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**Substantiation Note**  
**for the items included on the agenda of THE EXTRAORDINARY GENERAL MEETING**  
**OF THE SHAREHOLDERS OF SIMTEL TEAM S.A.**  
**Of 27.12.2024/30.12.2024**

SIMTEL TEAM S.A., a company registered with the Trade Registry of the Bucharest Tribunal with no. J40/564/2010, EUID ROONRC.J40/564/2010, unique company code 26414626, with registered offices in Bucharest, no. 319L, Spl. Independenței, Bruxelles Office Building (Building B), Entrance A, ground floor, district 6, with a registered and paid capital of RON 1,583,730 (hereinafter the “Company”), through IULIAN NEDEA, Chairman of the Board of Directors,

Considering the call for the convening of the **Extraordinary General Meeting of Shareholders** (hereinafter the “**EGMS**”) at the registered office of the Company, in Bucharest, 319L, Spl. Independenței, Bruxelles Office Building (Building B), Entrance A, ground floor, district 6, on 27.12.2024, starting at 11:30 am for the first call, and 30.12.2024, starting at 11:30 am for the second call,

This document is intended to provide information and justify the items on the EGMS agenda, as follows:

**Item 1 on the agenda of the EGMS:**

Considering the strategic objectives of the Company, respectively the development of renewable energy production capabilities, contracting an investment loan in view of developing the project **Solar Park Giurgiu** represents an essential measure to reach these objectives. The project envisages building and operating a solar power plant with an aggregate output of 52 MWp, thus contributing to the growth of the green energy production and alignment with the sustainability targets set at national and European level.

First of all, the renewable energy sector projects offer a high degree of financial predictability, generating stable cash flows and a competitive yield, which ensures the recovery of investment and consolidation of the Company’s financial position. Secondly, using non-reimbursable funds available through PNRR, in conjunction with bridge loans associated thereto optimises the financing costs and accelerates the implementation of the project under advantageous conditions.

Moreover, the development of this solar park significantly contributes to diversifying the energy sources and to creation of positive economic effects, such as jobs and consolidation of regional energy infrastructure. The request falls within the indebtedness threshold of maximum EUR



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100,000,000, approved by Resolution no. 5 from 25.04.2023 and is conceived to reduce the financial risks by using a mix of finances, offering flexibility and minimising the risks of delays of refinancings.

In conclusion, the request to contract investment loans to finance/refinance the construction and operation of the Solar Park Giurgiu represents a strategic step necessary to secure the success of the project, contributing at the same time to growing the value of the Company and to reaching its long-term objectives.

### **Item 2 on the agenda of the EGMS:**

In view of contracting the necessary loans for development of the Solar Park Giurgiu, we consider as essential the approval of collateral for the associated financial risks, to facilitate access to financing under advantageous conditions and to reduce risks.

First of all, guaranteeing the financial obligations by real estate and movable mortgages offers creditors an enhanced degree of safety, allowing for negotiation of more favourable financial conditions, such as reduced interest and more flexible contractual terms. Also, using real estate assets, acquired equipment, bank accounts and other receivables to guarantee the loans optimises the existing Company resources, without affecting current operations. Moreover, guaranteeing with insurance policies, receivables and long-term electricity sale agreements of the PPA type (Power Purchase Agreement) ensures securitisation of financial flows generated by the project, offering extra stability and reducing liquidity risks.

The proposed measure is aligned with the standard requirements in the field and is necessary to access funds in amount of up to EUR 20,000,000. Guaranteeing the loans contributes also to the minimisation of risks in implementing the project, securing the availability of financial resources necessary for the construction and commissioning of Solar Park Giurgiu, thus ensuring the compliance of deadlines and avoidance of penalties. Subsequently, all collateral proposed falls within the indebtedness threshold of maximum EUR 100,000,000 approved by Resolution no. 5 from 25.04.2023, ensuring cohesion with the Company's financial strategy.

The necessity to adopt this measure is based on more several economic and strategic arguments, namely the necessity to prepare and obtain financing for the implementation of the project Solar Park Giurgiu. It is essential to be prepared at a corporate level, especially regarding the required company approvals to contract financing and instated the subsequent guarantees.

This endeavour secures a solid legal and operational framework to permit efficient and quick access to financial resources with are indispensable to the development of the project.

Consequently, approval to guarantee the financial obligations is an indispensable measure to successfully implement the project Solar Park Giurgiu. This offers safety to the creditors, ensures optimum financing conditions and protects the Company's and Shareholders' economic interests.



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### **Item 3 on the agenda of the EGMS:**

The proposal to delegate and authorise the Board of Directors is justified by the necessity to ensure an enhanced decisional and operational flexibility in the process of negotiating, contracting and managing the loans and subsequent guarantees, within the approved indebtedness thresholds. This endeavour seeks to allow the Board of Directors to promptly and efficiently react to the requirements of the financial market and the needs of the project, including the possibility to conclude addenda to adapt the financial conditions, such as early reimbursements, refinancings or other adjustments necessary to optimise resources and reduces financial risks for the Company.

