,368,816
Non-controlling interests	[25]	5,470,151	6,826,502
Total capital and reserves		66,519,506	77,195,318
Long-term debts			
Bonds	[26]	21,194,200	30,718,474
Bank loans	[27]	13,221,973	12,525,113
Leasing Debts	[28]	14,927,426	17,479,202
Long-term debts	[29]	-	-
Total long-term debt		49,343,599	60,722,790
Current liabilities			
Bonds	[26]	10,475,771	167,365
Bank loans	[27]	12,259,422	15,974,109
Leasing Debts	[28]	6,795,412	6,422,410
Dividends to be paid		1,913,363	544,411
Corporate tax liabilities	[14]	420,835	794,758
Contractual liabilities	[29]	17,314,977	19,038,100
Trade debts	[29]	206,283,761	136,778,390
Other debts	[29]	12,463,857	16,258,583
Provisions	[29]	1,078,401	1,264,538
Total current liabilities		269,005,798	197,242,663
Total debts		318,349,397	257,965,453
TOTAL CAPITAL AND LIABILITIES		384,868,903	335,160,771

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CONSOLIDATED STATEMENT OF CASH FLOWS

	Note s	2025	2024
Net profit		(5,148,936)	9,118,826
Adjustments for:			
Depreciation expenses	[11]	10,109,820	10,735,511
Adjustments for impairment	[9]	-	2,078,990
Expenses related to assets disposed of		304,791	606,497
Benefits granted to SOP employees	[24]	311,804	1,043,509
Adjustments for impairment of receivables		946,474	(7,098)
Adjustments for inventory depreciation		(412,768)	(111,516)
Provisions	[29]	(186,137)	(166,667)
Expenses related to acquisitions of participating interests	[9]	-	45,510
Interest expenses and other financial costs	[13]	7,328,324	6,767,026
Income tax expenses	[14]	(716,295)	1,523,249
Interest income and other financial income	[13]	(640,797)	(461,056)
Gain/Loss on securities investments	[13]	(916,672)	4,181,814
Gain/Loss on sale of discontinued operations		-	(10,673,256)
Gain/Loss on equity-based securities	[20]	43,346	39,541
Operating profit before changes in working capital		11,022,953	24,720,880
Variation in accounts receivable balances		(18,879,521)	(58,621,756)
Variation in inventory account balances		1,576,568	(618,988)
Variation in debt account balances		69,908,895	58,434,304
Cash generated from operations		63,628,896	23,914,440
Income tax paid		(1,084,106)	(1,986,721)
Net cash from operating activities		62,544,790	21,927,719
Investment activities:			
Payments for acquisition of subsidiaries/businesses, +/- cash acquired		(4,977,000)	-
Payments for the purchase of participating interests		(5,000,000)	-
Proceeds from sale of participating interests, +/- cash sold		11,065,316	13,862,761
Loans to related entities		450,000	150,000
Acquisitions of tangible and intangible assets		(1,794,608)	(2,017,582)
Other investments in financial assets		-	-
Proceeds from other financial investments		157,754	1,467,912
Dividends received		186,592	78,225
Interest received		658,764	480,528
Net cash from investing activities		746,819	14,021,844
Financing activities:			
Payments for acquisitions of minority interests		-	(24,485,735)
Proceeds from the share issue		-	-
Sales of own shares		-	2,857,998
Share buybacks		(3,393,718)	(766,058)
Bank loan withdrawals		2,337,337	10,971,851
Bank loan repayments		(5,355,165)	(9,991,335)
Proceeds from bond issue		-	6,268,326
Repayments from the bond issue		-	-
Interest on leasing debts		(1,198,869)	(1,321,496)
Lease debt payments		(6,781,330)	(6,997,252)
Interest paid		(5,345,323)	(5,253,859)
Dividends paid to minority interests		(522,323)	(3,889,770)
Net cash from financing activities		(20,259,390)	(32,607,330)
Net increase in cash and cash equivalents		43,032,218	3,342,233
Cash and cash equivalents at the beginning of the financial year		73,355,404	70,013,171
Cash and cash equivalents at the end of the financial year		116,387,622	73,355,404

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital	Issue premiums	Other equity items	Legal reserves	Retained earnings	Total Capital	Things who does not control	Total equity
Dec 31, 2023		63,417,672	31,934,768	(16,150,032)	1,355,734	(7,714,326)	72,843,816	8,449,099	81,292,914
Net profit		-	-	-	-	5,333,846	5,333,846	3,784,979	9,118,826
Other elements of the overall result		-	-	-	-	-	-	-	-
Total Overall result		-	-	-	-	5,333,846	5,333,846	3,784,979	9,118,826
BNET share capital increase		-	-	-	-	-	-	-	-
Subsidiary share capital increases		-	-	-	-	-	-	6,571,537	6,571,537
Benefits granted to SOP employees	[24]	-	-	1,043,509	-	-	1,043,509	-	1,043,509
Acquisition of own shares	[24]	-	-	(766,058)	-	-	(766,058)	-	(766,058)
Sales of own shares	[24]	-	-	2,857,998	-	-	2,857,998	-	2,857,998
Acquisitions of minority interests	[17]	-	-	(15,654,674)	-	-	(15,654,674)	-	(15,654,674)
Non-controlling interests		-	-	-	-	4,710,380	4,710,380	(10,810,359)	(6,099,979)
Dividend distribution		-	-	-	-	-	-	(1,168,753)	(1,168,753)
Legal reserve distribution		-	-	-	748,847	(748,847)	-	-	-
Dec 31, 2024		63,417,672	31,934,768	(28,669,257)	2,104,581	1,581,052	70,368,816	6,826,502	77,195,318
Net profit		-	-	-	-	(6,061,975)	(6,061,975)	913,039	(5,148,936)
Other elements of the overall result		-	-	-	-	-	-	-	-
Total Overall result		-	-	-	-	(6,061,975)	(6,061,975)	913,039	(5,148,936)
BNET share capital increase		-	-	-	-	-	-	-	-
Subsidiary share capital increases		-	-	-	-	-	-	-	-
Benefits granted to SOP employees	[24]	-	-	311,804	-	-	311,804	-	311,804
Acquisition of own shares	[24]	-	-	(3,393,718)	-	-	(3,393,718)	-	(3,393,718)
Sales of own shares	[24]	-	-	-	-	-	-	-	-
Acquisitions of minority interests	[17]	-	-	-	-	-	-	-	-
Non-controlling interests		-	-	-	-	(175,571)	(175,571)	269,149	93,578
Dividend distribution		-	-	-	-	-	-	(2,538,540)	(2,538,540)
Legal reserve distribution		-	-	-	128,958	(128,958)	-	-	-
Dec 31, 2025		63,417,672	31,934,768	(31,751,172)	2,233,539	(4,785,452)	61,049,355	5,470,151	66,519,506

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NOTE 1. GENERAL INFORMATION

Group structure and operational activities

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

	Dec 31, 2025	Dec 31, 2024
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 2025		
MINORITY INTERESTS		
E-Learning Company	23%	23%
Digital Intelligence Partners, owned by Dendrio Solutions	23.35%	23.35%

As of 31.12.2025, the Group has almost 230 employees, who work for one of the 9 companies included in the group.

During 2025, the average number of employees of the Group was 235. The following table presents the division by functional departments at the end of the fiscal years 2024-2025:

Dept.	Dec 31, 2025	Dec 31, 2024
Delivery	138	178
Sales	44	55
Administrative	48	64
TOTAL	227	297

The consolidated financial statements include the results of the business combination using the acquisition method. In the statement of financial position, the identifiable assets, liabilities and contingent liabilities of the acquirer are initially recognized at their fair values at the acquisition date. The results of the acquired operations are included in the consolidated statement of comprehensive income from the date control is obtained.

Bittnet Systems SA

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

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

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

a) Education Division

This division contains 2 companies (**Bittnet Systems** and **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 (Cloud, DevOps, Cybersecurity). The business training portfolio includes project management, IT service management, business intelligence, CRM, ERP, Agile, etc.

The E-Learning Company SA

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

As a result of the investment agreement, Bittnet was allocated a seat on the Board of Directors of E-Learning Company. In the meantime, the company returned to sole management, the activity of the Board of Directors ceasing.

b) Digital Infrastructure Division (Cloud & Infrastructure)

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.

Dendrio Solutions

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

Dendrio Technology (formerly Top Tech)

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

Dendrio Innovations (formerly Dataware Consulting)

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

IT Prepared (rebranded: Optimizer)

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

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

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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.

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

d) Business applications & Software development division

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

Elian Solutions Elian Solutions specializes in providing implementation services for ERP (Enterprise Resource Planning) solutions, Microsoft Dynamics 365 Business Central. As a long-term Microsoft partner, Elian held Gold Partner status until 2022, and is currently a Certified Solution Provider (CSP) for Business Applications, being a pioneer in Eastern Europe within the new Microsoft cloud partnership program. The solution implemented by Elian allows companies to know the situation of inventories, receivables and payables, to be able to forecast, interalia cash flow, to track production, cost centers and much more.

Elian Development Systems (formerly Kepler Management)

Kepler Management is a company similar in profile and business to Elian Solutions, being one of the main Microsoft partners in Romania for the implementation and support of the ERP (enterprise resource planning) solution Microsoft Dynamics 365 Business Central.

Nenos Software & Nonlinear

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

Group Management

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

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- 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 the 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 Herghelegiu – VP Technology and Cristina Rațiu – CEO Education. The 4 individuals are identified as key management from an IFRS perspective.

NOTE 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Declaration of conformity

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

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

The main accounting policies adopted in the preparation of the consolidated financial statements are disclosed in Note 30 "Significant accounting policies".

b) Business continuity

The year 2025 presented the Group with one of the most complex periods in its history. The national and international context changed the pace 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, discussions on the country rating and delays in the implementation of projects financed through the PNRR, contributed to a sudden halt in investments, as well as significant fluctuations felt in the economy: from pressures on the exchange rate to the increase in capital costs and reluctance to obtain financing for the development of projects.

