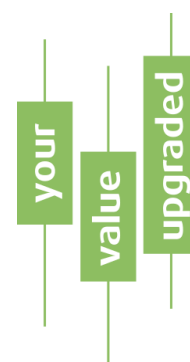


Current Report nr. 51 / 2020

Current report according to	Law 24/2017, FSA Reg 5/2018
Date of report	19.10.2020
Name of the issuing entity	BITTNET SYSTEMS S.A
Legal Adress	Strada Șoimus Nr. 23, Bloc 2, Apartament 24, Sector 4, Bucuresti
Adress	Bldv. Timisoara nr 26 Cladirea Plaza Romania Offices Spatiul PRO-01 Etaj 1 Sector 6, Bucuresti
Telefon/Fax	021.527.16.00 / 021.527.16.98
Fiscal Code	21181848
Number with the Trade Registration	J40/3752/2007
The market where the securities issued are traded:	Segment: BSE Main Market; Category: Standard
Ticker	BNET - shares BNET22, BNET23, BNET23A, BNET23C – bonds
Subscribed and paid share capital	21,632,474 RON
Total number of shares	216,324,740 shares face value RON 0.10 per share



CONVENING NOTICE
OF THE ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF THE SHAREHOLDERS OF
BITTNET SYSTEMS S.A.

In accordance with the provisions of the Companies Law no. 31/1990, republished, with subsequent amendments and completions, of the Articles of Association, Law 24/2017 on Issuers of Financial instruments and Market operations and of the FSA Regulation no. 5/2018 regarding Issuers of Financial Instruments and Market operations, with subsequent amendments and completions,

The Board of Directors of BITTNET SYSTEMS S.A. - Romanian legal entity, headquartered in Bucharest, Str. Soimus no. 23, Bl. 2, Sc. B, Ap. 24, District 4 and with the correspondence address at the secondary headquarters in Bucharest, Bd. Timișoara no. 26, "Plaza Romania Offices" building, et. 1, District 6, registered at the Trade Register under no. J40/3752/2007, having Unique Registration Code: RO21181848,

CONVENES

ORDINARY GENERAL MEETING OF SHAREHOLDERS for 26th November 2020, at 11:00 AM at the the secondary headquarters located in Bucharest, Bd. Timișoara no. 26, "Plaza Romania Offices" Building, et. 1, sector 6, in which the shareholders registered at the end of the day of 13 November 2020, considered *the Reference Date*, in the register of shareholders kept by DEPOZITARUL CENTRAL S.A. are entitled to participate and vote.

If at the first convocation, the legal and statutory quorum of attendance is not achieved, the OGMS will take place on 27.11.2020, at 11:00, in the same place, with the same agenda for all shareholders registered in the Register of Shareholders on the same Date Reference.

And

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS for 26 November 2020, at 11:30 AM at the secondary office located in Bucharest, Bd. Timișoara no. 26, "Plaza Romania Offices" Building, et. 1, sector 6, in which the shareholders registered at the end of the day of 13th November 2020, considered *the Reference Date*, in the register of shareholders kept by DEPOZITARUL CENTRAL S.A. are entitled to participate and vote.

If at the first convocation, the legal and statutory quorum of attendance is not achieved, the EGMS will take place on 27.11.2020, at 11:30, in the same place, with the same agenda for all shareholders registered in the Register of Shareholders on the same Date Reference.



The agenda of the Ordinary General Meeting of Shareholders is as follows:

1. According to the procedure of organizing and holding the general meetings of the Company's shareholders, the election of the Chairman of the meeting, Mr. Mihai-Alexandru-Constantin LOGOFATU and of the meeting secretary of the lawyer Ioana PRECUP, who has the quality of shareholder of the company.
2. The revocation of the auditor: ACE-CONSULT SRL, headquartered in Sibiu, str. Constantin Noica no. 3, ap. 38, Sibiu county, registered at the Sibiu Trade Register under no. J32/ 159/2002, having Unique Registration Code 14469555, authorized by the Romanian Chamber of Financial Auditors with authorization no. 523/23.06.2004, considering the ending of the audit contract
3. Election of the auditor: BDO AUDIT SRL, based in Bucharest, Str. Invingatorilor no. 24, et. 1-4, Sector 3, registered at the Bucharest Trade Register under no. J40/22485/1994, having Unique registration code 6546223, authorized by the Romanian Chamber of Financial Auditors with authorization no. 18/2001, authorization issued by FSA no. 374/ 11.20.2015. The auditor's mandate is established for the entire duration of the audit contract.



