

In previous years, we have repeatedly expressed our belief that the field of cybersecurity is very topical and of interest to both customers and, consequently, to us as investors in IT. Our entry in this sector, as investors (we offer various security solutions since 2007) was marked by the investment in Safetech Innovations shares. Next, at the GMS from September 2021, the shareholders approved the group's investment in ISEC Associates, and additionally, they gave the Board the mandate to continue the growth strategy based on M&A investments, up to a threshold of 200 million lei.

In Q4 2021 we identified a new investment project - Global Resolution Experts (GRX) (CUI 34836770), which is a professional services company in the area of cybersecurity, which offers penetration tests, but also design, implementation and maintenance of cybersecurity solutions. It fully owns GRX Advisory SRL (CUI 43813325), which offers similar services. The consolidated revenues of GRX and GRX Advisory are 8 million lei and the operating profit amounts to 4 million lei. As the company was acquired in December 2021, these figures are not included in the consolidated results of the group for 2021.

In the case of GRX, we paid in December a first tranche of 5 million lei to the founders and looking to improve our cash position at the end of the period, we sold a part of the shares to various investors and consequently we have recovered almost 3.5 million lei, keeping another 60% of a company with 8 million lei consolidated income and 4 million profit. Thus, our investment position is very solid, with very little downside and a lot of upside.

We request the shareholders to ratify the two operations, according to the texts of the CA decisions reproduced below:

Decision of the Board of Directors dated 10.12.2021

Approval of the following:

1. The acquisition by Bittnet Systems SA of 74% of the share capital of Global Resolution Experts SRL, in this sense, the authorized Bittnet Systems SA will represent the company to sign the transaction documents - Assignment Agreement shares and the form of the Articles of Incorporation of the Target Company.
2. Empowerment of the General Manager of the Company - Mr. Logofatu Mihai to represent Bittnet Systems SA, according to point 1, to take all necessary measures and sign all relevant documents, including but not limited to assignment agreements, updated articles of association and any other documents necessary to lead to fulfillment of this decision.

Decision of the Board of Directors dated 30.12.2021

Approval of the following:

1. The sale of a number of 1260 shares representing 14% of the share capital of Global Resolution Experts (GRX) to various investors;
2. The power of attorney of Mr. Logofatu Cristian Ion to represent Bittnet Systems SA, according to point 1, to take all necessary measures and to sign all relevant documents, including but not limited to assignment agreements with investors, as well as any other documents necessary to lead to fulfillment of this decision.