For the companies in the Group, 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.

The usual seasonality was even more pronounced than in previous years: if historically the 4th quarter brought about a third of turnover and gross margin, in 2025 major deliveries moved to the final part of the year, with the 4th quarter representing approximately 56% of the year's revenues.

In the first half, consolidated revenues were significantly affected, and operating results reflected the inelasticity of fixed expenses, generating an operating loss. In contrast, the second half generated margins similar to previous years, which, combined with the fixed cost reduction that the Group's management implemented, led to an operating profit in H2 of almost 14 million lei, recovering the operating loss and ending the year with an operating profit of 1.6 million lei.

The Group has net current assets of 5,140 thousand lei as of December 31, 2025 (26,019 thousand lei as of December 31, 2024) and sufficient cash availability of 116,384 thousand lei (70,355 thousand lei as of December

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31, 2024), recording positive cash flows from operations in both years. The Group closely monitors liquidity indicators – conversion of receivables into cash, transactions with customers and suppliers, etc.

Based on the analysis of future cash flows at business segment level (Note 16), and the analysis of existing obligations, as well as based on the current year's results, the Group's Management believes that business continuity principle 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 effective or have not been early applied by the Group.

The Group has analyzed their impact on the financial statements and presents below a summary of those relevant to the Group'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 with future application (2025–2027)

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

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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 SAI: 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.

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NOTE 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Essential reasoning

- Revenue recognition (Note 7) – principal/agent relationship regarding the resale of software licenses;
- Bittnet brand recognition (Note 17);
- Recognition of employee/collaborator loyalty program through share offering – “SOP” (Note 23)

Estimates and assumptions

- Evaluation of the consideration related to the employee/collaborator loyalty program through the offering of shares – “SOP” (Note 23)
- Valuation of adjustments for impairment of receivables (Note 21)
- Assessment related to the goodwill impairment test (Note 15)

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

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NOTE 4. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Group 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 Group is exposed to risks arising from the use of its financial instruments. This note describes the Group's risk management objectives, policies and processes and the methods used to assess them. Additional quantitative information on these risks is presented throughout these financial statements.

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

(i) Main financial instruments

The main financial instruments used by the Group, from which the financial instrument risk arises, 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	21,722,838	23,901,612
Bank loans	25,481,395	28,499,222
Trade and other debts	<u>212,405,304</u>	<u>146,534,797</u>
Total	<u>291,279,508</u>	<u>229,821,470</u>
FINANCIAL ASSETS	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Receivables and loans	133,498,956	121,311,921
Financial assets at fair value	3,459,404	5,710,669
Cash and equivalents	<u>116,387,622</u>	<u>73,355,404</u>
Total	<u>253,345,982</u>	<u>200,377,994</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

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The Board of Directors has overall responsibility for determining the Group's risk management objectives 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 Group's finance function. The Board receives monthly reports from the Group CFO through which it reviews the effectiveness of the processes implemented and the adequacy of the objectives and policies it establishes.

The overall 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 Group. More details on these policies are presented below:

Credit risk

Credit risk is the risk that the Group's debtors will not be able to meet their obligations when they fall due, due to a deterioration in their financial situation. The Group 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 group analyzes new customers using specialized tools (customer credit analysis sites) and has a strict procedure regarding the documentation of orders and the provision of services or delivery of goods.

However, the Group has not identified a solution that can completely eliminate credit risk, which is 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 21.

Cash in bank and short-term deposits

The group 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 Group's use of interest-bearing financial instruments that are also denominated in foreign currencies. There is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Interest rate risk

The Group is exposed to interest rate risk, having contracted bank loans and from bond issues, in LEI and EUR. Any increase in interest rates will be reflected in the increase in financial costs. The Group regularly monitors the market situation to forecast the risk associated with interest rates.

The amounts borrowed currently represent a mix of fixed annual interest (bonds and leasing) and variable annual interest (bank loans). The weighted cost of borrowed capital is just under 9% per year. 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	25,481,395	28,499,222
Fixed interest	<u>53,392,809</u>	<u>54,787,451</u>
Total	<u>78,874,203</u>	<u>83,286,673</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, gross profit for the year would have been 254,813 lower/higher (December 31, 2024: 284,992), mainly due to higher/lower interest expenses on variable rate loans.

Currency risk

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

- The Group avoids as much as possible the submission of "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 Group'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	(30,477,223)	(36,249,986)
USD	<u>662,084</u>	<u>3,286,525</u>

At 31 December 2025, if the EUR/RON exchange rate had been 1 % point higher/lower, with all other variables held constant, gross profit for the year would have been 304.772 lower/higher (31 December 2024: 362.499), mainly due to the revaluation of net financial assets denominated in EUR.

Other market risk

The Group holds some investments in other listed companies. Management believes that the exposure to market risk from this activity is acceptable in the Group's circumstances, but is much higher than the risk associated with an investment in government securities or investment fund shares, 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 Group's management of working capital and financial expenses and the principal repayments of its debt instruments. There is a risk that the Group will encounter difficulties in meeting its financial obligations as they fall due.

The Group'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 Group 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	21,722,838	1,139,059	5,656,352	6,193,627	8,067,233	666,567
Bank loans	25,481,395	1,043,307	11,216,115	2,700,699	10,521,274	-
Trade and other debts	212,405,304	212,405,304	-	-	-	-
Total	<u>291,279,508</u>	<u>214,736,730</u>	<u>27,199,177</u>	<u>13,851,248</u>	<u>34,825,784</u>	<u>666,567</u>

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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	23,901,612	1,055,931	5,578,632	5,700,642	11,450,385	116,022
Bank loans	28,499,222	650,930	15,323,180	3,561,270	8,193,511	770,332
Trade and other debts	146,534,797	146,534,797	-	-	-	-
Total	229,821,470	148,409,023	20,901,811	18,977,085	40,647,197	886,354

NOTE 5. RESULT PER SHARE

The Group presents both basic and diluted earnings per share:

- basic earnings per share are calculated by dividing the net profit for the current year attributable to the Group'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 2024-2025 is presented in the following table:

	2025	2024
Net profit attributable to the parent company (A)	(6,061,975)	(5,755,486)
Net profit attributable to the parent company from discontinued operations (B)	-	11,011,620
Number of shares - beginning of 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 (C)	634,176,714	634,176,714
Dilutive stock (SOP)	-	47,563,254
Overall average (D)	634,176,714	681,739,968
Earnings per share from activities includes		
basic (A/C)	(0.0096)	(0.0091)
diluted (A/D)	(0.0096)	(0.0084)
Earnings per share from discontinued operations		
basic (B/C)	-	0.0174
diluted (B/D)	-	0.0162

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NOTE 6. INFORMATION BY ACTIVITY SEGMENTS EXCLUDING DISCONTINUED OPERATIONS

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

Bittnet Group currently operates in three key divisions: Education, Digital Infrastructure, Cybersecurity, Business application & Software development.

- **Education** -this division contains 2 companies (**Bittnet Systems** and Bittnet Training), which offers training to adults in two areas: Technical Skills and Human Skills both in classic, face-to-face, Virtual Remote format, but also instructor-led or in eLearning format. The trainings offered allow experts access to technology by teaching IT skills, from the basic ones (e.g.: Microsoft Office Suite) to the most advanced (Cloud, DevOps, Cybersecurity). The business training portfolio includes project management, IT service management, business intelligence, CRM, ERP, Agile, etc.
- **Digital Infrastructure** -this division contains 3 companies (**Dendrio Solutions**, **Dendrio Innovations (formerly Dataware Consulting)** and **Dendrio Technology (formerly Top Tech)**) which offers complex IT solutions to clients in the corporate, large corporate, enterprise and public sector segments from all over the country but also from abroad (especially CEE and the USA).

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

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

- **Cybersecurity** -This division contained 3 companies (Fort (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 Group's Cybersecurity Division was sold at the end of December 2024.

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

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

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

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

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OPERATIONAL RESULTS

2025	Education	Digital Infrastructur e	Cybersecurity	BA & Software	Total
Total income	15,363,312	381,228,965	-	35,823,376	432,415,654
Intersegment revenue	(144,408)	(36,869,502)	-	(1,145,610)	(38,159,520)
Revenue from contracts with customers	15,218,905	344,359,463	-	34,677,766	394,256,134
Cost of sales	(8,431,753)	(301,258,365)	-	(23,550,092)	(333,240,210)
Gross margin	6,787,152	43,101,098	-	11,127,673	61,015,923
Allocated selling costs	(3,135,279)	(14,830,226)	-	(1,370,387)	(19,335,891)
Other income	37,506	1,126,182	-	88,879	1,252,566
Allocated operational expenses	(798,094)	(23,128,445)	-	(5,375,080)	(29,301,620)
EBITDA by segment	2,891,285	6,268,609	-	4,471,085	13,630,979
Depreciation	(1,857,721)	(6,323,223)	-	(1,234,270)	(9,415,215)
Operating profit per segment	1,033,564	(54,615)	-	3,236,814	4,215,764
Other expenses (SOP, M&A)					(311,804)
Impairment	-	-	-	-	-
Financial income per segment	14	242,750	-	19,929	262,694
Financial expenses per segment	(344,424)	(7,048,322)	-	(296,734)	(7,689,480)
Unallocated expenses					<u>(2,342,405)</u>
Gross profit from continuing operations	689,155	(6,860,187)	-	2,960,010	(5,865,232)
Gross profit from discontinued operations			-		-
2024	Education	Digital Infrastructur e	Cybersecurity	BA & Software	Total
Total income	11,098,692	388,091,662	-	29,230,406	428,420,760
Intersegment revenue	(561,028)	(22,714,219)	-	(1,032,469)	(24,307,716)
Revenue from contracts with customers	10,537,664	365,377,443	-	28,197,937	404,113,044
Cost of sales	(5,107,320)	(305,196,693)	-	(19,698,648)	(330,002,661)
Gross margin	5,430,343	60,180,750	-	8,499,289	74,110,382
Allocated selling costs	(3,764,201)	(14,980,333)	-	(1,305,215)	(20,049,749)
Other income	80,076	2,180,246	-	95,999	2,362,321
Allocated operational expenses	(1,620,980)	(26,055,928)	-	(4,039,583)	(31,716,491)
EBITDA	131,239	21,324,735	-	3,250,491	24,706,465
Depreciation	(1,652,742)	(6,892,531)	-	(1,023,266)	(9,568,539)
Operating profit per segment	(1,521,503)	14,432,205	-	2,227,224	15,137,925
Other expenses (SOP, M&A)					(1,089,019)
Impairment	-	-	-	-	(2,078,990)
Financial income	43	313,698	-	1,253	314,995
Financial expenses	(546,732)	(5,090,125)	-	(336,845)	(5,973,702)
Unallocated expenses					<u>(7,165,063)</u>
Gross profit from continuing operations	(2,068,638)	9,655,778	-	1,891,632	(853,853)
Gross profit from discontinued operations			-		-
			979,776		979,776

