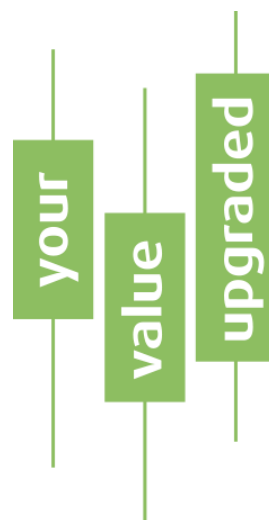


Current Report no. 16 / 2020

Current report according to	Rulebook BVB for AeRO-ATS, Law 24/2017, ASF 5/2018
Date of report	20.03.2020
Name of the issuing entity	BITTNET SYSTEMS S.A.
Legal Adress	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:	SMT Aero-Premium
Ticker	BNET – shares BNET22, BNET23, BNET23A, BNET23C – bonds
Subscribed and paid share capital	11.620.320,60 RON
Total number of shares	116.203.206 shares face value RON 0.10 per share



CONVENING NOTICE FOR THE ORDINARY AND EXTRAORDINARY GENERAL SHAREHOLDERS MEETING OF BITTNET SYSTEMS S.A.

According to the provisions of the Companies Law no. 31/1990, republished, of the Articles of Association, Law 24/2017 on Issuers of Financial instruments and Market Operations and of the ASF Regulation no. 5/2018 on issuers of Financial Instruments and Market operations, as subsequently amended and supplemented,

The Board of BITTNET SYSTEMS S.A., a Romanian legal entity, with its registered office in Bucharest, Str. Soimus no. 23, Bl. 2, Sc. B, Ap. 24, sector 4 and with the correspondence address at the secondary headquarters in Bucharest, Timisoara Boulevard no. 26, "Plaza Romania Offices" building, et. 1, sector 6, registered with the Trade Register under no. J40 / 3752 / 22.02.2007, having Unique Registration Code RO21181848 ("**the Company**"),

CONVENES

THE ORDINARY GENERAL MEETING OF THE SHAREHOLDERS on the date of **29.04.2020**, at 11.00 AM, at the secondary office address located in Bucharest, Timisoara Boulevard no. 26, "Plaza Romania Offices" building, 1st floor, sector 6, to which the shareholders registered at the end of the day of **21.04.2020**, considered the **Reference Date**, in the register of shareholders kept by the CENTRAL DEPOSITARY S.A. are entitled to participate and vote ("**GSM**").

AND

THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS on the date of **29.04.2020** at 12.00 AM at the secondary office address located in Bucharest, Timisoara Boulevard no. 26, "Plaza Romania Offices" building, 1st floor, sector 6, to which the shareholders registered at the end of the day of **21.04.2020**, considered the **Reference Date**, in the register of shareholders kept by the CENTRAL DEPOSITARY S.A. are entitled to participate and vote ("**EGSM**").

If the legal and statutory quorum of presence is not met at the first call, **the OGSM will be held on 30.04.2020 at 11.00 AM, in the same place, with the same agenda** for all shareholders registered in the Register of Shareholders on the same **Reference Date**.

and

The EGSM will be held on 30.04.2020 at 12.00 PM, in the same place, with the same agenda for all the shareholders registered in the Register of Shareholders at the same **Reference Date**.

The agenda of the Ordinary General Meeting of Shareholders is as follows:

1. According to the procedure for organizing and conducting the general meetings of the shareholders of the Company, the election of the meeting president of Mr. Mihai-Alexandru-Constantin LOGOFATU and of the meeting secretary, lawyer Ioana PRECUP, who has the capacity of shareholder of the company.
2. The approval of the annual financial statements for the fiscal year 2019, and the Administrator's Report and the Independent Auditor's Report, as well as the approval of the profit sharing proposal.