The agenda of the Extraordinary General Meeting of Shareholders is as follows:

1. According to the procedure of organizing and holding the general meetings of the company's shareholders, the election of the chairman of the meeting, Mr. Mihai-Alexandru-Constantin LOGOFATU, and of the meeting secretary of the lawyer Ioana PRECUP, who has the quality of shareholder of the company.
2. The ratification of the procedure for implementing the EGMS Decision no. 3 of April 29th, 2020, in accordance with the Board of Directors Decision no. 06/19.07.2020 and of the FSA no. SI-DETA 5406/20.05.2020 issued by the Financial Supervisory Authority regarding point no. 3 of the EGMS Decision adopted.
3. The approval of the Procedure for organizing and holding the general meetings of the company's shareholders, as presented to the General Meeting.
4. Approval of the purchase of a number of shares representing 60.3665% of the share capital of the company EQUATORIAL GAMING S.A., with its registered office in Bucharest, B-dul Timișoara no. 26, Plaza Plaza Romania Offices Building, floor 1, Space PRO-01, Room no. 3, sector 6, registered at the Trade Register under no.J40/2586/2015, Unique identifier code at European level: ROONRC.J40/2586/2015 and CUI: 30582237. The transaction price will be RON 2,546,000 and it will be paid both in cash and in the form of BNET shares. The Board of Directors of the Company is mandated to establish the payment method and the implementation procedure of this decision.
5. Approval of the purchase of shares representing 25% of the share capital of the company SOFTBINATOR TECHNOLOGIES S.A., headquartered in Bucharest, str. Nicolae Filipescu no. 39-41, et. 3, sector 2, registered at the Trade Register under no. J40/13638/2017, Unique identifier at European level ROONRC.J40/13638/2017 and Unique Identifier Code: 38043696. The transaction price is USD 2,000,000 (two million US dollars) and will be paid both in cash and in the form of BNET shares. The Board of Directors of the Company is mandated to establish the payment method and the implementation procedure of the present decision.
6. Approval of the purchase of shares representing 23% of the share capital of THE E-LEARNING COMPANY SRL, headquartered in Nicolae Iorga Street, no. 3, Floor 5, Ap. 14, Sector 1, Bucharest, registered at the Trade Register under no. J40/11588/2012, Unique identifier at European level ROONRC.J40/11588/2012 and CUI 30760571. The estimated price of the transaction is RON 1,750,000 and it will be paid both in cash and in form of BNET shares. The final value of the transaction will be adjusted based on the financial results for 2021 of THE E-LEARNING COMPANY SRL, considering a multiplier of the net profit of 6, 11 or 15, depending on the ratio between the net profit of 2021 and the net profit of 2020, as detailed in the note presented to the meeting. The Board of Directors of the Company is mandated to establish the payment method and the implementation procedure of the present decision.
7. Approval of the investment in amount of RON 1,450,000 for a number of shares to be established during the negotiations and which will represent a participation quota of minimum 20% and maximum 51% of the share capital of ITPREPARED SRL, with headquarters in City Pantelimon, Str. Băile Herculane, no. 8, Room 3, Ilfov County, registered at the Trade Register under no. J23/204/2016, Unique identifier at European level ROONRC.J23/204/2016 and CUI 35456175. The Board of Directors of the Company is mandated to negotiate and establish the participation quota of the Company, the payment method and the implementation procedure of this decision.
8. Ratification of the investment in the share capital of SAFETECH INNOVATIONS SA, with its registered office in Bucharest, Sector 2, Str. Frunzei, no. 12-14, floor 1 and 2, registered at the Trade Register under no. J40/3550/2011, Unique identifier at European level ROONRC.J40/3550/2011 and CUI 28239696, as it will be presented to the meeting



9. Approval of the capitalization of DENDRIO SOLUTIONS SRL ("subsidiary company"), based in Bucharest, B-dul Timișoara no. 26, Plaza Romania Offices Building, floor 1, Space PRO-01, Room 1, sector 6, registered at the Trade Register under no. J40/6266/1999, Unique identifier at European level ROONRC.J40/6266/1999, CUI 11973883, with the amount of RON 5,000,000 in order to adapt the share capital to the current dimension of the company's activity. The Board of Directors of the Company is mandated to establish the manner of implementing the decision.
10. Considering the investment operations presented in Items 5 - 8 on the agenda and the need to expand the office space for the group's activities, the General Manager of the Company is mandated to undertake any and all those actions necessary to expand the office space. offices. The mandate is granted within the following limits:
 - I. the maximum value of the total rent related to the entire office space is 500,000 (five hundred) Euro per year, representing an "all inclusive" price (maintenance, additional services, without including the costs of arrangement, relocation, utilities, etc.);
 - II. the maximum duration of 5 (five) years from the signing of the contract, with the possibility of its extension.