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

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

ASSETS / LIABILITIES

2025	Education	Digital Infrastructur e	Cybersecurity	BA & Software	Total
Assets by segment	17,387,292	317,780,396	-	23,753,206	358,920,894
Unallocated assets					<u>25,948,009</u>
Total Assets					<u>384,868,903</u>
Debts by segment	17,148,127	259,002,594	-	10,528,706	286,679,427
Unallocated liabilities					31,669,971
Total Debts					<u>318,349,397</u>
2024	Education	Digital Infrastructur e	Cybersecurity	BA & Software	Total
Assets by segment	15,288,478	258,114,864	-	21,547,047	294,950,388
Unallocated assets					<u>40,210,383</u>
Total Assets					<u>335,160,771</u>
Debts by segment	11,342,577	208,519,792	-	7,217,246	227,079,614
Unallocated liabilities					30,885,839
Total Debts					<u>257,965,453</u>

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

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

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NOTE 7. 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	15,007,016	10,491,166
IT solutions for integrating services, goods and licenses (*)	70,484,639	78,655,474
Total	<u>85,491,655</u>	<u>89,146,640</u>
Sale of goods IT integration	198,316,995	236,264,751
Licenses	109,918,387	77,880,118
Licenses recognized on a "net" basis	383,177	821,535
Equipment (Grenke Renting) recognized on a "net" basis	<u>145,920</u>	-
Sale of goods	<u>308,764,479</u>	<u>314,966,404</u>
Total	<u>394,256,134</u>	<u>404,113,044</u>

(*) In 2025, the Group acted as Agent for total sales of software licenses worth 3,304,563 RON (2024: 7,905,144 RON) and, as such, recognized the income resulting from the resale of these software licenses on a "net" basis, i.e. the resulting gross margin of 383,177 RON (2024: 821,535 RON) was recognized in full as income, with zero selling costs. Also, the Group acted as Agent for total sales of IT equipment (sale and lease-back) to the leasing company Grenke Renting worth 1,690,413 RON and, as such, recognized the income resulting from the resale of these equipment on a "net" basis, i.e. the resulting gross margin of 145,920 RON.

The revenue recognition method is detailed in the following table:

	<u>2025</u>	<u>2024</u>
Revenue recognized at a point in time	385,898,675	399,056,249
Revenue recognized over time	8,357,459	5,056,795
Total	<u>394,256,134</u>	<u>404,113,044</u>

Revenue from a geographical perspective

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

Essential reasoning

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

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

The Group sells the rights to the goods produced by the manufacturers in combination with its own value-added services. These services are of the "advisory" and "know-how" type (often governed and certified by the status of partners with the manufacturers), ensuring that the solutions sold to 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 provide a separate value to the customers,

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and are not invoiced separately. The combination of qualified consultancy services (pre- and post-sales) and the goods produced by the manufacturers is, in fact, what ensures the benefit of the customers, in the form of a solution customized to the specific needs (e.g. providing various upgrade options and maximum flexibility) and legally compliant. Also, even after the conclusion of the contract, throughout the duration of the contract, the Group is the sole point of contact and solely responsible to the client for any problems (in which case the Group's team resolves the deficiencies and/or liaises with the manufacturer to remedy the problems that have arisen) or additional requirements (e.g. software upgrade).

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

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

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

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

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

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NOTE 8. COST OF SALES

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

	<u>2025</u>	<u>2024</u>
Cost of selling IT solutions integrating services, goods and licenses	269,920,851	269,880,931
Other direct materials	498,198	425,940
Cloud services	2,179,947	3,280,954
Personnel expenses	27,870,384	25,195,600
Subcontractor expenses	7,117,337	9,786,698
Services provided by third parties	<u>25,653,493</u>	<u>21,432,539</u>
Total	333,240,210	330,002,661

NOTE 9. OTHER INCOME AND OTHER EXPENSES

a) Other income

	<u>2025</u>	<u>2024</u>
Subsidies	515,234	704,286
Other	<u>737,333</u>	<u>1,658,809</u>
Total	<u>1,252,566</u>	<u>2,363,095</u>

b) Other expenses

	<u>2025</u>	<u>2024</u>
Pre-acquisition costs of participating interests	-	45,510
Impairment of the 'Equatorial Gaming' brand (Note 17)	-	650,000
Impairment of holding in E-Learning Company (Note 19)	<u>-</u>	<u>1,428,990</u>
Total	<u>-</u>	<u>2,124,500</u>

Following a review of the cost recognition principles in accordance with the provisions of IFRS 3, "Business Combinations", pre-acquisition costs of participating interests (specialized M&A consulting, financial and legal due diligence services, legal services, etc.) were fully recognized in the period in which the services were rendered.

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NOTE 10. SALES EXPENSES

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

	<u>2025</u>	<u>2024</u>
Personnel expenses	10,834,789	12,541,160
Subcontractor expenses	4,942,894	4,895,800
Commissions and fees	1,488,694	1,161,333
Advertisement	<u>2,353,475</u>	<u>2,200,204</u>
Total	<u>19,619,851</u>	<u>20,798,497</u>

Contract costs – Practical expedient

The Group applies the practical expedient in paragraph 94 of IFRS 15 to record its incremental costs of obtaining a contract when the amortization period of the asset that would otherwise have been recognized is less than or equal to 1 year. These costs are recognized as an expense when incurred.

NOTE 11. 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	1,227,167	1,525,592
Personnel expenses	9,637,452	12,182,231
Provisions for unused vacations	(91,513)	(298,899)
Subcontractor expenses	7,683,066	8,384,780
Depreciation and amortization	10,109,820	10,261,013
Office rent	157,768	118,341
Equipment and machinery rentals	260,358	234,518
Travel and transportation	581,145	733,243
Insurance	593,569	498,977
Postal and telecommunications	414,181	360,628
Donations	38,740	137,894
Accounts receivable adjustments	946,474	(7,098)
Inventory adjustments	(412,768)	(111,516)
Bank fees	551,751	493,217
Other third-party services	6,244,781	6,171,550
Miscellaneous	3,378,683	3,350,079
Total	<u>41,320,675</u>	<u>44,034,551</u>

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NOTE 12. CLASSIFICATION OF EXPENSES BY NATURE

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

	<u>2025</u>	<u>2024</u>
Materials and goods	178,004,863	207,737,184
Resold licenses	93,641,352	64,095,279
Personnel expenses	48,342,625	49,918,991
Provisions for unused vacations	(91,513)	(298,899)
Subcontractor expenses	19,743,298	23,067,278
Amortization	10,109,820	10,261,013
Cloud services	2,179,947	3,280,954
Rent	418,126	352,859
Commissions and fees	1,488,694	1,161,333
Advertisement	2,353,475	2,200,204
Travel and transportation	581,145	733,243
Insurance	593,569	498,977
Postal and telecommunications	414,181	360,628
Donations	38,740	137,894
Accounts receivable adjustments	946,474	(7,098)
Inventory adjustments	(412,768)	(111,516)
Bank fees	551,751	493,217
Services provided by third parties	31,898,275	27,604,089
Miscellaneous	3,378,683	3,350,079
Total operating expenses	<u>394,180,737</u>	<u>394,835,709</u>

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NOTE 13. 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	640,797	461,056
Investment income/(expenses)	3,002,682	(157,685)
Income/(expenses) from securities valuation	(2,086,006)	(4,024,130)
Bank interest	(2,471,358)	(2,569,509)
Factoring costs	(133,802)	-
Interest on bonds issued	(3,524,295)	(2,985,021)
Leasing Interest	(1,198,869)	(1,321,496)
Net income/(expenses) from exchange rate differences	(1,378,998)	266,543
Total	(7,149,849)	(10,330,242)

NOTE 14. PROFIT TAX

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

	2025	2024
Current profit tax	718,019	1,815,029
Deferred tax	(1,434,314)	(291,780)
Total income tax for the year	(716,295)	1,523,249
	2025	2024
Gross profit from operations	(5,865,232)	(853,853)
Corporate tax rate in Romania of 16% (2024: 16%)	(938,437)	(136,616)
<i>The tax effect of non-deductible expenses in taxable profit:</i>		
Amortization	37,765	6,440
Accruals	719,107	83,519
Protocol expenses	124,327	130,966
Other	1,347,586	5,838,521
The tax effect of non-deductible expenses in taxable profit:		
Dividend income	(29,855)	-
Legal reserves	-	(181,408)
Accrual reversal	(782,377)	(191,720)
Other	(1,129,613)	(3,725,299)
Sponsorship	-	(54,250)
Tax credit	(64,798)	(246,904)
Income tax for the year	(716,295)	1,523,249
Microenterprise tax	-	-
Total tax	(716,295)	1,523,249

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The Group has tax losses carried forward in Romania that are available for 7 years to be offset against future taxable profits of the companies in which the losses occurred. The tax losses will expire in 2026-2030.

