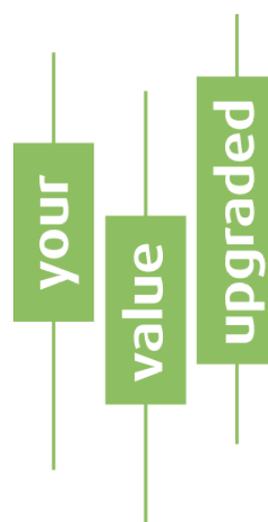


## Current Report no. 24 / 2019

Current report according to	Rulebook BVB for AeRO-ATS, Law 24/2017, ASF 5/2018
Date of report	24.04.2019
Name of the issuing entity	BITTNET SYSTEMS S.A
Legal Address	Soimus Street, no. 23, bl. 2, Sc. B, 2nd Floor, Ap. 24, District 4
Adress	Timisoara Blbv. no. 26, Plaza Romania Offices Building, 1st Floor, District 6, Bucharest
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:	AeRO ATS Premium
Ticker	BNET – shares BNET22, BNET23, BNET23A, BNET23C – bonds
Subscribed and paid share capital	5.175.523,80 RON
Total number of shares	51.755.238 shares face value RON 0.10 per share



## Current report regarding the results of the General Shareholder Meeting from April 24th 2019

### Ordinary Meeting

The Ordinary General Meeting of Shareholders of BITTNET SYSTEMS took place on **24<sup>th</sup> of April 2019, 11.00** o'clock (Romanian time) at the Company's Offices: Bucharest, Bd. Timisoara no. 26, "Plaza Romania Offices" Building, et. 1, 061331 - District 6, being conducted by the Sole Administrator of the Company - as Meeting President

In accordance with:

1. The Convening notice published on the Company's website (<http://www.bittnet.ro/investors/>) on 20th of March 2019 and in the Romanian Official Gazette, part IV, no. 1302 from the 22nd of March 2019 and in Ziarul Bursa of March 22nd 2019;
2. The Companies' Law no. 31/1990, republished (Law no. 31/1990);
3. The Capital Markets' Law no. 297/2004;
4. The Issuers Law no. 24 / 2017;
5. The FSA no. 5/2018 on issuers and trading of securities (Regulation 5/2018);
6. The National Securities Commission Regulation no. 6/2009 on the exercise of certain rights of shareholders in general shareholders meetings of the companies;

The shareholders have decided upon the items on the OGM agenda as it follows:

#### **Item 1:**

In the presence of the shareholders representing **88.0621%** of the share capital and **88.0621%** of the total voting rights, with the affirmative vote of the shareholders representing **71.1901%** of the share capital and 100% (\*) of casted votes,

**Approves the financial statements for the financial year 2018, the Report of the Administrator and the Independent Auditor's Report, and the proposed profit distribution as follows:**



Destination	Amount (lei)
Profit to distribute:	3.676.077,39
Legal Reserves	46.134,61
Capital Increase	1.683.098,34
Dividends	0
Other reserves	1.946.844,44

\*According to the Law, the administrator - Mr Mihai Logofatu - has abstained from the vote.

## Item 2:

In the presence of the shareholders representing **88.0621%** of the share capital and **88.0621%** of the total voting rights, with the affirmative vote of the shareholders representing **71.1901%** of the share capital and 100%(\*) of casted votes:

**Approves the discharge of liability of the administrator for the financial year 2018.**

\*According to the Law, the administrator - Mr Mihai Logofatu - has abstained from the vote.

