

Current Report no. 36 / 2024

Current report according to	Law 24/2017, ASF Regulation 5/2018
Date of report	26.04.2024
Company name	BITTNET SYSTEMS S.A.
Social address	44, Sergent Ion Nuţu, One Cotroceni Park, building A and B, 4 th floor, district 5, Bucharest
Headquarters	44, Sergent Ion Nuţu, One Cotroceni Park, building A and B, 4 th floor, district 5, Bucharest
Phone/Fax	021.527.16.00 / 021.527.16.98
CUI	21181848
Trade Register No	J40/3752/2007
The market on which the shares are traded	Segment: Main Market; Category: Standard
Symbol	BNET - shares BNET26E, BNET27A, BNET28 – bonds
Share capital	RON 63,417,671.40
The main characteristics of securities issued by the Company	634,176,714 shares at a face value of RON 0.10





OGMS and EGMS decisions of 25.04.2024

Ordinary General Meeting of Shareholders

Today, 25^{th} of April 2024, at 12:00 p.m. (Romanian time), the shareholders of BITTNET SYSTEMS S.A., (the Company) met in the Ordinary General Meeting of Shareholders (OGMS) of the Company, at the first call, both in physical form at the HQ in Bucharest, adress: Str. Sergent Nutu Ion no. 44, district 5, One Controceni Park Building, 4^{th} floor, as well as in electronic format through the communication systems made available to shareholders by the Company.

The OGMS meeting was opened by Mr. Mihai-Alexandru-Constantin Logofatu, as the legal representative of the President of the Board of Directors:

- The notice for the OGMS published on the Company website (<u>https://investors.bittnet.ro/</u>) and on the BSE website (<u>www.bvb.ro</u>) on 25.03.2024, in the Official Gazette of Romania, Part IV, number 1468 of 25.03.2024 and in the newspaper Naţional of 25.03.2024;
- 2. The Notice Completed and supplemented by the proposal of an entitled shareholder, published on the Company's website and on the BSE website on 12.04.2024, in the Official Gazette of Romania, Part IV, number 1858 of 15.04.2024 and in the newspaper Jurnalul on 15.04.2024;
- 3. The provisions of the Companies Law no. 31/1990, republished, with subsequent amendments and additions (Law no. 31/1990);
- 4. The provisions of Law no. 297/2004 on the capital market, with subsequent amendments and additions (Law no. 297/2004);
- 5. The provisions of Law no. 24/2017 on issuers of financial instruments and market operations, with subsequent amendments and additions (Law no. 24/2017);
- 6. The provisions of FSA Regulation no. 5 of 2018 on securities issuers and operations, with subsequent amendments and additions (Regulation no. 5/2018);
- 7. Provisions of CNVM Regulation no. 6/2009 regarding the exercise of certain shareholder rights during general meetings of commercial companies, with subsequent amendments and additions (Regulation no. 6/2009)

Following the debates, the Company's shareholders adopted the following decisions regarding the items on the agenda with the following results:





OGMS01	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	503,942,345	503,670,524	502,590,210	1,080,314	271,820	271,821
Percentage of casted votes	NA	NA	99.7855%	0.2145%	NA	NA
Percentage of total shares with voting rights	79.4640%	79.4212%	79.2508%	0.1703%	0.0429%	NA
Percentage of total shares	79.4640%	79.4212%	79.2508%	0.1703%	0.0429%	NA

The approvel of the election of the Chairman of the meeting, Mr. Mihai-Alexandru-Constantin LOGOFATU and of the secretary of the meeting, Ms. Ioana PRECUP, lawyer, who shareholder of the Company, according to the procedure for organizing and conducting the general meetings of the Company's shareholders.





OGMS02	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	503,942,345	445,421,095	442,133,272	3,287,823	58,521,249	58,521,250
Percentage of casted votes	NA	NA	99.2619%	0.7381%	NA	NA
Percentage of total shares with voting rights	79.4640%	70.2361%	69.7177%	0.5184%	9.2279%	NA
Percentage of total shares	79.4640%	70.2361%	69.7177%	0.5184%	9.2279%	NA

The approvel of the individual and consolidated annual financial statements for the financial year 2023, based on the Report of the Board of Directors (in the form of Universal Registration Document) and the Report of the Independent Auditor.

*According to art. 126 of Law 31/1990, the members of the Administrative Council abstained from voting.