Deferred tax assets have been recognized in relation to these losses because they can be used to offset taxable profits elsewhere in the Group 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 on 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, 2026	356,444	57,031
December 31, 2027	731,225	116,996
December 31, 2029	5,897,574	943,612
December 31, 2030	22,060,994	3,529,759
Total	29,046,236	4,647,398

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 attributable to the tax loss, the recognition in the consolidated financial statements of pre-acquisition costs of participating interests, as well as lease adjustments in accordance with the provisions of IFRS 16.

Details regarding the change in the deferred income tax asset during the years 2024-2025 are presented in the following table:

Deferred tax assets established for:	Tax loss	Pre-acquisition costs of securities	Lease adjustments IFRS16	Total
On January 1, 2024	3,087,595	550,671	158,005	3,796,271
Recorded/(credited) to the profit and loss account	251,821	7,282	110,389	291,780
On December 31, 2024	3,339,416	557,953	268,394	4,165,763
Recorded/(credited) to the profit and loss account	1,307,982	-	118,497	1,426,479
As of December 31, 2025	4,647,398	557,953	386,891	5,592,242

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NOTE 15. INTERRUPTED ACTIVITIES

At the end of December 2024, the Group sold all of its interest in Fort SA and its subsidiaries, GRX Advisory and ISEC Associates (see Note 17).

The results of the discontinued activity in 2024 are presented below:

	<u>2024</u>
Revenue from contracts with customers	14,497,445
Cost of sales	<u>(9,374,620)</u>
Gross margin	5,122,825
Other income	92,832
Sales expenses	(914,800)
General and administrative expenses	(3,299,823)
Other expenses	-
Financial income	47
Financial expenses	<u>(21,304)</u>
Gross profit	979,776
Income tax	<u>(157,105)</u>
Net profit from operations	822,671
Gain on sale of discontinued operation (Note 17)	10,673,256
Net profit from discontinued operations	<u>11,495,927</u>

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NOTE 16. GOODWILL

Details of goodwill are presented in the following table:

	Dec 31, 2025	Dec 31, 2024
Commercial fund – BITTNET TRAINING	5,630,411	5,630,411
Commercial fund – DENDRIO SOLUTIONS	17,353,258	17,353,258
Commercial fund – DENDRIO INNOVATIONS	16,490,103	16,513,103
Commercial fund – DENDRIO TECHNOLOGY	15,126,475	15,126,475
Goodwill – IT PREPARED (*)	-	3,395,739
Commercial fund – ELIAN SOLUTIONS	348,385	348,385
Commercial fund – ELIAN DEVELOPMENT	4,894,344	4,894,344
Goodwill – NENOS & NONLINEAR	4,688,289	4,688,289
Total	64,531,266	67,950,004

(*) The Group sold its entire stake in IT Prepared at the end of May 2025

Goodwill recognition and impairment testing for CGUs (cash-generating units) containing goodwill

Goodwill arises in a business combination and represents the excess of the consideration transferred for the acquisition of a business over the fair value of the identifiable net assets acquired. Such goodwill is tested for impairment annually or whenever there are indicators of impairment and is carried at cost less accumulated impairment losses.

The company's management analyzed the recoverable amount of the UGN/reportable segments, based on future cash flow forecasts.

Following a business combination, goodwill is allocated to a cash-generating unit or group of cash-generating units that is expected to benefit, among other things, from the synergies of the business combination.

The Group's cash-generating units (CGUs) are defined based on the type of products they manufacture and sell. For the purpose of impairment testing, the Group's cash-generating units are aggregated into an operating segment, which is the level reviewed by the Group's Chief Financial Officer (i.e. the chief financial decision maker).

Management has used the value in use approach to calculate the recoverable amount of the cash-generating unit. The aggregate recoverable amount of the operating segment is then compared to its aggregate carrying amount. An impairment loss is recognized if the aggregate carrying amount of the operating segment exceeds its aggregate recoverable amount. 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 CGU.

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

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	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 CGUs, which 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 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 the CGU. 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 Group 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.

Digital Infrastructure (Cloud & Infrastructure)

The recoverable amount of the Digital 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.

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Business Segments/Divisions (2025)	Goodwill (thousands of RON)	Pre- tax WACC	Long-term growth rate	Adjusted EBITDA margin Terminal value
Education	5,630	14.1%	3%	18.4%
Digital infrastructure	48,970	14.1%	3%	6.6%
Business applications & software development	9,931	14.1%	3%	18.2%

Business Segments/Divisions (2024)	Goodwill (thousands of RON)	Pre- tax WACC	Long-term growth rate	Adjusted EBITDA margin Terminal value
Education	5,630	14.58 %	3%	21.5%
Digital infrastructure	78,357	14.58 %	3%	7.8%
Business applications & software development	9,931	14.58 %	3%	23.1%

A sensitivity analysis was performed on the discount rate, revenue growth rate and EBITDA variation for the terminal value at the cash-generating unit level for the purpose of goodwill impairment.

Business segments/Divisions (2025)	Amount by which the value in use exceeds the carrying amount (thousands of RON)	Growth needed In the discount rate (%)	Decrease in terminal value income (%)	EBITDA Terminal value (%)	decrease
Education	28,088	17%	(43%)	(20%)	
Digital infrastructure	73,352	6.7%	(18.5%)	(5.1%)	
Business applications & software development	25,838	20%	(27%)	(22%)	

Business segments/Divisions (2024)	Amount by which the value in use exceeds the carrying amount (thousands of RON)	Growth needed In the discount rate (%)	Decrease in terminal value income (%)	EBITDA Terminal value (%)	decrease
Education	2,942	2.3%	(7.2%)	(17%)	
Digital infrastructure	104,812	9%	(22.7%)	(50%)	

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Business applications & software development	20,750	15%	(23.5%)	(75%)
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NOTE 17. BUSINESS COMBINATIONS

Transactions 2025

a) Education Division

Change of name from Equatorial Gaming to Bittnet Training

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

b) Digital Infrastructure Division (Cloud & Infrastructure)

Sale of majority stake in IT Prepared – May 2025

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

The assets and liabilities sold related to IT Prepared, deconsolidated as of 31.05.2025, are presented below:

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	Total
Assets	
Fixed assets	
Intangible assets	38,266
Tangible assets	872,303
Other financial assets	6,473
Deferred tax	7,836
Total fixed assets	924,878
Current assets	
Prepaid expenses	49,216
Trade and other receivables	1,044,353
Cash and equivalents	209,684
Total current assets	1,303,253
TOTAL ASSETS	2,228,131
Long-term debts	
Lease liabilities	635,067
Total long-term debt	635,067
Short-term debts	
Lease liabilities	212,334
Dividends to be paid	647,265
Advance income	159,907
Trade and other debts	761,467
Total short-term liabilities	1,780,972
TOTAL DEBT	2,416,039
TOTAL NET ASSETS, of which:	(187,908)
Group share in total net assets (50.02%)	(94,330)
Non-controlling interests (49.98%)	(93,578)

The financial gain realized from the sale of IT Prepared was calculated as follows:

FINANCIAL GAIN FROM THE SALE OF IT PREPARED

Sale value	6,125,000
Derecognition of goodwill, net	(3,395,739)
Total net assets sold	94,330
Financial gain from the sale of IT Prepared	2,823,591

Acquisition of minority stake in Digital Intelligence Partners (DIP)

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

c) Division of Business applications & Software development

Name change from Kepler Management Systems to Elian Development Systems

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

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Transactions 2024

a) Education Division

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

At the end of April 2024, Bittnet decided (together with the founding shareholder of Equatorial Gaming who still owned 1% of the company) 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 (CLC) – share capital increase through conversion of receivables held by Bittnet Systems in June 2024

In June 2024, the sole shareholder Bittnet Systems SA decided to increase the share capital of CLC by the amount of 2,286,896 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) Digital Infrastructure Division (Cloud & Infrastructure)

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

As part of the restructuring and simplification plan of the Bittnet Group, in April 2024 the Group's management, 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, associated in both Dendrio Solutions and Top Tech, transferred their holdings in the company Top Tech to Dendrio Solutions. The price for the acquisition of 14% of Top Tech from Agista Investment was negotiated by the Group under competitive market conditions at 3,750,000 lei.

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

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

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

The total impact on Non-Controlling Interests resulting from the transactions described above was an increase of RON 4,997,572 (see Note 25).

Acquisition of minority stake in Agista Investments in December 2024

In December 2024, Bittnet Systems signed the completion certificates regarding the acquisition of the 11.7765% stake in the shares held by the alternative investment fund Agista Investments for the amount

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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

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

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

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

c) Cybersecurity Division

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

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.

The proceeds from the sale of the subsidiary are presented in the Statement of Cash Flows net of the division's cash available at the date of sale and net of the loan granted for tranche 3 in the amount of 5,150,000 lei, thus totaling 13,862,761 lei.