## Item 3:

In the presence of the shareholders representing **88.0621%** of the share capital and **88.0621%** of the total voting rights, with the affirmative vote of the shareholders representing **88.0086%** of the share capital and 100% of casted votes

**Approves the 2019 Income and Expenditure Budget of the Company.**

## Item 4:

In the presence of the shareholders representing **88.0621%** of the share capital and **88.0621%** of the total voting rights, with the affirmative vote of the shareholders representing **88.0621%** of the share capital and 100% of casted votes

**Approves the registration date of 21.05.2019 and the ex-date of 20.05.2019 according to art. 86, pct. 1 of the Law 24/2017 on issuers of financial instruments and market operations.**

## Item 5:

In the presence of the shareholders representing **88.0621%** of the share capital and **88.0621%** of



the total voting rights, with the affirmative vote of the shareholders representing **88.0621%** of the share capital and 100% of casted votes:

**Approves the mandating, with the possibility of substitution, of the Administrator, Mr. Mihai-Alexandru-Constantin Logofatu, to sign the GSM decisions, the updated version of the Articles of Incorporation as well as any other documents related to these, as well as the mandating to fulfill any procedures or formalities required by law in order to put in action the decisions of the shareholders, including but not limited to the formalities of publishing and registering the decisions with the Trade Registry or any other public institution.**



## Extraordinary Meeting

The Extraordinary General Meeting of Shareholders of BITTNET SYSTEMS took place on **24<sup>th</sup> of April 2019, 12.00** o'clock (Romanian time) at the Company's offices: Bucharest, Bd. Timisoara no. 26, "Plaza Romania Offices" Building, et. 1, 061331 - district 6, being conducted by the Sole Administrator of the Company - as Meeting President

In accordance with:

1. The Convening notice published on the Company's website (<http://www.bittnet.ro/investors/>) on the 20th of March 2019 and in the Romanian Official Gazette, part IV, no. 1302 from the 22nd of March 2019 and in Ziarul Bursa from March 22nd 2019;
2. The Companies' Law no. 31/1990, republished (Law no. 31/1990);
3. The Capital Markets' Law no. 297/2004 ;
4. The Issuers Law no. 24/2017;
5. The FSA no. 5/2018 on issuers and trading of securities (Regulation 5/2018);
6. The National Securities Commission Regulation no. 6/2009 on the exercise of certain rights of shareholders in general shareholders meetings of the companies.

The shareholders have decided upon the items on the EGM agenda as it follows:



## Item 1

In the presence of the shareholders representing **88.2531%** of the share capital and **88.2531%** of the total voting rights, with the affirmative vote of the shareholders representing **88.2531%** of the share capital and 100% of casted votes

**Approves** of a capital increase with the amount of RON 5.523.320,50 by issuing 55.233.205 new shares with nominal value of RON 0.1 per share to be distributed to the registered shareholders mentioned in the Shareholders Register held by the Central Depository at the registration date which will be determined by GMS . The allocation ratio of newly issued shares will be 1 bonus share for 1 share held. The share capital increase will be achieved by using the following sources:

- a) capitalization of undistributed net profits of the years 2017 in the amount of RON 1.245.333,22
- b) capitalization of share premiums in the amount of RON 2.594.888,94
- c) capitalization of the amount of RON 1.683.098,34 from the undistributed profit of the fiscal year 2018.

**Approves** of the registration date (defined as the date serving to identify the shareholders) 08.07.2019 and date ex-date: 05.07.2019 and payment date: 09.07.2019

## Item 2

In the presence of the shareholders representing **88.2531%** of the share capital and **88.2531%** of the total voting rights, with the affirmative vote of the shareholders representing **88.2531%** of the share capital and 100% of casted votes

**Approves** 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 11.046.641 each with a nominal value of RON 0.1 / share and an issue premium decided by the EGMS: formula for premium issue:  $[(\text{average transaction price for last 30 days}) / \text{adjustment factor}] - 0,1$



**Adjustment factor: 1.25.**

The average price will be calculated based on the date of submission in physical format to the FSA 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:**

**b1. 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**

**b2. 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 one new share under the preference right, a shareholder must hold 5 preference rights. 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 right of preference 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 (Monitorul Oficial).**

**h) Shares remaining unsubscribed after offering them within a private placement will be canceled by decision of the Administrator 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 Administrator is authorized to undertake any necessary steps, procedures and actions to ensure the fulfilling of the capital increase decision, including but not limited to:

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

Approvs of the registration date (defined as the date serving to identify the shareholders to whom the resolution applies) 08.07.2019 and ex-date: 05.07.2019 and payment date for preference writes: 09.07.2019.