3. The discharge of the company administrator for the fiscal year 2019.
4. Approval of the revenue and expenditure budget for the fiscal year 2020.
5. Approval of the date of 21.05.2020 as registration date and 20.05.2020 as ex-date, according to art. 86, pct. 1 of Law 24/2017.
6. Approval of the empowerment, with the possibility of substitution, of Mr. Cristian Ion LOGOFĂTU, as a member of the Board to sign the shareholders' decisions and any other documents related to them and to fulfill all the procedures and formalities provided by law to implement the shareholders decisions, including the formalities for 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 for organizing and conducting the general meetings of shareholders, the election of the meeting president of Mr. Mihai-Alexandru-Constantin LOGOFATU and of the meeting secretary, lawyer Ioana PRECUP, who has the capacity of shareholder of the company.
2. Approval of the increase of the share capital with the amount of RON 8,134,224.5 by issuing 81,342,245 new shares with a nominal value of 0.1 lei / share for the benefit of the shareholders registered in the Register of Shareholders kept by the Central Depository on the registration date to be established of EGMS. The distribution of newly issued shares will be made in proportion of 7 free shares for every 10 shares held. In case of a shareholder that the 7/10 rate leads to a number of shares that is not an integer, the number of new shares is calculated by rounding to the lower integer. The company will compensate the shareholders for the fractions thus obtained through the Central Depository. The amount of compensation is obtained by multiplying the fraction by ten decimal places with the compensation price and then rounding to two decimal. The compensation price is equal to the nominal value, respectively RON 0,1. For example, by applying the report, results 1.5 new shares, the respective shareholder will receive 1 new share and RON 0.05. The increase of the share capital will be realized by using the following sources:
 - a. capitalization of the issue premium in amount to RON 7,087,082
 - b. capitalization of the amount of RON 1,047,142.5 from 2019 yearly profit.

2.1. Approval of the registration date (defined as the date to identify the shareholders on which the decision is addressed), the ex-date and the payment date, as follows: 21.07.2020 - date of registration; 20.07.2020 - ex-date; 22.07.2020 - date of payment of new shares; 03.08.2020 - payment date for the fractions.

3. Approval of the increase of the share capital with the amount of RON 1,162,032.1 by issuing 11,620,321 new shares with a nominal value of 0.1 lei / share for the benefit of the shareholders registered in the Register of Shareholders kept by the Central Depository on the registration date to be established of AGA. The distribution of newly issued shares will be done 1 free share for every 10 shares held. The shareholders agree that the shares will be left at the Company's disposal, for a period of 12 months from the date of issuing, in order to fulfill the stock option approved plans. Thus, the Central Depository will upload the shares directly to the Company's account, and the shareholders from the registration date will receive the nominal value – RON 0.1 per each new share. If in case of a shareholder that 1/10 rate 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 obtained through the Central Depository. The amount of compensation is obtained by multiplying the fraction by ten decimal with the compensation price and then rounding to two decimal. The compensation price is equal to the nominal value, respectively RON 0.1.
The increase of the share capital will be realized by using the following source: not-distributed profit from the previous financial years, in amount of RON 1,162,032.1 lei



3.1 Approval of the registration date (defined as the date to identify the shareholders on which the decision addressed), the ex-date and the payment date, as follows: 21.07.2020 - registration date; 20.07.2020 - ex-date; 22.07.2020 - payment date for new shares; 03.08.2020 - payment date for the fractions.

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 16,600,458 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: 1.2.

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:

- 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:

- i. 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;
- 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.

4.1. Approval of the registration date (defined as the date to identify the shareholders on which the decision is addressed), the ex-date and the payment date for the preference rights: 21.05.2020 - the registration date; 20.05.2020 - ex-date; 22.05.2020 - date of payment.

5. Approval of an stock option plan (SOP) for key persons, by offering options the purchase of a number of shares of maximum 5% of the total shares of the Company at a preferential price - Stock Option Plan - (the "Plan"), in the form presented to the GSM.

Approval of the registration date (defined as the date that serves to identify the shareholders on which the decision is addressed) - proposal 21.05.2020 as registration date and 20.05.2020 as ex-data.

6. Approval of the modification of art. 9.14 of Articles of Incorporation and eliminating from its contents the thesis: *"The calculated value of the authorized share capital is 24,355,406 shares or 2,435,540.6 ron."* and the introduction of art. 9.14.1 with the following content: *"The value of the authorized capital is 55,000,000 shares, respectively 5,500,000ron."*

Approval of the registration date (defined as the date that serves to identify the shareholders on which the decision is addressed) - proposal 21.05.2020 as registration date and 20.05.2020 as ex-data.