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

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The assets and liabilities sold related to the Cybersecurity division, deconsolidated as of 31.12.2024, are presented below:

	Fort	GRX Advisory	ISEC Associates	Total
Assets				
Fixed assets				
Intangible assets	226,689	11,726	2,114	240,529
Tangible assets	557,230	496,674	148,450	1,202,354
Equivalent securities	2,851,000	-	-	2,851,000
Other financial assets	8,679	-	-	8,679
Deferred tax	6,483	3,240	560	10,283
Total fixed assets	3,650,081	511,639	151,124	4,312,845
Current assets				
Stocks	145,584	-	-	145,584
Prepaid expenses	771,826	28,777	7,834	808,438
Trade and other receivables	3,115,652	499,105	242,603	3,857,360
Financial assets at fair value	-	-	-	-
Cash and equivalents	3,140,049	1,097,889	168,952	4,406,889
Total current assets	7,173,111	1,625,770	419,389	9,218,271
TOTAL ASSETS	10,823,192	2,137,410	570,514	13,531,116
Long-term debts				
Bank loans	-	-	-	-
Lease liabilities	362,105	358,248	112,891	833,245
Long-term debts	362,105	358,248	112,891	833,245
Short-term debts				
Bank loans	-	-	-	-
Lease liabilities	128,544	101,713	32,164	262,421
Dividends to be paid	-	533,802	-	533,802
Income tax liabilities	-	57,682	(712)	56,970
Advance income	750,609	-	3,955	754,564
Trade and other debts	2,181,020	360,678	80,200	2,621,897
Provisions	-	-	-	-
Total short-term liabilities	3,060,173	1,053,875	115,606	4,229,654
Total Debts	3,422,278	1,412,123	228,498	5,062,899
TOTAL NET ASSETS, of which:	7,400,914	725,287	342,016	8,468,217
Group share in total net assets (58.87%)				(4,984,819)
Non-controlling interests (41.13%)				(3,483,398)

The financial gain from the sale of the Cybersecurity division was calculated as follows:

FINANCIAL GAIN FROM THE SALE OF THE CYBERSECURITY DIVISION

Sale value	23,490,126
Derecognition of goodwill, net	(7,832,052)
Total net assets sold	(4,984,819)
Financial gain from the sale of the Cybersecurity division	10,673,256

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d) Division of Business applications & Software development

Eliau Solutions - share capital increase in May 2024

At the end of May 2024, Bittnet Systems transferred its 24.2% minority stake in Kepler Management Systems to Eliau Solutions for the total amount of 1,429,651 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 Eliau Solutions.

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

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

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

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

In November 2023 the Group informed investors and the market about the signing of the share purchase agreement for the acquisition of Kepler Management Systems. The transaction price involved a tranche of 1,000,000 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.

The total payments made for subsidiary acquisitions in 2024-2025 are presented below:

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Amount paid		
Dataware Consulting	4,977,000	5,000,000
Kepler Management	-	2,560,215
Dendrio Solutions	-	16,878,579
Equatorial Gaming	-	1,430
Total amounts paid	4,977,000	24,440,224
Pre-acquisition M&A costs		
Kepler Management	-	45,510
Total pre-acquisition costs	-	45,510
Less cash purchased	<u>-</u>	<u>-</u>
Total payments for acquisitions of subsidiaries, less cash acquired	4,977,000	24,485,734

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NOTE 18. OTHER INTANGIBLE ASSETS

Intangible assets mainly include the Bittnet Brand and software licenses.

	trademarks	Licenses and other intangibles	Total other intangible assets
Net worth			
On 31.12.2023	6,440,355	3,213,199	9,653,554
M&A inflows/outflows	-	(240,529)	(240,529)
Inputs	-	1,659,840	1,659,840
Assignments/Transfers	-	(633,566)	(633,566)
Amortization	-	(1,127,377)	(1,127,377)
Impairment	(650,000)	-	(650,000)
On 31.12.2024	5,790,355	2,871,565	8,661,920
M&A inflows/outflows	-	(38,266)	(38,266)
Inputs	-	1,238,229	1,238,229
Assignments/Transfers	-	(83,305)	(83,305)
Amortization	-	(1,011,683)	(1,011,683)
Impairment	-	-	-
On 31.12.2025	5,790,355	2,976,540	8,766,895

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

Bittnet brand

The Group controls the Bittnet Brand worth a total 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.

Equatorial brand

Following the completion of the merger by absorption of Equatorial Training and Computer Learning Center (as absorbed companies) into Equatorial Gaming (as absorbing company) at the end of December 2024, the Group decided to change the company name from Equatorial Gaming to Bittnet Training. As a result, the Group considered that it could no longer derive any economic benefit from the Equatorial brand. The Equatorial brand was fully depreciated as of 31.12.2024.

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 Group 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. As the brands do not generate largely independent cash inflows, they are allocated to the Group's CGUs (Training) for impairment testing of goodwill as part of the business assets.

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NOTE 19. TANGIBLE ASSETS

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

	Leased spaces and facilities	Technical installations and machines	Other equipment and furniture	Total fixed assets
Cost				
On 31.12.2023	4,741,026	8,607,373	2,055,269	15,403,668
Leasing entries	-	-	-	-
Business combinations	(153,654)	(233,125)	(313,552)	(700,331)
Inputs	70,078	1,432,579	144,911	1,647,569
Assignments/Transfers	(21,132)	(1,219,705)	(246,833)	(1,487,671)
On 31.12.2024	4,636,318	8,587,122	1,639,795	14,863,235
Leasing entries	-	-	-	-
Business combinations	(111,576)	(96,240)	-	(207,816)
Inputs	36,327	173,834	221,215	431,376
Assignments/Transfers	-	(16,520)	(97,842)	(114,362)
On 31.12.2025	4,561,069	8,648,196	1,763,169	14,972,433
Amortization				
On 31.12.2023	462,447	5,112,001	1,256,745	6,831,193
Period cost	424,103	1,877,260	401,248	2,702,611
Business combinations	(40,765)	(198,441)	(279,823)	(519,028)
Assignments/Transfers	(10,000)	(1,005,289)	(194,539)	(1,209,827)
On 31.12.2024	835,785	5,785,531	1,183,632	7,804,948
Period cost	412,316	1,369,774	185,164	1,967,254
Business combinations	(37,396)	-	(93,085)	(130,481)
Assignments/Transfers	-	-	-	-
On 31.12.2025	1,210,705	7,155,305	1,275,711	9,641,721
Net worth				
On 31.12.2025	3,350,364	1,492,891	487,458	5,330,712
On 31.12.2024	3,800,533	2,801,591	456,163	7,058,287
On 31.12.2023	4,278,579	3,495,372	798,524	8,572,475

No mortgages or guarantees have been established regarding the tangible assets held.

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NOTE 20. SECURITIES

a) Equivalent securities

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

i) The E-Learning Company

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

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

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:

	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 to be 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

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	2025	2024
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)

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

The recoverable amount of E-Learning Company SRL of 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. Accordingly, the Group did not record an impairment of the investment as of 31.12.2025.

ii) Digital Intelligence Partners

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

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

During 2025, the Group recorded through equity-accounted securities the share related to the holding (23.35%) of the net profit achieved by Digital Intelligence Partners in the second half of the year.

The following table illustrates the summarized financial information of the Group's investment in Digital Intelligence Partners, at the Profit and Loss Account level:

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	<u>2H 2025</u>
Revenue from contracts with customers	1,272,677
Direct expenses	<u>(774,523)</u>
Gross margin	498,154
Other income	-
Cost of sales	(5,000)
Administrative expenses	(235,412)
Other expenses	(10)
Financial income/expenses	<u>(2,445)</u>
Gross profit	255,288
Income tax	<u>(5,291)</u>
Net profit	249,997

b) Other financial assets (securities) at fair value

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Softbinator Technologies SA	3,459,404	5,710,669
Arctic Stream SA	<u>-</u>	<u>-</u>
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	<u>-</u>	<u>(2,086,006)</u>	<u>(2,086,006)</u>
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 (trading 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 (traded symbol: AST) is an IT integrator focusing on technologies from the American manufacturer Cisco Systems, a competitor of Dendrio Solutions in this market segment.

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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.

NOTE 21. INVENTORY

Details regarding stocks are presented in the following table:

	<u>Dec 31,</u> <u>2025</u>	<u>Dec 31,</u> <u>2024</u>
Materials	79,693	90,330
Commodities	3,568,263	4,721,426
Total	<u>3,647,955</u>	<u>4,811,756</u>

Inventory adjustment reconciliation:

	<u>2025</u>	<u>2024</u>
January 1	115,694	115,694
Adjustments during the period	-	-
Stock write-offs	-	-
December 31	<u>115,694</u>	<u>115,694</u>

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NOTE 22. TRADE RECEIVABLES AND OTHER RECEIVABLES

Trade and other receivables are presented in the following table:

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Customer receivables		
Customer receivables	121,800,636	106,619,318
Adjustments for accounts receivable	<u>(712,989)</u>	<u>(698,898)</u>
Net trade receivables	121,087,646	105,920,420
Other receivables		
Other project-related receivables	4,340,559	5,054,356
Related party loans (Note 27)	-	5,617,966
Subsidies	-	43,125
Guarantees	315,703	378,633
Other receivables	7,755,047	4,297,421
Supplier advances	456,832	1,401,586
State budget receivables	792,435	1,724,147
	<u>13,660,576</u>	<u>18,517,234</u>
Total other receivables, of which:		
Fixed assets	315,703	378,633
Current assets	<u>13,344,873</u>	<u>18,138,601</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>
Advance expenses	16,221,472	15,324,838

Aging status of net customer receivables:

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Non-expiring	100,704,178	95,148,667
0-30	4,044,469	3,348,684
31-90	9,833,915	4,048,682
91-180	4,575,544	1,707,304
181-360	76,106	228,856
over 360	<u>1,853,435</u>	<u>1,438,228</u>
Total	<u>121,087,646</u>	<u>105,920,420</u>

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Reconciliation of customer receivables adjustments:

	2025	2024
January 1	698,898	698,898
M&As adjustment entries	-	-
Adjustments during the period	426,859	-
Cancellation of receivables	(412,768)	-
Replay adjustments	-	-
	712,989	698,898
December 31	712,989	698,898

Significant estimates

The Group performs an impairment analysis for trade 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 ranges for each category (Non-current, 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.