### **Item 4 (supplemented) on the agenda of the EGMS:**

This proposal is for the approval by the EGMS to authorize the acquisition by the Company, directly or through a person acting in their own name, but on behalf of the Company, of a number of own shares for which the total nominal value is equal to a maximum of 5% of the Company's subscribed share capital as of the date of this decision, for a maximum period of 18 months from the date of decision publication in the Official Gazette of Romania, part IV, at a price per share (i) at least equal to the market price of a share on the Bucharest Stock Exchange (BSE) as of the moment of the acquisition, but not less than Ron 0.2 and (ii) at maximum equal to the higher of the price of the last independent transaction and the highest price at that time of the purchase offer on the BSE, in accordance with the provisions of art. 3 para. (2) of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) no. 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to repurchase programmes and stabilisation measures, but not more than Ron 68 (representing the maximum trading price in the last 12 months). The maximum aggregate value of the repurchase program is of RON 26,923,376. The nominal value of the own shares thus acquired by the Company, including those already in its portfolio, cannot exceed the limit of 5% of the Company's subscribed share capital, as of the date of the repurchase. The repurchase program will have as its purpose the operations described in Article 5 para. (2) letters (a) and (c) of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 regarding the market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, namely the purpose of reducing the Company's share capital and complying with and implementing the obligations arising from stock option programmes of which beneficiaries are employees or members of the Company's management bodies. Therefore, a maximum number of 395,932 own shares thus acquired, by reference to the total number of shares of 7,918,650 and to the Company's share capital as of the date of this decision of RON 1,583,730, may be used, as the case may be, for the reduction of the Company's share capital or offered to employees and members of the Company's management.



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The proposal to authorize the acquisition by the Company of its own shares was made by the Company's Board of Directors (as per the provisions of art. 117<sup>1</sup> para. (2<sup>1</sup>) of the Companies Law no. 31/1990, newly introduced through Law no. 299/2024 and in effect as of December 6<sup>th</sup> 2024). This proposal was brought forward to allow the repurchase of Simtel shares in order to (i) perform the reduction of the Company's share capital and (ii) to implement the obligations resulting from the multi-year employee incentive plans within the Company (SOP). At this time, the multi-year key employee incentive plan within the Company is in force, for the period 2024-2025, for the provision of options to receive free of charge a number of shares issued by the Company, representing no more than 2% of the total number of shares of the Company applicable at the beginning of each year of the plan – Stock Option Plan – (“SOP”), subject to the fulfilment of individual performance conditions and a general condition of a concrete increase in the annual Turnover. This SOP was presented and approved by the Company's EGMS on February 29<sup>th</sup>, 2024.

With respect to implementing stock option plans previously, for the years 2023 and 2024, the Company had performed share capital increases through issuing new shares, together with discarding the option right to such new shares for existing shareholders. These corporate operations were lengthy and required both approvals by the EGMS, as well as further operations for the specific amount of share capital increase, as delegated to the Board of Directors. In 2024, these corporate operations were delayed, independently of the Company, by the difficulties to register any corporate amendments at the Romanian Trade Registry due to the latter's publicly known deficiencies while updating to the new digital platform.

Also, any share capital increase for the purpose of issuing shares to implement a stock option plan may have a dissuasive effect on some existing or potential shareholders, irrespective of the top performing financial results of the Company.

In light of the above, the Company's Board of Directors considers that repurchasing the necessary Company shares in order to implement the SOP would better benefit the shareholders by increasing share trade volumes, while at the same time complying with the Company's obligations towards its high-performing key employees.

Also, the eligible persons who benefit from this SOP are those persons who are considered to have had a potentially significant impact on the Company's operational and financial results, with the exception of the significant individual shareholders of the Company, namely Nedea Iulian, Bazarciuc Sergiu Eugen and Vilau Radu-Laurențiu, who will not benefit from shares based on the SOP.

#### **Item 5 (supplemented) on the agenda of the EGMS:**

In view of enacting item 4 (supplemented) on the agenda of the EGMS, the Board of Directors is best suited to perform all necessary and useful operations and/or procedures, including (but not



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limited to) adequate disclosure of the program purpose before the commencement of trading under the repurchase program.

**Item 6 on the agenda of the EGMS:**

In view of ensuring conformity with the provisions of art. 87 (1) of Law no. 24/2017 and with the provisions of art. 2 par. (2) letter (1) of FSA Regulation no. 5/2018 the setting of a registration date and of an “ex-date” respectively is necessary, as such are proposed for 28.01.2025 and 27.01.2025 respectively.

**Item 7 on the agenda of the EGMS:**

In view of fulfilling registration formalities for the resolutions of EGMS, it is necessary to mandate one or several individuals. To cover formalities, the optimum variant is the one proposed, to delegate to the General Manager of the Company – Mr Mihai Radu TUDOR all prerogatives necessary to fulfil formalities, along with the express right to subdelegate towards one or more individuals, at their discretion.

**IULIAN NEDEA**

**Chairman of the Board of Directors**

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