7. Only if is subject to the approval by the GSM of the modification of art. 9.14 of the Articles of Incorporation according to point 6 of the agenda, above, the approval of the modification of the content of art. 9.14 as follows:

"The Board is authorized that, for a period of 3 (three) years from the date of the registration of the present constitutive act updated at the Trade Register, to decide the increase of the subscribed share capital, by one or more shares issues up to a value that is not more than half of the subscribed share capital, existing at the time of authorization. Exclusively for the purpose of increasing the share capital under the aforementioned conditions, the Board is granted for each of the capital increases made up to the level of the authorized capital, the power to decide the restriction or lifting of the preference right of the existing shareholders at the date of the respective capital increase."

Approval of the registration date (defined as the date that serves to identify the shareholders on which the decision is addressed) - proposal 21.05.2020 as registration date and 20.05.2020 as ex-data.

8. Approval of the empowerment, with the possibility of substitution, of Mr. Cristian Ion LOGOFĂȚU, as a member of the Board, to sign the shareholders' decisions and any other documents related



to them and to fulfill all the procedures and formalities provided by law in the purpose of implementing shareholder decisions, including the formalities for their publication and registration in the Trade Register or at any other public institution.

Approval of the registration date (defined as the date that serves to identify the shareholders on which the decision is addressed) - proposal 21.05.2020 as registration date and 20.05.2020 as ex-data.

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 or can be downloaded from the company website www.bittnet.ro, category <Investors>, the section <General Shareholder Meetings> 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. 03 / 20.03.2020, the documents to be presented at the general meetings.

Each shareholder has the right to send questions about the items on the agenda, in compliance with the Procedure for organizing and conducting the general meetings of the shareholders of the company (https://investors.bittnet.ro/wp-content/uploads/2020/03/Procedura_AGA_BNET-rerv200120.pdf), exclusively to investors@bittnet.ro, until the latest on 28.04.2020, 11:00.

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 conducting the general meetings of the shareholders of the company: 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 resolutions for the items included or proposed to be included on the agenda, the shareholders may send the request to the Company to investors@bittnet.ro, with the written mention "*PROPOSAL OF NEW ITEMS FOR THE GENERAL MEETING OF SHAREHOLDERS*", until 13.04.2020 at 17:00.

O&EGSM participation:

According to the legal provisions in force, only persons who are registered as shareholders at the end of the day of 21.04.2020 (reference date) have the right to participate and vote in the general shareholders meetings.

Considering the Governmental Decree regarding the establishment of the *state of emergency* in Romania, as well as the preventive measures taken by the Romanian authorities, as well as the limitations regarding the meetings of persons on the territory of Romania, decree published in the Official Gazette no. 0212 of March 16, 2020 and of the Decision no. 11 of 13.03.2020 of the Group of technical and scientific support regarding the management of highly contagious diseases in the territory of Romania;

Considering the Board Decision no. 03 / 20.03.2020 approving the Procedure for organizing and conducting and voting in the general meetings of the shareholders convened for the date of 29.04.2020 / 30.04.2020 by electronic means of distance communication;



The Company supports such measures and wants to limit as much as possible the human interactions in relation to corporate events during this period, and cannot guarantee the obtaining of legal opinions for the organization of general shareholders meetings at the secondary headquarters.

The company recommends the shareholders to participate and vote by electronic means of remote communication at the general meetings convened.

By derogation from the provisions contained in the [Procedure for organizing and conducting the general meetings of the shareholders of the Company](#), the shareholders registered in the register of shareholders on the reference date may attend the meetings convened by the present convener, using the tele / video conference provided by the company, and for expressing the vote they will use the electronic transmission system of the vote through the voting platform made available by the company. The procedure of electronic participation and voting at the general meetings of the shareholders according to the present convening notice is described [here](#).

The special / general power of attorney will be sent to investors@bittnet.ro, so that they will be received by the Company by the latest on 29.04.2020, 11:00 AM. The documents not filed within the term or in any other way than the one described by the present notice will not be taken into account. Further information can be obtained by sending a written request to investors@bittnet.ro or from the company website www.bittnet.ro, <Investors>, section <General Shareholder Meetings>.

President of the Board

IVYLON Management SRL

Mihai Logofatu