The rates of loss from non-collection of receivables are presented below:

	Private companies	Public sector clients
yet due	0.22%	0.43%
1-90 days	1.10%	0.11%
91-180 days	9.63%	0.84%
181-365 days	30.75%	3.35%
Over 365	100.00%	90.09%

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NOTE 23. CASH AND CASH EQUIVALENTS

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

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Bank in LEI	102,019,261	63,295,511
Bank in LEI – cash collateral	10,341,443	7,268,426
Foreign currency bank	2,634,496	2,419,805
Foreign currency bank – cash collateral	1,347,594	310,483
Cash in the cash register	44,827	61,178
Total	<u>116,387,622</u>	<u>73,355,404</u>

Collateral cash deposits represent restricted cash - collateral in connection with cash and non-cash facilities contracted from bank creditors (Procredit Bank and Banca Transilvania).

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NOTE 24. CAPITAL AND RESERVES

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

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Share capital	63,417,672	63,417,672
Issue premiums	31,934,768	31,934,768
Other equity items	(31,751,172)	(28,669,257)
Legal reserves	2,233,539	2,104,581
Retained earnings	1,276,523	(3,752,793)
Current overall result	(6,061,975)	5,333,845
Total	<u>61,049,355</u>	<u>70,368,816</u>

a) Share capital

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

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

Shareholders and percentage 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 Group recognizes through other equity items, mainly:

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

Treasury shares held:

Number of treasury shares

Balance as of 31.12.2023	9,247,200
Sales 2024	9,247,200
Redemptions 2024	4,000,000
Balance as of 31.12.2024	4,000,000
Sales 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 Group sold all treasury shares held on 31.12.2023 at a total price of 2,866,327.89 lei.

Share buyback program – August 2024 (completed December 2025)

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 was carried out was BRK Financial Group and the maximum daily volume repurchased was 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 buybacks were carried out was within the range established by EGMS Decision no. 04 of 25.04.2024: minimum buyback price 0.1 RON/share (respectively the nominal value of the BNET share), and maximum buyback price 0.25 RON/share. The buyback program was implemented from own sources.

Until the 31st.12.2024, the Group 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 in order to carry out the direct transfer of ownership of the 20 million BNET shares.

Essential considerations – recognition and evaluation of SOP

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

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The Group settles the transactions by issuing to the option holders a number of shares equivalent (at market price) to the financial value of the option. The capital increase is made by raising 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 SOP, the economic substance of the transaction is that it is settled in shares. As a result, the Group has recognised the SOP transactions as being settled in shares, and has recognised and measured the services received in the Statement of Comprehensive Income and the corresponding increase directly in equity.

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

Significant estimates – SOP assessment

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

- the spot price on the date of the AGM, i.e. the average price adjusted for splits at t-1;
- the 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;
- the 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 from the Stock Option Plan;

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

SOP 2022

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

Main coordinates of the SOP 2022 plan:

- effective date: 11.04.2022;
- duration: 2 years 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 Group recognized an expense with SOP2022 in the amount of 108,098 lei (2023: 324,295 lei).

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)

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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 shares of the company as of the date of grant: 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 life of the plan, i.e. over a period of 3 years, May 2023 – April 2026. In 2024, the Group recognized an expense with SOP 2023 in the amount of 935,411 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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NOTE 25. NON-CONTROLLING INTERESTS

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

Non-controlling interests

	Dendrio Solutions	Elian & Kepler	Equatorial	IT Prepared	Messy & Nonlinear	Dendrio Technology (Top Tech) & zNet	Dendrio Innovations (Dataware)	Fort & GRX-A & ISEC	Total
January 1, 2024	(256,645)	1,844,954	14,847	714,691	150,644	599,890	1,870,691	3,510,027	8,449,099
Net profit	1,043,889	635,370	(1,370)	490,014	89,459	368,210	771,053	388,356	3,784,979
Dividends	-	(326,086)	-	(427,683)	-	-	-	(414,984)	(1,168,753)
Capital increases	4,997,572	1,573,964	-	-	-	-	-	-	6,571,537
Acquisitions	(4,459,456)	-	(13,476)	-	-	(780,721)	(2,073,308)	-	(7,326,961)
Subsidiary sale (Note 17)	-	-	-	-	-	-	-	(3,483,398)	(3,483,398)
December 31, 2024	1,325,359	3,728,202	-	777,022	240,103	187,380	568,437	-	6,826,502
Net profit	(38,946)	819,102	-	(103,915)	364,923	(129,710)	1,586	-	913,039
Dividends	185,735	(2,041,580)	-	(496,961)	-	-	(185,735)	-	(2,538,540)
Asymmetrically distributed dividends	-	445,296	-	(264,669)	-	-	-	-	180,626
Subsidiary sale (Note 17)	-	-	-	88,523	-	-	-	-	88,523
December 31, 2025	1,472,148	2,951,019	-	-	605,026	57,669	384,288	-	5,470,150

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NOTE 26. 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 group launched bond offerings in 2016, 2017, 2018, 2022, 2023 and 2024 with maturities in 2019, 2022, 2023, 2026, 2027 and 2028, through which it obtained 'committed' financing of over 50 million 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 nice 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 pionized on the Square Regulated BVB, dedicated category and corporate unions, starting with 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.

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

The interest is fixed 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

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

A total of 530 subscription orders were placed during the offering period at all price levels, totaling a total volume of 185,602 bonds. Given that the Issuer set the issue price at the nominal value of the bond (100 lei) and in accordance with the offering prospectus, the volumes subscribed at prices above the issue price were fully settled at the issue price (100 lei). Thus, the volume of 87,446 bonds represents the guaranteed allocation in the offering according to the Offering Prospectus. For the volume of bonds subscribed at the price of 100 lei/bond (i.e. for 71,050 bonds) the allocation was made pro-rata, the allocation index being 0.1766924701, resulting in a volume of 12,554 bonds. Subscription orders placed at prices below the issue price were not executed.

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

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

The total issuance costs for this bond issue amounted to 248,438 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.

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

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NOTE 27. BANK LOANS

Details regarding bank loans are presented in the following table:

Values in RON				31-Dec-25		31-Dec-24	
Banking product	Currency	Interest rate	Maturity	Borrowed value	Balance as of date	Borrowed value	Balance as of date
ProCredit (Dend Sol)	RON	6M+3%	2026	4,500,000	973,425	4,500,000	2,524,818
BT investment credit (Dend Sol)	RON	ROBOR 3M+2.5%	2029	9,724,885	4,575,660	9,724,885	5,795,836
ProCredit investment loan (Dend Sol)	RON	ROBOR 6M+2.5%	2030	10,000,000	7,005,891	10,000,000	8,241,818
PCB short term loan (Dend Sol)	EUR	EURIBOR6M+2.15%	2027	5,000,000	4,214,882	-	-
ING credit line (Dend Sol)	RON	ROBOR 1M+2.2%	2026	5,000,000	3,781,927	5,000,000	1,446,666
BRD credit line (Dend Tech)	RON	ROBOR 3M+1.5%	2026	8,000,000	4,929,610	10,000,000	59,548
BT short-term credit (Dend Inno)	RON	ROBOR3M+2.75%	2026	15,000,000	-	15,000,000	9,082,867
Raiffeisen credit line (2NET)	RON	6M+2%	2025	2,500,000	-	2,500,000	1,347,667
UniCredit line of credit (Elian Sol)	RON	3M+3%	2027	2,600,000	-	1,600,000	-
Total bank debts:					25,481,395		28,499,222
Long term:					13,221,973		12,525,113
Short term:					12,259,422		15,974,109

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

ProCredit Bank(PCB)

In June 2025 Dendrio Solutions contracted a product of the type of ceiling/line of credit – in a maximum amount of 1 million euros for the purpose of financing working capital and current activity. The maturity is 36 months and the interest is composed of EURIBOR 6M + 3.15% per annum for the actual balance used from the ceiling. The Group's management chose to contract this ceiling in euros given the lower cost of bank lending products in the single European currency, versus those in national currency.

In May 2023, Dendrio Solutions contracted an investment loan from ProCredit Bank in the amount of 10,000,000 lei, for a period of 7 years, with monthly repayments of principal and interest for the acquisition of the majority stake in the company Dataware Consulting SRL. The annual interest rate is ROBOR6M+2.50%. The guarantees provided are: movable mortgage on Dendrio Solutions accounts opened at ProCredit Bank, movable mortgage on the shares acquired by Dendrio Solutions (51.13% of Dataware), guarantee from Bittnet Systems SA as co-debtor and guarantee issued by the European Investment Fund in the proportion of 60% of the loan value, as well as a cash collateral deposit for the amount of 2,500,000 lei.

In May 2023, Dendrio Solutions contracted a non-cash ceiling banking product from Procredit Bank for a maximum amount of 2,300,000 lei. The validity period is 36 months. The product is intended for issuing various types of SGBs (letters of bank guarantee for participation in bidding procedures; letters of guarantee for good execution, etc.). Dendrio uses this product in order not to immobilize its own cash in the issuance of SGBs. This product was extended to the maximum ceiling of 3,300,000 lei in September 2024.

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In October 2023, Dendrio Technology contracted a non-cash product from ProCredit Bank, in the maximum amount of 1,400,000. The ceiling is used in the current activity for the establishment of bank guarantees for participation in bidding procedures or for good execution for commercial contracts that require such instruments. Dendrio Technology uses this product in order not to immobilize its own cash in the issuance of SGBs.

Banca Transilvania (BTRL)

On 06.09.2022, Dendrio Solutions contracted a credit product in the form of a ceiling – investment credit – from Banca Transilvania in a maximum amount of 11,000,000 lei to finance 75% of the price of the share acquisition transactions of the companies Top Tech SRL and 2NET Computer SRL. The investment credit was contracted for a period of 7 years and the repayment method is monthly, through constant annuities. The annual interest rate is variable and consists of the 3-month ROBOR index, to which is added the Bank's fixed margin of 2.50%. The guarantees established for this credit product are the movable mortgage on Dendrio Solutions accounts opened at Banca Transilvania, the movable mortgage on the shares acquired from the two companies, a guarantee from Bittnet Systems as co-debtor, a guarantee issued by the European Investment Fund. Dendrio Solutions made 2 withdrawals from this ceiling, during 2022, after signing the closing documents with the selling shareholders of the two target companies, Top Tech and 2NET Computer, paying the equivalent value of the shares. The 2 withdrawals were in the amount of 9,724,885 lei and the repayment of the borrowed amount is made over a period of 7 years.

