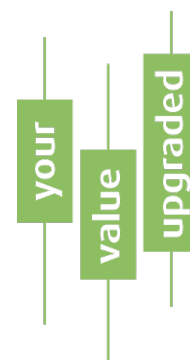


## Current Report nr. 18 / 2021

|  |  |
|--|--|
| Current report according to                        | Law 24/2017, FSA Reg 5/2018  |
| Date of report                                     | 22.03.2021   |
| Name of the issuing entity                         | BITTNET SYSTEMS S.A  |
| Legal Address                                      | Strada Șoimus Nr. 23, Bloc 2, Apartament 24, Sector 4, Bucuresti                               |
| Address  | 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<br>BNET22, BNET23, BNET23A, BNET23C – bonds                                      |
| Subscribed and paid share capital                  | 28.260.994,30 RON  |
| Total number of shares                             | 247.228.275 shares face value RON 0.10 per share <sup>1</sup>                                  |



<sup>1</sup> The share capital registered at the Trade Register is 282.609.943 shares. At the time of this report, the Issuer has submitted to ASF the request to issue the CIVM for the entire capital.

**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 27<sup>th</sup> April 2021, 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 14<sup>th</sup> April 2021, 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 28.04.2021, 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 27<sup>th</sup> April 2021, at 12:00 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 14<sup>th</sup> April 2021, 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 28.04.2021, at 12:00, 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. Presentation, debate and approval of the individual and consolidated annual financial statements for the financial year 2020, based on the Report of the Board of Directors (in the form of a Universal Registration Document) and the Report of the Independent Auditor.
3. Approval of profit distribution proposals.
4. Discharge of the Board of Directors of the Company for the financial year 2020.
5. Approval of the Revenue and Expenditure Budget for the financial year 2021.
6. Approval of the Remuneration Policy.
7. Approval of the Remuneration Report for 2020.
8. Approval of the date of 21.05.2021 as Registration Date according to art. 86 para. (1) of Law no. 24/2017 and 20.05.2021 as Ex-Date according to art. 2 para. 2 lit. I) of Regulation no. 5/2018.
9. Approval of the power of attorney, with the possibility of substitution, of Mr. Mihai Alexandru Constantin LOGOFĂTU, 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 the formalities provided by law for the purpose of implementing the decisions of the shareholders, including the formalities of their publication and registration in the Trade Register or at any other public institution.



**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. Approval of the increase of the share capital with the amount of RON 16,956,596.60 through the issue of 169,565,966 shares with a nominal value of 0.1 ron / share for the benefit of shareholders (including for the benefit of the Company for its own shares) registered in The Register of Shareholders kept by the CENTRAL DEPOSITARY on the registration date to be established by the GMS. The increase of the share capital will be achieved by the partial capitalization of the issue premiums amounting to RON 16,956,596.60. The distribution of the newly issued shares will be made in proportion of 6 free shares for every 10 shares held. If in the case of a shareholder the application of the proportion of 6/10 leads to a number of shares that is not an integer, the new number of shares to be received is calculated by rounding to the lower whole. The company will compensate the shareholders for the fractions thus resulted through the Central Depository. The amount to be compensated is obtained by multiplying the fraction by ten decimals with the compensation price and then rounding to two decimals the result of the multiplication. The compensation price will be equal to the highest value between: the market value established according to the Law and the nominal value.

If, until the Registration Date, the capital increase operations decided by the Board of Directors through Decisions no. 7 / 18.08.2020 and no. 10 / 17.12.2020 will not be registered, the Board of Directors is empowered to decide accordingly the manner of implementation of this decision, including to decide, as the case may be, to increase the share allocation rate free of charge, or the reduction of the total number of distributed shares or any other technical solution agreed with the competent authorities regarding the capital market.

Approval of the registration date (defined as the date that serves to identify the shareholders affected by the decision), the ex-date and the payment date, as follows: 21.07.2021 - Registration Date; 20.07.2021 - Date Ex-date; 22.07.2021 - Date of Payment of new shares; 03.08.2021 - Date of Payment for fractions resulting from rounding to the lower whole.