OGMSo3	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	503,942,345	496,029,726	476,722,401	19,307,325	6,642,584	7,912,619
Percentage of casted votes	NA	NA	96.1076%	3.8924%	NA	NA
Percentage of total shares with voting rights	79.4640%	78.2163%	75.1719%	3.0445%	1.0474%	NA
Percentage of total shares	79.4640%	78.2163%	75.1719%	3.0445%	1.0474%	NA

The approvel of the fixed remuneration of the members of the Board of Directors for the year 2024 in the amount of 200,000 RON/gross year for each member of the Board of Directors and 240,000 RON/gross year for the president of the Board of Directors. The fixed remunerations will be due to the members of the Board of Directors pro-rata with the period of the year in which they exercised their functions within the Board of Directors.





OGMS04	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	504,042,345	496,509,978	279,432,245	217,077,733	7,332,092	7,532,367
Percentage of casted votes	NA	NA	56.2793%	43.7207%	NA	NA
Percentage of total shares with voting rights	79.4798%	78.2921%	44.0622%	34.2298%	1.1562%	NA
Percentage of total shares	79.4798%	78.2921%	44.0622%	34.2298%	1.1562%	NA

The approvel of the maximum limit of the additional remunerations for the members of the Board of Directors charged with specific functions, as well as the fixed remuneration of the directors of the Company for the year 2024 according to the supporting documents related to the OGMS, to which are added the variable remunerations conditional on performance as follows as approved by the Decision of the Ordinary General Meeting of the Company's Shareholders no. 7 from 27.04.2023





OGMSo5	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	504,042,345	500,069,145	492,679,205	7,389,940	3,973,199	3,973,200
Percentage of casted votes	NA	NA	98,5222%	1.4778%	NA	NA
Percentage of total shares with voting rights	79.4798%	78.8533%	77.6880%	1.1653%	0.6265%	NA
Percentage of total shares	79.4798%	78.8533%	77.6880%	1.1653%	0.6265%	NA

The approvel of the profit distribution proposals, as they were presented to the shareholders through the supporting documents related to the OGMS





OGMSo6	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	504,042,345	385,015,824	380,096,625	4,919,199	118,826,246	119,026,521
Percentage of casted votes	NA	NA	98.7223%	1.2777%	NA	NA
Percentage of total shares with voting rights	79.4798%	60.7111%	59.9354%	0.7757%	18.7371%	NA
Percentage of total shares	79.4798%	60.7111%	59.9354%	0.7757%	18.7371%	NA

The approvel of discharge of the Board of Directors of the Company for the financial year 2023.

*According to art. 126 of Law 31/1990, the members of the Board of Administration abstained from voting on this item





OGMS07	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	504,042,345	481,714,575	270,300,831	211,413,744	2,602,351	22,327,770
Percentage of casted votes	NA	NA	56.1122%	43.8878%	NA	NA
Percentage of total shares with voting rights	79.4798%	75.9590%	42.6223%	33.3367%	0.4104%	NA
Percentage of total shares	79.4798%	75.9590%	42.6223%	33.3367%	0.4104%	NA

The approvel of the revenues and expenses budget for the financial year 2024.

The affirmative vote on this item was an alternative to the vote in favor of item 8 on the AGOA agenda. In this regard, a number of 19,725,418 voting rights were cancelled, these voting rights being expressed as votes for both item 7 and item 8 on the agenda.





OGMSo8	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	504,042,345	473,636,756	213,365,764	260,270,992	10,680,170	30,405,589
Percentage of casted votes	NA	NA	45.0484%	54.9516%	NA	NA
Percentage of total shares with voting rights	79.4798%	74.6853%	33.6445%	41.0408%	1.6841%	NA
Percentage of total shares	79.4798%	74.6853%	33.6445%	41.0408%	1.6841%	NA

Rejected the authorization of the Board of Directors of the Company in order to draw up a new draft of the Budget of revenues and expenses for the financial year 2024 and submit it for the approval of the General Shareholders Meeting by June 15, 2024, in compliance with the following coordinates:

- Increase in turnover by at least 15%, compared to the level recorded in the financial year 2023, but without taking into account possible acquisitions of new companies, acquisitions that will have to bring additional growth; ·
- Achieving and maintaining an operating margin objective (EBIT) of at least 6%; \cdot
- Maintaining the debt ratio within the limit of 3.0* Net Debt/EBITDA; and \cdot
- The financing of mergers and acquisitions carried out by the Company and/or other entities in its group should be done by using own resources or contracting debt, and the use of capital increase financing should take place only in situations where this is strictly necessary for compliance with the established level of indebtedness.

The affirmative vote on this item on the agenda was an alternative to the vote in favor of item 7, approved, on the AGOA agenda. In this regard, a number of 19,725,418 voting rights were cancelled, these voting rights being expressed as votes for both item 7 and item 8 on the agenda.