In December 2023, the extension and supplement of a credit product contracted by Dendrio Innovations (formerly Dataware Consulting) from Banca Transilvania was signed, under the following conditions: Supplementing the ceiling for financing working capital by the amount of 15,000,000 lei, from the value of 2,500,000 lei to 17,500,000 lei. This banking product is used by Dendrio Innovations for the punctual financing of commercial contracts. The guarantees are: mortgage on bank accounts opened at Banca Transilvania, assignment of receivables resulting from financed contracts and guarantee from the sole associate of Dendrio Innovations, respectively Dendrio Solutions. The interest for this product is ROBOR3M+2.75% applied to the actual balance used from the ceiling. The period of use of the ceiling is 12 months from signing with the possibility of extension, and the validity period is 24 months. The product is used revolving, through successive draws, to ensure the pre-financing component of projects – where applicable – for contracts with a long implementation cycle and which involve the delivery of complex IT&C integration solutions. In December 2024 the ceiling was resized to the value of 15,000,000 lei and the drawdown period was extended.

Also in December 2023, Dendrio Innovations signed an addendum with Banca Transilvania to supplement the non-cash ceiling for issuing bank letters of guarantee by 3,000,000 lei. The product is used in current activity for the establishment of bank guarantees for participation in bidding procedures or for the proper execution of commercial contracts that require such guarantee instruments. The company requested the bank to supplement the existing non-cash ceiling so as not to need to block its own cash in the guarantee instruments. In December 2024, this non-cash ceiling was resized to 7,000,000 lei.

In October 2023, Dendrio Solutions contracted a non-cash product from Banca Transilvania, in the maximum amount of 2,000,000 lei for a period of 12 months with the possibility of extension. The ceiling is used in the current activity for the establishment of bank guarantees for participation in bidding procedures or for good execution for commercial contracts that require such instruments. Dendrio uses this product in order not to immobilize its own cash in the issuance of SGBs. In December 2024, this non-cash product was resized to 7,000,000 lei.

In December 2023, Dendrio Technology (formerly TopTech) contracted a non-cash product from Banca Transilvania, in a maximum amount of 3,000,000 lei for a period of 12 months with the possibility of extension. The ceiling is used in the current activity for the establishment of bank guarantees for participation in bidding procedures or for good execution for commercial contracts that require such instruments. Dendrio Technology uses this product in order not to immobilize its own cash in the issuance of SGBs. This product has been extended until December 2025.

Unicredit Bank

In February 2026 Elian Solutions signed addendum for the extension and supplementation of the credit product – of the revolving type overdraft for working capital financing – contracted from Unicredit Bank. The

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agreement was extended for a period of 12 months and the ceiling was increased from 1,600,000 lei to 2,600,000 lei; the interest rate for this product is ROBOR3M+3%; The collateral structure consists of a movable mortgage on Elian Solutions SRL accounts opened at UniCredit Bank, assignment of receivables and a Corporate Letter of Guarantee issued by the majority shareholder Bittnet Systems SA. This product has been extended for a period of 12 months, the current maturity being February 2027.

BRD

In August 2025, Dendrio Technology (formerly known as TopTech) increased the ceiling contracted from BRD to 8,000,000 lei. The credit product can be used for both non-cash and cash withdrawals in order to finance current activities and to issue bank guarantee letters. The credit and guarantee conditions have remained unchanged, the period of use is 12 months with the possibility of extension and the interest is ROBOR 3M + 1.5% per annum, calculated on the balance used from the credit.

ING Bank

In October 2024, the Issuer informed about the signing of a credit agreement by Dendrio Solutions with ING Bank NV Amsterdam – Bucharest Branch. The agreement involves a revolving-overdraft credit line for financing working capital and current activity in a maximum amount of 5,000,000 lei. The guarantees for this product are constituted by Dendrio Solutions – general assignment of receivables and mortgage on the accounts opened by Dendrio Solutions at ING Bank. The interest rate for this product is ROBOR1M+2.2% per annum.

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NOTE 28. LEASING DEBT

The Group has concluded a long-term lease agreement for the current headquarters with a final term of May 2029 and respectively 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	6,795,412	6,422,410
The long-term part	<u>14,927,426</u>	<u>17,479,202</u>
Total	<u>21,722,838</u>	<u>23,901,612</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	Spaces	Equipment	machines	Total
On January 1, 2024	18,257,083	4,107,530	3,239,983	25,604,596
Inputs	3,789,003	863,056	2,141,885	6,793,944
Outputs	(1,368,994)	(58,292)	(72,390)	(1,499,675)
Interest	934,273	191,839	195,384	1,321,496
Course differences	(2,111)	19,107	18,182	35,178
Lease payments	<u>(4,614,345)</u>	<u>(2,099,278)</u>	<u>(1,640,304)</u>	<u>(8,353,927)</u>
On December 31, 2024	16,994,909	3,023,963	3,882,741	23,901,612
Inputs	1,920,096	1,849,721	1,175,300	4,945,116
Outputs	(5,963)	(108,426)	(228,171)	(342,560)
Interest	797,946	168,348	232,574	1,198,869
Course differences	382,038	81,901	119,778	583,717
Lease payments	<u>(4,913,877)</u>	<u>(2,136,789)</u>	<u>(1,513,250)</u>	<u>(8,563,916)</u>
As of December 31, 2025	<u>15,175,149</u>	<u>2,878,718</u>	<u>3,668,972</u>	<u>21,722,838</u>

Usage rights	Spaces	Equipment	machines	Total
On January 1, 2024	17,441,392	3,962,650	2,723,046	24,127,088
Inputs	3,789,003	863,056	1,891,446	6,543,505
Outputs	(1,268,595)	(54,508)	(30,683)	(1,353,786)
Amortization	<u>(3,910,958)</u>	<u>(1,897,388)</u>	<u>(1,095,839)</u>	<u>(6,904,185)</u>
On December 31, 2024	16,050,841	2,873,811	3,487,970	22,412,622
Inputs	2,613,004	1,883,831	1,175,300	5,672,135
Outputs	(663,137)	(137,391)	(192,851)	(993,380)
Amortization	<u>(4,068,827)</u>	<u>(1,913,727)</u>	<u>(1,154,217)</u>	<u>(7,136,771)</u>
As of December 31, 2025	<u>13,931,880</u>	<u>2,706,523</u>	<u>3,316,202</u>	<u>19,954,606</u>

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NOTE 29. 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	206,283,761	136,778,390
Other debts		
Committed debts	2,279,050	3,271,970
Other debts	2,764,092	219,900
Liabilities for acquisition of participations (Note 16)	-	5,000,000
Customer advances	1,369,854	9,947
VAT	4,217,394	6,090,617
Other budget debts	1,833,467	<u>1,666,150</u>
Total other liabilities, of which:	12,463,857	16,258,583
Long-term liabilities (share acquisitions)	-	-
Current liabilities	<u>12,463,857</u>	<u>16,258,583</u>

Contractual liabilities

If the sales price includes a distinct amount, contractually specified, intended 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	17,314,977	19,038,100

Provisions

The 'Provisions' position as of 31.12.2025, amounting to 1,078,401 lei, is mainly composed of: Bucharest Mall & Development litigation provision: 105,831 lei; EES Dataware project penalty provision: 972,570 lei; (As of 2024: Bucharest Mall & Development litigation provision: 105,831 lei; Fraher litigation provision: 186,137 lei; EES Dataware project penalty provision: 972,570 lei).

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Provisions	1,078,401	1,264,538

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NOTE 30. INFORMATION ON RELATED PARTY RELATIONS

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

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

	<u>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, 2024: 354,143 lei).

Receivables and loans	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
Impetum Investments – loan	-	5,150,000
Impetum Investments – interest	-	1,693
E-Learning Company – loan	-	450,000
E-Learning Company – acquisition	-	16,273
Total	<u>-</u>	<u>5,617,966</u>

For the last tranche of the sale of Fort SA, Bittnet Sytems 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

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 special purpose vehicle (SPV) into 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 installment, according to the additional act signed between the parties, its payment by transferring the 20 million BNET shares contributed to a special purpose vehicle, informing the Issuer in this regard that it was paying off 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

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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.

NOTE 31. CONTINGENT LIABILITIES

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

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

Given that the legislation increasingly leaves the interpretation of the application of tax rules to the discretion of the tax authority, combined with the lack of funds in the state budget and the attempt by any means to bring these funds, we consider this risk a major one for the company, as it cannot be addressed in any way in a preventive manner in a real and constructive way. The Group considers that it has paid all taxes, duties, penalties and 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 (BGL)

As of December 31, 2025, the Group had issued bank letters of guarantee in the amount of: EUR 195,726 (bank letter of good payment, issued by Bittnet Systems in favor of One Controceni Park for the office rental contract) and 16,166,077.92 lei (bank letters of guarantee for participation in tender procedures and good execution issued by: Dendrio Solutions – 7,974,228.38 lei, Dendrio Innovations – 5,901,587.33 lei and Dendrio Technology – 2,290,262.21 lei, respectively). All guarantees are issued from non-cash ceilings contracted from credit institutions.

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

c) Disputes

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

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

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

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

- i) 267,214.96 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

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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 with a response 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 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 Group appealed to the High Court of Cassation and Justice against the decision of the Bucharest Court of Appeal. The Group 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 Group recorded a provision of 105,831.42 lei in the financial statements as of 31.12.2023. On 30.06.2025, the Group supplemented the provision with the amount of 4,076,647.05 lei. On 31.12.2026, the Group 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.