3. Approval of the share capital increase with the amount of RON 2,826,099.50 through the issue of 28,260,995 shares with a nominal value of 0.1 lei / share for the benefit of shareholders (including for the benefit of the Company for its own shares) registered in the Shareholders Register kept by the Central Depository on the registration date to be established by the GMS.  
The distribution of the newly issued shares will be made 1 free share for every 10 shares held. The increase of the share capital will be achieved by the partial capitalization of the issue premiums



amounting to RON 2,826,099.50, the amount to be distributed to the shareholders from the registration date they choose to support the Society.

The purpose of the capital increase is to issue available shares so that the company can fulfill its obligations under the approved incentive plans, and shareholders who decide to leave the newly issued shares to the company will receive their equivalent value in proportion to the number of shares held. Shareholders registered in the register of shareholders on the Registration Date (July 21, 2021) will be able to choose not to support the development plans and obligations of the company, having a period of 9 days to choose:

- (i) either to leave the shares at the disposal of the Company (these to be loaded by the Central Depository in the issuer's treasury) and to receive a cash distribution in the amount of 0.1 RON for every 10 shares held on the Registration Date,
- (ii) either not to support the Company in fulfilling the assumed obligations and to receive a free share for every 10 shares held on the Registration Date.

If in the case of a shareholder the application of the proportion leads to a number of shares that is not an integer, the new number of shares to be received is calculated by rounding down to the first integer. The company will compensate the shareholders for the fractions thus resulted through the Central Depository. The amount to be compensated is obtained by multiplying the fraction by ten decimals with the compensation price and then rounding to two decimals the result of the multiplication. The compensation price will be equal to the highest value between: the market value established according to the Law and the nominal value.

If, until the Registration Date, the capital increase operations decided by the Board of Directors Decision no. 7 / 18.08.2020 and no. 10 / 17.12.2020 will not be registered, the Board of Directors is empowered to decide accordingly the implementation of this decision, including to decide, as appropriate, to increase the allocation rate of free shares, or to reduce the total number of shares distributed or any other technical solution agreed with the competent authorities regarding the capital market.

Approval of the registration date (defined as the date that serves to identify the shareholders affected by the decision), the ex-date and the payment date, as follows: 21.07.2021 - Registration Date; 20.07.2021 - Date Ex-date; 03.08.2021 - Payment Date for the fractions resulting from the rounding to the lower integer and for the value of the shares left at the Company's disposal; 10.09.2021 - Payment Date for the new shares, defined as the date on which the newly issued shares will be charged to the global accounts of the shareholders from the registration date, who did not choose to support the Issuer in fulfilling the assumed obligations.

- 4.** Approval of a capital increase with new cash contributions from shareholders registered in the Shareholders' Register held by the Central Depository at the registration date that will be determined by GMS. The capital increase is subject to approval by the GMS notwithstanding the provisions of art .12.6 and art.18.1 lit. j ) . The increase will take place in the following conditions:

- a. The number of new shares issued will be 24.722.828 each with a nominal value of RON 0.1 / share and an issue premium to be decided by the GMS:



Proposal formula for premium issue: [(average transaction price for last 30 days) / adjustment factor] - 0,1 Proposal factor adjustment: 1.15.

The average price will be calculated based on the date of submission in physical format to the Financial Supervisory Authority of the Prospectus / Prosecutive Proposition related to this capital increase.

b. The share capital increase is achieved by offering new shares for subscription, within the preference rights to:

- shareholders who were registered in the Shareholders' Register at the registration date, at the moment of share capital increase, and have not alienated their preference rights during the trading period and
- persons who acquired preference rights during the trading period;

c. After the period for exercising, the preference rights for newly issued shares expires, unsubscribed shares will be offered for subscription in a private placement at a higher price than the price offered to shareholders under article a) above.

d. The preference rights will be tradable in the relevant Market administered by Bucharest Stock Exchange, according with the specific regulations of the capital market.

e. The number of preference rights issued will be equal to the number of shares issued by the Company, registered in the Shareholders' Register, each shareholder, registered in the Shareholders' Register at the registration date of capital increase, will receive a number of preference rights equal with the number of shares held.