The General Manager will have full powers to represent the Company in relations with potential suppliers of rental space, real estate and relocation services, banks and any financial-banking institutions and to sign any and all legal acts necessary for the fulfillment of this mandate.

11. Approval of buyback programs of the bonds issued by the Company, present and future, in compliance with the applicable legal provisions and meeting the following main characteristics:
 - a. Purpose of the program: The company will repurchase its on bonds in order to reduce the indebtedness and debt service degree.
 - b. The maximum number of bonds that can be repurchase will be the equivalent of 100% of each bond issue existing at trading at the time of the repurchase program or activity.
 - c. Minimum price per bond: 1, maximum price per bond: 100.
 - d. Duration of the Program: for the entire duration of the company's existence
 - e. The acquisition of the bonds will be made through operations carried out in the capital market, according to the applicable legislation.

The Board of Directors is mandated to adopt all the necessary decisions in order to establish the execution of the present decision.

12. Approval of the modification of the Incorporation Act of the Company, by introducing article 7.5 - *Preferential shares* and which will have the following content:

7.5. Preferential shares

7.5.1. The company may issue "Preferential Shares" (with priority dividend and without voting rights) under the conditions provided by Law 31/1990 and in accordance with the following terms:

 - i. The Preferred Shares will have a nominal value equal to that of the ordinary shares, respectively 0.1 RON (10 bani);
 - ii. The Preferred Shares will not represent at any time more than 25% of the share capital;
 - iii. The Preferred Shares give their holders the right to a priority dividend calculated as follows:
 - a. The minimum limit of the priority dividend is 0.05 RON (5 bani) per preferential share;
 - b. The maximum limit of the priority dividend is 0.1 RON (10 bani) per preferential share;



- c. The allocation of the priority dividend is calculated as a multiple of 1.75 of the percentage of the consolidated net profit of the previous fiscal year, multiplied by the percentage represented by the preferential shares in the total share capital.

7.5.2. The Preferred Shares are equal, which gives their holders the right to the same Priority Dividend per share and the same rights.

7.5.3. The holders of the Preferred Shares will have the right to have their Priority Dividend paid to them by the Company every year, provided that the Company registers a net profit, according to Law 31/1990.

7.5.4. The holders of the Preferred Shares have the right to receive the Priority Dividend with priority, before any other payment, except for the legal payment obligations of the Company, but before the payment of the dividends to the holders of the ordinary shares. The payment of the Priority Dividend will be made either in cash or in the form of common shares issued free of charge. The payment of priority dividends starts in 2022 for the financial year 2021.

7.5.5. The holders of the Preferred Shares have all the other rights provided by Law 31/1990, including, but not limited to, the right to participate in the General Meetings and the right to vote only if the Company fails to pay the Priority Dividends.

7.5.6. Special meeting of holders of Preferred Shares with priority dividend without voting rights.

The decision of a general meeting to modify the rights or obligations regarding the class of Preferred Shares does not take effect until the approval of this decision by the special meeting of the holders of Preferred Shares.

Holders of Preferred Shares will meet in a special meeting of holders of Preferred Shares with a non-voting priority dividend. The meetings of the holders of Preferred Shares will be able to discuss any aspects related to the Preferred Shares and will be able to make proposals to the General Meetings of the Shareholders of the Company regarding these aspects. The meetings of the holders of Preferred Shares will not be able to discuss and take decisions regarding the issues that are within the competence of the General Meetings (Ordinary or Extraordinary) of the Company's Shareholders or the competence of the Board of Directors. The meetings of the holders of Preferred Shares will be convened by the holders of at least 30% of the total Preferred Shares, by sending a registered letter with acknowledgment of receipt at least 30 (thirty) days before the proposed date of the meeting.

The convocation will include the date, time and place of the youth of the assembly, as well as the proposed agenda and any informative material necessary in order to debate the items on the agenda. The meeting will be able to be validly held, regardless of whether it is the first convocation or subsequent convocations, only in the presence of at least 50% plus one holder of Preferred Shares and will be able to make decisions based on simple majority (50% + 1) of those present or represented. During each meeting, the assembly will elect, by a majority of the above, a chairman and a secretary of the meeting who will prepare the attendance list, check the quorum and proxies, draft and sign the minutes of the meeting where the decisions will be recorded. , the majorities expressed in this respect and any positions and expressions of opinion relevant for the agenda or otherwise.