File665/88/2020 – Fraher Distribution litigation

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

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

- Changes in part the appealed sentence in the sense that it orders the partial termination of contract no. 201/29.12.2017 and obliges the respondent to pay the amount of 186,137 lei in favor of the appellant plaintiff.
- The remaining provisions of the appealed judgment are upheld.
- Admits the request of the judicial expert and orders the increase of his fee by the amount of 5,000 lei. Establishes the obligation of the appellant plaintiff to pay the expert fee in the amount of 5,000 lei.
- Orders the respondent defendant to pay the amount of 15,925 lei as legal expenses in favor of the appellant plaintiff, of which the amount of 5,000 lei under the condition that the appellant plaintiff proves the payment of the increased fee of the judicial expert.

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

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

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

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

In the hearing of 14.10.2025, the High Court of Cassation and Justice pronounced a decision admitting the appeal filed by Fraher Distribution SRL against civil decision no. 251 A of February 14, 2024 pronounced by the Bucharest Court of Appeal - 6th Civil Section, which it quashed, sending the case for a new trial by the same court and specifying that In the retrial, all the claims and defenses of the parties will be analyzed and the necessary evidence will be administered, the contractual clauses will be interpreted in order to correctly establish the legal relationships between the parties, their rights and obligations.

At the first retrial at the Bucharest Court of Appeal, Section VI Civil in Case 665/88/2020*, the request for abstention filed by two of the judges was admitted. The next deadline is set for 27.03.2026.

Given the current status of the proceedings at the date of this report (March 2026), the Group's Management does not consider that a cash outflow is likely as a result of this dispute and as such no provision was recorded in the financial statements of 2025.

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

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

Subject: litigation regarding public procurement.

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

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

Details of the action are presented below:

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

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

At the first hearing on 21.08.2024 in file 19985/3/2024 (subject to payment of penalties in the amount of 4,296,351.84 lei and reparation of the alleged damage in the amount of 4,844,605 lei), to which file 22473/3/2024 (subject to annulment of the termination of contract no. 281/2021 with IGPF) was also connected, the court postponed the case at the request of Idemia, who requested the introduction into the case and the communication of the IGPF action, in order to file a response. The next deadline set was 04.10.2024, when the court postponed the trial in order to take note of the documents submitted to the file. On the dates of 15.11.2024 and 21.11.2024, the court postponed the ruling. On the date of 29.11.2024, the court admitted the exception of lateness of the counterclaim filed by IGPF in the related file (no. 22473/3/2024) and found that IGPF is deprived of the right to file the counterclaim; the court also rejected the exception of the substantive right to action invoked by IGPF by responding to the related claim (appeal together with the merits). On the deadlines of 06.12.2024, 07.02.2025, 11.04.2025, 23.05.2025 and 19.08.2025, the case was postponed due to the lack of the expert report, the next deadline granted in the file being 17.10.2025.

At the hearing on 16.01.2026, the objections to the expert report submitted by Dendrio Innovations SRL ("Dendrio Innovations", previously known as Dataware Consulting SRL) were discussed, the court approving all of them and sending the report to the judicial expert to respond to them. IGPF did not object to the

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expert report nor did it have a point of view on the objections submitted by Dendrio Innovations. In order to administer the proposed evidence, the court postponed the hearing of the case to 20.03.2026.

Considering the current status of the procedure at the date of this report (March 2026) and the complexity of the evidence, the Group's Management does not consider that a cash outflow is likely as a result of this dispute and as such no provision was recorded in the financial statements of 2025.

Competition Council investigation into the Romanian IT market

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

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

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

Usually, the Competition Council's investigations are of longer duration (on average between 2 and 4 years, depending on the number of parties involved and the volume of information that needs to be processed by the investigation team).

d) Environmental aspects

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

NOTE 32. SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies adopted in the preparation of the consolidated financial statements are presented below.

a) The foundations of consolidation

If the Group has control over an investee, it is classified as a subsidiary. The Group controls an investee if all three of the following elements are present: it has control over the investee, there is exposure to variable returns from the investee and the investee has the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of the elements of control.

The consolidated financial statements present the results of the company and its subsidiaries (the "Group") as if they formed a single entity. Therefore, intercompany transactions and balances between group companies are eliminated in full. The consolidated financial statements include the results of business combinations using the acquisition method. In the statement of financial position, the identifiable assets, liabilities and contingent liabilities of the acquirer are initially recognized at their fair values at the acquisition date. The results of the acquired operations are included in the consolidated statement of comprehensive income from the date control is obtained. Subsidiaries are deconsolidated from the date control ceases.

b) Non-controlling interests

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity of the parent. Changes in a parent's interest in the equity of a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions (i.e., transactions with shareholders in their capacity as shareholders).

c) Associated entities

If the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate.

Associates are initially recognised in the consolidated statement of financial position at cost. Subsequently, associates are accounted for using the equity method, whereby the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income (except for losses that exceed the Group's investment in the associate, unless there is an obligation to offset those losses).

Profits and losses arising from transactions between the group and its associates are recognised only to the extent of the interests of unaffiliated investors in the associate. The investor's share of the associate's profits and losses arising from these transactions is eliminated against the carrying amount of the associate.

Any excess of the fair value of the Group's interest in the identifiable assets, liabilities and contingent liabilities of an associate over the fair value of the Group's interest in the identifiable assets, liabilities and contingent liabilities is capitalized and included in the carrying amount of the associate. If there is objective evidence that the investment in an associate is not recoverable, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

d) Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities acquired.

The cost comprises the fair value of the assets given, the liabilities assumed and the equity instruments issued, plus the value of any minority interests in the acquirer.

The contingent consideration is included in cost at fair value at the acquisition date and, in the case of contingent consideration, classified as a financial liability, subsequently remeasured through profit or loss.

Goodwill is capitalized as an intangible asset, and any impairment of the carrying amount is recorded in the consolidated statement of comprehensive income.

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If the fair value of the identifiable assets, liabilities and contingent liabilities exceeds the fair value of the consideration paid, the excess is credited in full to the consolidated statement of comprehensive income at the acquisition date.

e) Revenue recognition

The Group 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 in such situations recognize all revenue invoiced to customers as well as the cost of goods resold to customers. In contrast, an intermediary is limited 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.

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 solution integration services, goods 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 accordance 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, receipt reports or other documents attesting to the stage of completion and receipt of the services provided.

If the sales price includes a distinct amount, contractually specified, intended 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 group's revenues come from the provision of services and training and IT integration, including the sale of goods, with revenue recognized when 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.

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Determining the transaction price

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

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.

f) Subsidies

Grants are recognized when there is sufficient certainty that the Group will comply with the conditions imposed by their granting and the grants will be received.

Grants for assets, including non-monetary grants at fair value, are recorded in the accounts as investment grants and are recognised in the balance sheet as deferred income. Deferred income is recorded in the profit and loss account as depreciation expenses are recorded or upon the asset's retirement or disposal.

Subsidies that compensate the Group for expenses incurred are recognized in the profit or loss account systematically in the same periods in which the expenses are recognized and are presented in the profit and loss account as items of other operating income.

g) 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.

Where 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 on initial recognition to each of the Group's cash-generating units that is expected to benefit from a business combination giving rise to goodwill.

Impairment adjustments are included in profit or loss. An impairment loss recognized for goodwill is not reversed.

h) Foreign exchange balances and transactions

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

Exchange differences arising on the retranslation of monetary assets and liabilities denominated in foreign currency are recognized immediately in profit or loss.

i) Financial assets

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

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 (e.g. 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. Except for trade receivables without a significant financing component, which are initially recognized based on the transaction price under IFRS 15, financial assets (other than those at FVTPL), 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 rate method, less 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 recognized within general and administrative expenses in the consolidated 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 Group's financial assets measured at amortized cost include trade and other receivables and cash and cash equivalents in the consolidated 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 consolidated statement of financial position.

Financial assets at fair value

The Group 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 consolidated statement of comprehensive income.

j) Financial debts

The Group's accounting policy for the classification of financial liabilities is as follows:

Bank loans and borrowings from the Group's issue of repayable bonds are initially recognised at fair value, net of any transaction costs directly attributable to the issue of the instrument. Interest-bearing liabilities are subsequently measured at amortised 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 consolidated statement of financial position.

Borrowings are classified as current liabilities, except where the Group has an unconditional right to defer payment of the debt for at least 12 months after the end of the reporting period.

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

k) Share-based payments (SOP)

The Group grants equity-settled share purchase options to employees and collaborators.

The fair value of the options at the grant date is systematically recorded in the consolidated 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.

l) 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 for 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.

m) Externally acquired intangible assets

Externally acquired intangible assets 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.

n) 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, and subsequently at cost less accumulated depreciation.

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.

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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.

o) Inventory

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.

p) Provisions

Provisions are recognized when the Group 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.

q) Employee benefits

In the normal course of business, the Group 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.

r) 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:

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- 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.

NOTE 33. 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 widespread 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 its 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 customer and consumer attitudes 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 about 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 Group's Management has not identified any concrete potential risks related to the Russia-Ukraine conflict and thus, at this time, it does not expect a significant impact on the conduct of current operations. The Group's direct exposure to third parties affected by the sanctions imposed since the conflict began (customers, suppliers, banking institutions with which the Group collaborates, which have been directly affected by the sanctions) does not exist. The indirect exposure (customers, suppliers with which the Group 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, as the Group's Management has not received any indication of any significant impact on the Group's activity to date.

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NOTE 34. 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.

II. Extension and supplement of a bank lending product

In February 2026, Elian Solutions, part of the Bittnet group, extended the revolving ceiling (overdraft) product contracted from Unicredit Bank. The new maturity of the ceiling is February 2027. With the extension, the value of the ceiling was also increased from 1.6 million lei to 2.6 million lei. The product is used by Elian to finance working capital.

The financial statements on page [3] to page [72] were approved and signed on March 27, 2026.

Mihai Logofătu

General Manager

Adrian Stănescu

Financial Director