OGMS09	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	504,042,345	501,835,097	487,787,893	14,047,204	1,819,385	2,207,248
Percentage of casted votes	NA	NA	97.2008%	2.7992%	NA	NA
Percentage of total shares with voting rights	79.4798%	79.1317%	76.9167%	2.2150%	0.2869%	NA
Percentage of total shares	79.4798%	79.1317%	76.9167%	2.2150%	0.2869%	NA

The approvel of the Remuneration Report for financial year 2023, as it was presented to the shareholders through the supporting documents related to the OGMS.





OGMS10	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	504,042,345	499,664,334	286,240,132	213,424,202	4,266,448	4,378,011
Percentage of casted votes	NA	NA	57.2865%	42.7135%	NA	NA
Percentage of total shares with voting rights	79.4798%	78.7894%	45.1357%	33.6537%	0.6728%	NA
Percentage of total shares	79.4798%	78.7894%	45.1357%	33.6537%	0.6728%	NA

The approvel of the remuneration policy, as it was presented to the shareholders through the supporting documents related to the OGMS





OGMS11	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	504,848,078	499,796,500	233,062,867	266,733,633	2,958,957	5,051,578
Percentage of casted votes	NA	NA	46.6316%	53.3684%	NA	NA
Percentage of total shares with voting rights	79.6068%	78.8103%	36.7505%	42.0598%	0.4666%	NA
Percentage of total shares	79.6068%	78.8103%	36.7505%	42.0598%	0.4666%	NA

Rejected the of the remuneration policy, with the following changes: (i) Section Two (Directors' Fixed Remuneration) shall be amended to read as follows: The fixed remuneration of each Director is established by the Company's Board of Directors, within the general limits established by the ordinary general meeting of shareholders. If a person cumulates the status of CA member and director, the value of the fixed remuneration for CA members is cumulated with that of the fixed remuneration for the Director, but without cumulating with the remuneration values obtained as a result of holding the position of member in the board of directors/administrator at the level other subsidiaries of the Company. (ii) In the third section (Variable Remuneration), after the fourth paragraph, a new clause is inserted which will have the following content: In the case of directors, employees or collaborators, the principles governing the performance criteria that must be met in order to benefit from the variable bonus-type remuneration, as well as the aggregate value of this remuneration, are approved by the ordinary general meeting of shareholders, the Nomination and Remuneration Committee of The Company being able to present recommendations and guidelines in this regard (with respect to any conflict of interest rules), and the Board of Directors will establish the specific performance criteria, evaluate the fulfillment of the performance criteria and establish the variable remuneration due to each category of beneficiaries



OGMS12	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	504,848,078	498,022,743	492,352,504	5,670,239	5,906,748	6,825,335
Percentage of casted votes	NA	NA	98.8614%	1.1386%	NA	NA
Percentage of total shares with voting rights	79.6068%	78.5306%	77.6365%	0.8941%	0.9314%	NA
Percentage of total shares	79.6068%	78.5306%	77.6365%	0.8941%	0.9314%	NA

Approvel of the ratification of the Decisions of the Board of Directors dated 30.01.2024 by which the composition of the Audit Committee and the Nomination and Remuneration Committee was established according to the supporting documents related to the OGMS.





OGMS13	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	504,848,078	498,432,114	243,646,283	254,785,831	5,593,377	6,415,964
Percentage of casted votes	NA	NA	48.8825%	51.1175%	NA	NA
Percentage of total shares with voting rights	79.6068%	78.5951%	38.4193%	40.1758%	0.8820%	NA
Percentage of total shares	79.6068%	78.5951%	38.4193%	40.1758%	0.8820%	NA

Rejected the authorization of the Board of Directors of the Company in order to draw up a strategy proposal for the financial years 2024 – 2027 and submit it for OGMS approval by June 15th, 2024, in compliance with the following coordinates: 1) Average annual turnover growth. Healthy average annual growth must include both an organic growth component and an acquisition growth component. The newly proposed benchmark is aligned with IT market benchmarks. 2) Implementation of an operating margin (EBIT) target. We believe that management's attention to improving current profitability margins must be a priority, in conjunction with expanding or exploring and pursuing those business lines that have higher margins than current levels. A first step in this direction would be to achieve and maintain an EBIT margin of at least 9% starting in 2025. 3) Maintaining the degree of indebtedness in the 3.0 Net Debt/ EBITDA parameters. A prudent-sound approach to debt is recommended in the context of the impact of the cost of money globally. An intelligent expansion policy of the Company, which makes healthy investments, with a good margin of profitability, we believe will have a real chance of success if the debt ratio will be kept within the parameters of 3.0 Net Debt/EBITDA. This approach aims to avoid excessive indebtedness, being intended to reduce risks for the Company and its shareholders. 4) In the context of purchases made by the Company, ensuring the increase in the value of the Company's shares. From a shareholder perspective, it is essential that acquisitions lead to an increase in share value without diluting existing shareholders and avoiding a negative impact on the trading price. Alternatives to issuing to finance



mergers and acquisitions can be equity financing or debt financing, and the use of capital increase financing should only take place in situations where this is strictly necessary to comply with the established debt ratio.