### Item 3

In the presence of the shareholders representing **88.2531%** of the share capital and **88.2531%** of the total voting rights, with the affirmative vote of the shareholders representing **88.2531%** of the share capital and 100% of casted votes

**Approves of non-convertible corporate bonds in order to re-enforce the maximum ceiling of RON 50,000,000 (fifty million RON) as approved by the GSM Decision no. 10. of 25 April 2018. Authorizing the administrator for the period between the date of publication of the decision of the GMS in the Official Gazette of Romania Part IV and December 31st , 2020 to decide one or several bond issues in RON with a maximum of RON 24,403,700 up to the maximum limit of RON**



50,000,000 (fifty million RON) as approved by the AGEA Decision no. 10. of 25 April 2018. Each bond being issued with a nominal value of RON 100 per bond with a maturity of minimum 3 years and maximum of 5 years, with a yearly coupon of a maximum of 9%. The Administrator is mandated to decide about the details of each issuance as well as to sign any documents related to the issuance, including the type of the placement (public or private), writing of the bonds prospectus or any other documents necessary for listing the bonds on the relevant market operated by the BVB, and any other documents that might be needed in relation to the fulfilling of the current decision.

**Approves of the registration date (defined as the date of identification of the shareholders to whom the decision of the EGM applies to) 21.05.2019 and ex-date: 20.05.2019.**

## **Item 4**

In the presence of the shareholders representing **88.2531%** of the share capital and **88.2531%** of the total voting rights, with the affirmative vote of the shareholders representing **88.2531%** of the share capital and 100% of casted votes

**Approves of an incentive plan for the key personnel by offering an option to purchase shares in the maximum amount of 5% of the total number of shares of the Company at a preferential price - a Stock Option Plan ("Plan"), in the form presented at the EGSM.**

**Approves of the registration date (defined as the date of identification of the shareholders to whom the decision of the EGM applies to) 21.05.2019 and ex-date: 20.05.2019.**

## **Item 5**

In the presence of the shareholders representing **88.2531%** of the share capital and **88.2531%** of the total voting rights, with the affirmative vote of the shareholders representing **88.2531%** of the share capital and 100% of casted votes

**Approves of the empowerment, with substitution, of the Company's administrator, Mihai-Alexandru-Constantin Logofatu, to carry out acts that are capable of employing the Company to guarantee any banking and / or financing credit/loan products contracted by any of its affiliates, from banking institutions, credit institutions and / or other financial institutions, with any company assets accounting for up to 100% of their total, including the shares / shares held by the Company in that affiliated entity. The Company's Administrator, Mihai-Alexandru-Constantin LOGOFATU will decide, represent the Company with full powers, conclude and sign any acts on guarantees of any kind granted by the Company to its affiliates based on the mandate granted by this decision.**



**Approves of the registration date (defined as the date of identification of the shareholders to whom the decision of the EGM applies to) 21.05.2019 and ex-date: 20.05.2019.**

## **Item 6**

In the presence of the shareholders representing **88.2531%** of the share capital and **88.2531%** of the total voting rights, with the affirmative vote of the shareholders representing **88.2531%** of the share capital and 100% of casted votes

**Approves the mandating, with the possibility of substitution, of the Administrator, Mr. Mihai-Alexandru-Constantin Logofatu, to sign the GSM decisions, the updated version of the Articles of Incorporation as well as any other documents related to these, as well as the mandating to fulfill any procedures or formalities required by law in order to put in action the decisions of the shareholders, including but not limited to the formalities of publishing and registering the decisions with the Trade Registry or any other public institution.**

CFO

CRISTIAN LOGOFATU