f. For subscription of 10 new shares under the preference right, a shareholder must hold 70 preference rights (rate: 10:70). A shareholder of the Company at the registration date which has not alienated their rights may purchase a maximum number of newly issued shares calculated by dividing the number of subscription rights held by that shareholder, on the registration date, to the number of preference rights necessary to subscribe one new share. In the case that the maximum number of shares that can be subscribed during the preference right (resulting from the above calculation) is not a natural number, the maximum number of shares that can actually be subscribed will be rounded-down to the next inferior natural number.

g. The period for exercising the preference right will be one month from the date established in the proportioned prospectus / offer prospectus and will begin at a later registration date corresponding to the share capital increase and the date of publication of the decision in the Official State Gazette of Romania (Monitorul Oficial).

h. Unsubscribed shares after offering within a private placement will be canceled by decision of the Board which finds the actual results of the capital increase and approves the relevant amendments to the Articles of Incorporation, following the value of the capital increase to be determined by reference to shares actually written in the stages mentioned in the points above.

i) The allocation rights for the shares subscribed will be tradable on the relevant market administered by the Bucharest Stock Exchange in accordance with the specific regulations of this market.

j) The share capital increase is done to ensure the implementation of the development plans of the Group.



k) The Board is authorized to undertake any necessary steps, procedures and actions to ensure the fulfilling of the capital increase decision, including but not limited to:

- Contracting the necessary services to compile the relevant documentation (including but not limited to the preference rights presentation document, the offer document / prospectus/ proportioned prospectus for exercising preference rights) as well as the actual implementation of the share capital increase;
- The subscription period and the payment methods;
- The details for trading the preference rights and allocation rights on the relevant market administered by the Bucharest Stock Exchange;
- Deciding the technique of actual delivery for the private placement (using the BVB system or the direct method with the Central Depository);
- Cancellation of the unsubscribed shares after the last step of the issue;
- Adopting any decisions necessary to implement the capital increase;
- Modifying the Articles of Incorporation to reflect the results of the capital increase.

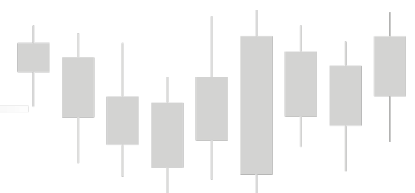
Approval of the registration date (defined as the date that serves to identify the shareholders affected by the decision), the ex-date and the payment date for the preference rights, as follows: 21.05.2021 - Date of Registration; 20.05.2021 - Date Ex-date; 24.05.2021 - Date of payment for preferential rights

5. Approval of a plan to incentivize for key persons, by offering options for the acquisition of a maximum number of shares of 5% of the total shares of the Company at a preferential price - Stock Option Plan - ("The plan"), in the form presented to the general meeting. Approval of the registration date (defined as the date that serves to identify the shareholders affected by the decision), and the ex-date, as follows: 21.05.2021 - Date of Registration; 20.05.2021 - Date Ex-date;

6. Approval of the purchase of a number of registered shares representing 35% of the share capital of SERVODATA AS, a company registered in Czech Republic with its registered office in Prague, Karolinská 661/4, Amazon Court Praha 8 - Karlín, 18600 , registered with the authorities of Czech Republic under number IČ: 25112775 DIČ: CZ25112775. The transaction price is EUR 1,400,000 (one million eur) and will be paid in the form of BNET shares that will be settled in a future operation to increase the share capital. The effective number of shares to be issued by the Company will be determined in accordance with the provisions of art. 210 (2) of Law no. 31/1990 and art. 87-88 of Law no. 24/2017 regarding the issuers of financial instruments and market operations and art. 174 of the FSA Regulation no. 5/2018.

The Board of Directors of the Company is mandated to establish the implementation procedure and to carry out all the necessary steps for the fulfillment of the present decision.

Approval of the registration date (defined as the date that serves to identify the shareholders affected by the decision), and the ex-date, as follows: 21.05.2021 - Date of Registration; 20.05.2021 - Date Ex-date;



7. Approval of granting or loans or guarantees for accessing loans from the companies of the Bittnet Group, amounting to a maximum of EUR 2,000,000 (two million eur), in the next 2 years after the completion of the investment, to SERVODATA AS, a company registered in the Czech Republic with its registered office in Prague, Karolinská 661/4, Amazon Court Praha 8 - Karlín, 186 00 registered with the Czech authorities under number IČ: 25112775 DIČ: CZ25112775.