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OGMS014	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	504,848,078	503,232,938	502,782,938	450,000	696,553	1,615,140
Percentage of casted votes	NA	NA	99.9106%	0.0894%	NA	NA
Percentage of total shares with voting rights	79.6068%	79.3522%	79.2812%	0.0710%	0.1098%	NA
Percentage of total shares	79.6068%	79.3522%	79.2812%	0.0710%	0.1098%	NA

The approvel of May 13, 2024 as the registration date for the identification of the shareholders on whom the effects of the decisions adopted by the OGMS are reflected, in accordance with the provisions of art. 87 (1) of Law no. 24/2017 and the date of May 12, 2024 as "ex-date" calculated in accordance with the provisions of art. 2 para. (2) lit. (I) from Regulation no. 5/2018. Payment date is not applicable





OGMS15	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	504,848,078	503,894,701	502,110,139	1,784,562	18,000	953,377
Percentage of casted votes	NA	NA	99.6458%	0.3542%	NA	NA
Percentage of total shares with voting rights	79.6068%	79.4565%	79.1751%	0.2814%	0.0028%	NA
Percentage of total shares	79.6068%	79.4565%	79.1751%	0.2814%	0.0028%	NA

The approvel of the power of attorney, with the possibility of substitution, of Mr. Mihai Alexandru Constantin LOGOFATU, as the legal representative of the President of the Company's Board of Directors, to sign the resolutions of the shareholders and any other documents related to them and to fulfill all the procedures and the formalities provided by law for the purpose of implementing shareholders' decisions, including the formalities of their publication and registration in the Trade Register or any other public institution



Extraordinary General Meeting of Shareholders

Today, 25^{th} of April 2024, at 01:00 p.m. (Romanian time), the shareholders of BITTNET SYSTEMS S.A., (the Company) met in the Extraordinary General Meeting of Shareholders (EGMS) of the Company, at the first call, both in physical form at the HQ in Bucharest, adress: Str. Sergent Nutu Ion no. 44, district 5, One Controceni Park Building, 4^{th} floor, as well as in electronic format through the communication systems made available to shareholders by the Company.

The OGMS meeting was opened by Mr. Mihai-Alexandru-Constantin Logofatu, as the legal representative of the President of the Board of Directors:

- The notice for the OGMS published on the Company website (<u>https://investors.bittnet.ro/</u>) and on the BSE website (<u>www.bvb.ro</u>) on 25.03.2024, in the Official Gazette of Romania, Part IV, number 1468 of 25.03.2024 and in the newspaper Naţional of 25.03.2024;
- 2. The Notice Completed and supplemented by the proposal of an entitled shareholder, published on the Company's website and on the BSE website on 12.04.2024, in the Official Gazette of Romania, Part IV, number 1858 of 15.04.2024 and in the newspaper Jurnalul on 15.04.2024;
- 3. The provisions of the Companies Law no. 31/1990, republished, with subsequent amendments and additions (Law no. 31/1990);
- 4. The provisions of Law no. 297/2004 on the capital market, with subsequent amendments and additions (Law no. 297/2004);
- 5. The provisions of Law no. 24/2017 on issuers of financial instruments and market operations, with subsequent amendments and additions (Law no. 24/2017);
- 6. The provisions of FSA Regulation no. 5 of 2018 on securities issuers and operations, with subsequent amendments and additions (Regulation no. 5/2018);
- 7. Provisions of CNVM Regulation no. 6/2009 regarding the exercise of certain shareholder rights during general meetings of commercial companies, with subsequent amendments and additions (Regulation no. 6/2009)

Following the debates, the Company's shareholders adopted the following decisions regarding the items on the agenda with the following results:



EGMS01	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	512,169,041	511,568,741	510,621,596	947,145	271,820	600,300
Percentage of casted votes	NA	NA	99.8149%	0.1851%	NA	NA
Percentage of total shares with voting rights	80.7612%	80.6666%	80.5172%	0.1494%	0.0429%	NA
Percentage of total shares	80.7612%	80.6666%	80.5172%	0.1494%	0.0429%	NA

Approvel of the election of the Chairman of the meeting, Mr. Mihai-Alexandru-Constantin LOGOFATU, and of the secretary of the meeting of Ms. Ioana PRECUP, lawyer, who has the capacity of a shareholder of the Company, according to the procedure for organizing and conducting the general meetings of the Company's shareholders.



