

In years 2016, 2017, 2018, 2019, 2020, the shareholders approved Stock Option Plan for people that can have a positive impact on the group's results. Each plan has a duration of 2 years, and reaches settlement approximately in June of the year "N + 2". The construction of each Stock Option Plan is similar to the one proposed this year (please also analyze the explanatory note for item 5 on the EGMS agenda).

Simply put, once every 2 years we analyze whether the value of the company has increased compared to the previous 2 years, and if this has happened, the Stock Option Plan provides that key persons can purchase a maximum of 5% of the company's shares at its value of at the beginning of the measurement period. In other words, the persons who generated the increase in the value of the shares receive 5% of this increase, once every 2 years, settled in shares, not cash.

In order to be able to fulfill the obligation towards option-holders, at the moment when they exercise the options, the company must either create new shares (capital increases) or to acquire own shares from the existing shareholders. Starting with 2020, we have identified this technical solution that we propose this year as well, for the settlement of the obligations assumed by the company within the Stock Option Plan, approved annually by the GMS.

Thus, in the present proposal, the company will increase its capital by the amount of 2,826,099.50 lei, the resulting shares being loaded by the Central Depository directly in the global accounts in Section 1 and in accordance with the results of the additional selection procedure addressed to shareholders from the date of registration on which Decision no. 3 - respectively July 21, 2021:

1. For the shareholders who choose to support the Company and leave the resulting action at the disposal of the Company - they will benefit from a cash distribution equal to the nominal value of the newly issued share (0.1 lei / share). Taking the example of a shareholder who holds 100,000 BNET shares on the registration date, and chooses during the election period to leave the 10,000 new shares issued at the company's disposal, he will receive a distribution in the amount of 1,000 lei (on 3.08.2021).
2. For the shareholders who do NOT choose to leave the shares resulting from this operation at the disposal of the Company, they will be awarded the shares thus resulted in the global accounts from Section 1 of the Central Depository where they will be able to transfer them to trading account with simple request to the broker (Section 2). These shareholders will not benefit from cash distribution.

From an operational point of view, for shareholders this is a cash dividend received from the company.

This operation will allow the company two things that were requested in some discussions by the shareholders:

1. There should be no further dilution in the case of exercise of options by option-holders
2. The company to actually collect cash amounts from option holders.

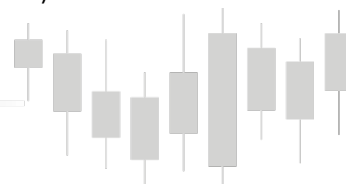
Let's take a practical example, but use rounded numbers to make it easier to understand the calculations:

The treasury shares will be charged to the company's account in September 2021. After that time, the Stock Option Plan approved in the GMS of April 2020 will be settled. The exercise price is a capitalization of the company of 100 million lei. Suppose that after May-June 2022, the company will have the number of shares today - 247,000,000. These mean an exercise price of the options of $100/247 = 0.4$ lei per share. (if the free shares are loaded, at around 6:10, the profit calculations remain the same for all those involved, the changes in the number of shares being automatically reflected in the exercise and market prices).

The plan provides for offering a maximum number of 5% shares to option-holders, so the company will sell to them a number of 13 million shares, for which 1.3 million lei will be paid, but which it will sell for 5.2 million lei. Thus, the company will register a profit of 3.9 million lei, cash that will be actually obtained in the account from the key persons. They pay the share price according to the conditions established in the SOP (skin in the game).

Instead, option-holders will buy with 0.4 lei per share, shares that we assume will be worth a price similar to the current one in the market (0.7 lei). Thus, each share purchased will bring a profit of 0.3 lei to key people, but also a profit of 0.3 lei to the company.

If we move our attention to the company's shareholders on the registration date - July 21 - they will receive a cash distribution of 0.1 lei. The company will register profit and cash (strengthening its financial position), and option-holders will have to bring money to show involvement in the company and will register profit only equal to 1/20 of the one registered by the shareholders from April 21, 2020 (date approval of the plan).



In this way, all interests are aligned, each of the actors in the process registering a profit if the company's valuation in June 2022 will be higher than in April 2020.

Given that the proposed operation does not generate dilution compared to what shareholders have already assumed since 2020, but instead generates profitability for all parties involved, Management encourages shareholders to opt for cash distribution, as it will allow Bittnet Group to meet its obligations. If the shareholders do not support the company, it will have to identify other solutions for settling the obligations assumed during 2020, having the risk of negatively affecting the relationship with the team members.