Approval of the registration date (defined as the date that serves to identify the shareholders affected by the decision), and the ex-date, as follows: 21.05.2021 - Date of Registration; 20.05.2021 - Date Ex-date;

8. Approval of the amendment of art. 9.14.1 of the Articles of Incorporation, as follows: "*The value of the authorized capital is 200,000,000 common shares and 50,000,000 preferred shares*". Approval of the registration date (defined as the date that serves to identify the shareholders affected by the decision), and the ex-date, as follows: 21.05.2021 - Date of Registration; 20.05.2021 - Date Ex-date;

9. Approval of the extension for a period of 3 (three) years of the period for which the Board of Directors is authorized to decide to increase the subscribed share capital, through one or more issues of shares up to a value not exceeding half of the subscribed share capital, existing in the moment of the authorization, having the competence to decide the restriction or the lifting of the preference right of the existing shareholders at the date of the respective increase of the share capital. Approval of the registration date (defined as the date that serves to identify the shareholders affected by the decision), and the ex-date, as follows: 21.05.2021 - Date of Registration; 20.05.2021 - Date Ex-date;

10. Approval of redemption programs of own shares, in compliance with the applicable legal provisions and meeting the following main characteristics:

a. Purpose of the programs: The Company will redeem shares in order to offer them within the approved Stock Option Plan ("SOP") programs; either for the reduction / decrease of the share capital;

b. The maximum number of shares that the Company may redeem during a year: 10% of the shares outstanding at the beginning of the respective year in which the Company carries out the redemption program;

c. The maximum price per share will be the maximum value between:

i. 85% of the value of the net accounting asset per share, according to the most recent published financial results.

ii. The exercise price of the SOP that follows the settlement

d. The minimum price per share: RON 0,1.

e. Duration of the Program: for the entire existence of the Company The Board of Directors of the Company is mandated to adopt all the necessary decisions in order to establish the fulfillment of the decision.





Approval of the registration date (defined as the date that serves to identify the shareholders affected by the decision), and the ex-date, as follows: 21.05.2021 - Date of Registration; 20.05.2021 - Date Ex-date;

11. Approval of the power of attorney, with the possibility of substitution, of Mr. Mihai Alexandru Constantin LOGOFĂTU, 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 the formalities provided by law for the purpose of implementing the decisions of the shareholders, including the formalities of their publication and registration in the Trade Register or at any other public institution.

### 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](mailto: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. 01/ 22.03.2021, the documents to be presented at the general meetings.

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

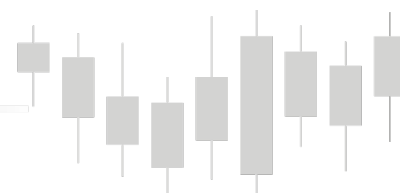
<https://investors.bittnet.ro/ro/intalniri-ale-actionarilor/aga-27-aprilie-2021/>

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](https://investors.bittnet.ro/wp-content/uploads/2020/03/Procedura_AGA_BNET-rerv200120.pdf)), exclusively at [investors@bittnet.ro](mailto:investors@bittnet.ro) , until 26.04.2021 at the latest, at 11:00 for the OGMS and, respectively, at 12:00 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](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](mailto:investors@bittnet.ro) , with the written mention "PROPOSAL OF NEW ITEMS ON THE AGENDA FOR THE GENERAL MEETING OF SHAREHOLDERS", until 07.04.2021, 17:00.



### **Participation in the GMS**

According to the legal provisions in force, only persons who are registered as shareholders at the end of 14.04.2021 (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. 01/22.03.2021 approving the Procedure for organizing and conducting and voting in the general meetings of shareholders convened for 27.04.2021/ 28.04.2021 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-27-aprilie-2021/>

The special / general proxies will be communicated to the address [investors@bittnet.ro](mailto:investors@bittnet.ro) , so that they will be received by the Company no later than 22.04.2021, at 11:00 AM for the OGMS and, respectively at 12:00 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](mailto: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