EGMS02	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	512,169,041	511,884,126	510,299,502	1,584,624	97,870	284,915
Percentage of casted votes	NA	NA	99.6904%	0.3096%	NA	NA
Percentage of total shares with voting rights	80.7612%	80.7163%	80.4665%	0.2499%	0.0154%	NA
Percentage of total shares	80.7612%	80.7163%	80.4665%	0.2499%	0.0154%	NA

The approvel of a program to buy-back the Company's shares, in accordance with the applicable legal provisions, in order to reduce the share capital by canceling those shares, and the total nominal value of the redeemed shares will not exceed 10% of the share capital. The minimum price of the redeemed shares will be equal to the nominal value, respectively 0.1 RON/share, and the maximum price will equal to 1 RON/share. A mandate is granted to the Board of Directors to carry out any and all operations necessary to implement this decision



EGMSo3	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	512,169,041	510,516,673	255,148,533	255,368,140	1,321,291	1,652,368
Percentage of casted votes	NA	NA	49.9785%	50.0215%	NA	NA
Percentage of total shares with voting rights	80.7612%	80.5007%	40.2330%	40.2677%	0.2083%	NA
Percentage of total shares	80.7612%	80.5007%	40.2330%	40.2677%	0.2083%	NA

Rejected the amendment to article 12.4.(e) of the Company's articles of association, which will have the following content: 12.4 The ordinary general meeting, in addition to the issues listed on the agenda, will deliberate to make a decision that: [...] *e) establish the revenue budget and expenses and, as the case may be, the activity program for the next financial year, as well as to decide on the medium and long-term strategy of the Company;*

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EGMS04	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	512,169,041	511,689,933	506,285,642	5,404,291	152,031	479,108
Percentage of casted votes	NA	NA	98.9438%	1.0562%	NA	NA
Percentage of total shares with voting rights	80.7612%	80.6929%	79.8335%	0.8522%	0.0240%	NA
Percentage of total shares	80.7612%	80.6929%	79.8335%	0.8522%	0.0240%	NA

The approvel of a program to buy back the Company's shares, in accordance with the applicable legal provisions, for the purpose of implementing the existing stock option program within the Company, as well as for any other purpose permitted by the law. The minimum price of the redeemed shares will be equal to the nominal value, 0.1 RON/share, and the maximum price will be equal to 1 RON/share. The maximum duration of this redemption program will be 18 months from the date of registration of the EGMS decision in the trade register, and the total nominal value of the redeemed shares will not exceed 10% of the share capital. A mandate is granted to the Board of Directors to carry out any and all operations necessary to implement this decision.



EGMS05	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	512,169,041	511,735,270	511,735,270	0	100,102	433,771
Percentage of casted votes	NA	NA	100%	-	NA	NA
Percentage of total shares with voting rights	80.7612%	80.6929%	80.6929%	-	0.0158%	NA
Percentage of total shares	80.7612%	80.6929%	80.6929%	-	0.0158%	NA

Approvel of date of May 13, 2024 as the registration date for the identification of the shareholders on whom the effects of the decisions adopted by the EGMS are reflected, in accordance with the provisions of art. 87 (1) of Law no. 24/2017 and the date of May 12, 2024 as "ex-date" in accordance with the provisions of art. 2 para. (2) lit. (I) from Regulation no. 5/2018. Payment date is not applicable





EGMS06	Cvorum	Casted Votes	'FOR'	'AGAINST'	'Abstention'	Unexpressed
Voting rights	512,312,041	511,777,872	510,079,096	1,698,776	57,500	534,169
Percentage of casted votes	NA	NA	99.6681%	0.3319%	NA	NA
Percentage of total shares with voting rights	80.7838%	80.6996%	80.4317%	0.2679%	0.0091%	NA
Percentage of total shares	80.7838%	80.6996%	80.4317%	0.2679%	0.0091%	NA

The approvel of the power of attorney, with the possibility of substitution, of Mr. Mihai Alexandru Constantin LOGOFATU, as the legal representative of the President of the Company's Board of Directors, to sign the resolutions of the shareholders and any other documents related to them and to fulfill all the procedures and the formalities provided by law for the purpose of implementing shareholders' decisions, including the formalities of their publication and registration in the Trade Register or any other public institution

The President of the Board of Directors

Through representative Mihai-Alexandru-Constantin LOGOFATU