7.5.7. The Board of Directors is authorized, during the entire operation of the Company, to decide to increase the subscribed share capital, through one or more issues of preferential shares, under the Law, without exceeding at any time 25% of the total shares of the Company.

7.5.8 The preferential shares of the company will be traded on the regulated market administered by the Bucharest Stock Exchange.

13. Approval of the modification of the Incorporation Act of the Company, by completing article 9.14, as follows:
 - 9.14.2. The value of the authorized capital is 120,000,000 common shares, respectively 80,000,000 preferred shares



14. Under the condition of the approval by the general meeting of shareholders of item 12 and, respectively, of item 13 on the agenda, the approval of the amendment of art. 9.14 which will have the following content:

"The Board of Directors is authorized that, for the period of 3 (three) years from the date of registration of the present Act updated at the Trade Register, to decide not to exceed half of the total number of common shares existing at the time of authorization. Exclusively in order to increase the share capital under the previously mentioned conditions, the Board of Directors is granted for each of the capital increases made up to the authorized capital level, the competence to decide to restrict or raise the preference right of the existing shareholders on the respective share capital increase."

15. Approval of the increase of the share capital with the amount of RON 3,012,774.60 through the issuance of 30,127,746 new preferential shares, under the conditions of the constitutive act, with a nominal value of 0.1 ron/share. The preferential shares will be issued for the benefit of the shareholders registered in the Register of Shareholders kept by the Central Depository on the registration date to be established by the GMS. The increase of the share capital is subject to the approval of the general meeting of shareholders by derogation from the provisions of art. 12.6 of the articles of association. The increase will take place under the following conditions:

- a. The number of newly issued shares will be 30,127,746 with a nominal value of 0.1 RON/share and an issue premium that will be established within the public offer.
- b. The preferential shares will be offered for subscription, within the pre-emptive right, to the shareholders of the existing company at the registration date. The period of exercising the right of preference will be one month from the date established in the offer document and will start at a date subsequent to the registration date related to the increase of the share capital and the date of publication of the decision in the Official Gazette of Romania.
- c. For the subscription of 10 new shares under the pre-emptive right, a number of 80 pre-emptive rights is required. A holder of preference rights entitled to participate in the capital increase may acquire a maximum number of newly issued preference shares calculated by dividing the number of preference shares held by the number of preference rights required to subscribe for a new preference share. If from the mathematical calculation the maximum number of shares that can be subscribed under the preference right is not a natural number, the maximum number of preferred shares that can be actually subscribed will be rounded down to the immediately lower natural number.
- d. After the expiration of the period of exercise of the right of preference, the newly issued shares remaining unsubscribed will be offered for subscription within a public offer.
- e. The preferential shares remaining unsubscribed after their offer within the public offer will be canceled by the decision of the Board of Directors which establishes the effective results of the share capital increase and approves the amendment of the articles of association, following the value of the share capital increase. reporting to the shares actually subscribed within the stages mentioned in the points above.
- f. The preferred shares that will be subscribed within the capital increase operation may be transformed into common shares at the decision of the General Meeting of Shareholders of the Company, at any time after 5 (five) years from the date of issuance of preferential shares.
- g. The increase of the share capital is made in order to strengthen the financial position of the company by repurchasing the bonds issued by the company.



- h. The Board of Directors is authorized to take any steps necessary to carry out the decision to increase the share capital, including but not limited to:
 - i. contracting the necessary services for drawing up the necessary documentation for the implementation of the share capital increase, including but not limited to drafting the document presenting the preferential rights, the prospectus / prospectus for the exercise of the preferential right, as well as for the effective development of the share capital increase;
 - ii. establishing the subscription period and the payment methods
 - iii. establishing the offer price, the issue premium or the method for determining it
 - iv. establishing the bid recording technique (i.e. using the BVB trading system or by direct transfer);
 - v. establishing the method of conducting the offer, the price or the price range for the auction, etc.
 - vi. cancellation of unsubscribed shares in the last stage of the issue;
 - vii. adopting all the necessary decisions for the implementation of the decision to increase the share capital;
 - viii. modification of the constitutive act according to the results of the share capital increase;
 - ix. performing all the necessary steps for admission to trading on the Regulated Market of the Bucharest Stock Exchange.

