

## Approval of bond issuance ceilings

Between 2016 – 2018, the Company carried out 5 issues of corporate, unsecured, bonds issued in the national currency: BNET19, BNET22, BNET23, BNET23A and BNET23C, subsequently listed on the SMT-Bonds market of BSE, with a fixed interest rate of 9 % per year. The purpose of these issues was to finance the mergers and acquisitions (M&A) projects of Gecad NET SRL (currently Dendrio Solutions SRL), Elian Solutions SRL, Equatorial Gaming SA, as well as the IT&C integration business transfer from Crescendo International, but also in order to ensure these companies, through the parent company, the necessary financing for working capital and current activity together with their integration into the structure of the issuer's Group.

The total value of the borrowed capital, raised through market mechanisms, amounted to app. 33 million RON. BNET19 bonds (in the amount of RON 4,186,000 ) and BNET22 ( RON 4,500,000) were repaid early and in full during the years 2019 and 2021 in order to reduce the level of indebtedness and increase the gross profit along with the decrease the expenses with interest . Even so, with the increase in inflation in 2022, followed by the increase in the monetary policy interest rates, the company's management decided not to buyback anymore in advance the bond issues.

The actual proposals from points 02 - 04 on the EGMS Agenda, concerning the approval of ceilings for the issuance of new corporate bonds, convertible and/or non-convertible, in RON and/or in EUR, come as a result of the need for continue financing the activities in the current business and in new M&A transactions, but also to "refresh" the borrowed capital through the stock market mechanisms considering the repayment at maturity of the BNET23, BNET23A and BNET23C bonds, during the year 2023.

The basic coordinates of the issue/issues of new bonds are subject to the approval of the shareholders at the above-mentioned points: Regarding the interest, the proposal is to issue bonds in RON with a maximum interest of 11% per year and/or in EUR at an interest of a maximum of 9% per year, and the maximum ceilings are for 100 million in RON and 20 million in EUR.

Also, the management requests a mandate from the shareholders to decide, depending on the market context, the manner and price of selling the bonds to investors, either through the public offer or through private placement and to choose the intermediary/syndicate, as well as the opportunity of listing bonds on BSE's trading systems. The intention, at the moment, is to 'raise' either at the end of 2022 or the beginning of 2023, an investment in corporate bonds worth RON 30 million, depending on the opportunities in the Market, as well as the needs of the Company.

The management will decide whether this amount from investors will be done exclusively through the issue of bonds in RON, or through a mix of RON and EUR , in one or more rounds of issues. We believe that in the current context of economic uncertainty, an issuer that has a solid business, has demonstrated years of growth, operational cash flow and continuous growth of equity, should be favored in investors' preferences, ensuring their confidence higher in the recovery of amounts ("track record").

On the other hand, at the current moment, the Issuer has a sub-optimal financing structure, with total equity amount of ±55 million RON, and borrowed capital in a net value close to zero (25 million RON in bonds, 20 million RON in cash ). In other words, we consider that we do not have a correct financial multiplier at our disposal. For an equity value of ±100 million RON targeted/estimated at the end of 2022 (with the estimated profit of the current year plus the increase operation with contributions and receivables

completed until 31.12.2022), a more relevant value of the borrowed capital would be of 100-200 million RON. This financing structure would allow us a new aggressive investment cycle (M&A) along with the idea of the competitors that the economic situation is one in which the industry is worth consolidating, and their joining to our Group could be a good chance for both development but also survival. Such an approach would allow us to make M&A investments under the same advantageous conditions as in the past.