- 16. Approval of the power of attorney, with the possibility of substitution, of Mr. Mihai-Alexandru-Constantin LOGOFĂȚU, as legal representative of the Chairman of the Board of Directors of the company, to sign the shareholders' decisions and any other documents related to them and to fulfill all procedures and formalities provided by law in order to implement shareholders' decisions, including the formalities of their publication and registration in the Trade Register or at any other public institution.
- 17. Approval of the registration date (defined as the date that serves to identify the shareholders on whom the decision is based), the ex-date and the payment date, thus 15.12.2020 - the registration date; 14.12.2020 - ex-date; 16.12.2020 - date of payment.



GENERAL INFORMATION REGARDING OGSM AND EGSM

Informative materials and questions on the agenda:

Starting with the date of publication of the convening notice and up to the date set for the O&EGSM, the informative materials can be obtained by sending a written request to investors@bittnet.ro or can be downloaded from the company website <https://investors.bittnet.ro>, the section the following documents: The convener, the situation regarding the total number of shares issued and voting rights at the date of the notice, the draft decisions proposed for the approval of the general meetings, the general / special empowerment forms that can be used for voting by representation, the voting forms that will be used through the electronic transmission system of the vote through the voting platform made available by the Company, the Procedure for participating in the GMS electronically approved by the Decision of the Board no. 08/ 19.10.2020, the documents to be presented at the general meetings.

The direct access link to the website regarding this general meeting is:

<https://investors.bittnet.ro/ro/intalniri-ale-actionarilor/aqa-26-noiembrie-2020/>

Each shareholder has the right to ask questions regarding the items on the agenda, in compliance with the Procedure for organizing and holding general meetings of the company's shareholders (https://investors.bittnet.ro/wp-content/uploads/2020/03/Procedura_AGA_BNET-rerv200120.pdf), exclusively at investors@bittnet.ro , until 25.11.2020 at the latest, at 11:00 for the OGMS and, respectively, at 11:30 for the EGMS.

The proposals of the shareholders regarding the completion of the agenda and draft decisions will comply with the provisions contained in the Procedure for organizing and holding the general meetings of the company's shareholders.

https://investors.bittnet.ro/wp-content/uploads/2020/03/Procedura_AGA_BNET-rerv200120.pdf

In order to exercise the right to introduce items on the agenda / the right to present draft decisions for the items included or proposed to be included on the agenda of the Meeting, the entitled shareholders may send the request to the Company at investors@bittnet.ro , with the written mention "PROPOSAL OF NEW ITEMS ON THE AGENDA FOR THE GENERAL MEETING OF SHAREHOLDERS", until 06.11.2020, 17:00.

Participation in the GMS

According to the legal provisions in force, only persons who are registered as shareholders at the end of 13.11.2020 (reference date) have the right to participate and vote in the Meeting. Considering the Law no. 55/2020 regarding some measures for preventing and combating the effects of the COVID-19 pandemic and the legal norms in force regarding the prolongation of the alert state on the Romanian territory and establishing the measures applied during it to prevent and combat the effects of the COVID-19 pandemic;

Considering the Board Decision no. 08/19.10.2020 approving the Procedure for organizing and conducting and voting in the general meetings of shareholders convened for 26.11.2020/ 27.11.2020 by electronic means of distance communication;

The company supports such measures and wants to limit as much as possible the human interactions in connection with the corporate events during this period, not being able to guarantee the obtaining of the legal approvals for the organization of the GMS meetings at the secondary headquarters. The company recommends to the shareholders the participation and voting by electronic means of distance communication at the convened general meetings.



By derogation from the provisions contained in the Procedure for organizing and holding general meetings of the company's shareholders, shareholders registered in the shareholders' register on the reference date may participate in the meetings convened by this call, using the tele / video conferencing system provided by the company. and for the expression of the vote they will use the system of electronic transmission of the vote through the voting platform provided by the company. The procedure for participation and electronic voting at the general meetings of shareholders according to this call is described here:

<https://investors.bittnet.ro/ro/intalniri-ale-actionarilor/aga-26-noiembrie-2020/>

The special / general proxies will be communicated to the address investors@bittnet.ro , so that they will be received by the Company no later than 24.11.2020, at 11:00 AM for the OGMS and, respectively at 11:30 AM for the EGMS. Proxies not submitted in time or in another way than the one described by this call will not be taken into account. Additional information can be obtained by sending a written request to investors@bittnet.ro or on the company's website <https://investors.bittnet.ro>, category <Actions>, section <General Meetings>.

President of the Board

Mihai Alexandru Constantin Logofatu

