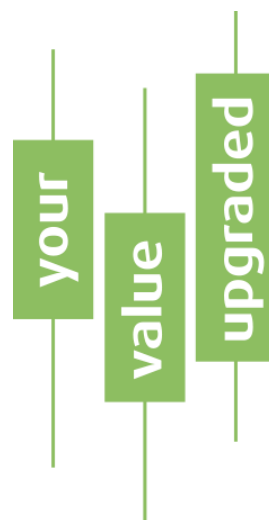


Current Report no. 34 / 2019

Current report according to	Rulebook BVB for AeRO-ATS, Law 24/2017, ASF 5/2018
Date of report	08.08.2019
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:	AeRO ATS Premium
Ticker	BNET – shares BNET22, BNET23, BNET23A, BNET23C – bonds
Subscribed and paid share capital	11.046.641 RON
Total number of shares	110.466.410 shares face value RON 0.10 per share



Capital increase operation August 2019

BITTNET SYSTEMS S.A. (hereinafter referred to as "the Company") informs the investors about the decision of the Sole Administrator to increase the capital by issuing a total number of 5,736,796 common, nominative, dematerialized shares, of equal value and with a face value of RON 0.1 each, in the account of the options holders ("Key Persons") in accordance with the Stock Option Plan (SOP) approved by EGSM Resolution 7 of 26.04.2017 and the option contracts - hereinafter referred to as "SOP 2017" or "SOP".

The shared an subscribed capital increased by RON 573,679.6, and the capital increases additionally with the amount of RON 3,502,314.18 - share premiums. According to SOP2017, 12 persons were entitled, but didn't have the obligation, to acquire shares from the Company at a price per share equivalent to a capitalization of the Company at 31.12.2016. In 2019 (between 10.05 – 10.06.2019), the 12 individuals exercised their option, the Company having the option of buying shares from the market or operating a capital increase by issuing to the option holders a number of shares that equate (at market price) with the financial value of the option for option holders.

The value of the option, which is the receivable on the Company, was certified by an extrajudicial accounting report dated 05.08.2019 - attached. The number of newly issued shares was determined in accordance with the provisions of art. 210 (2) of Law 31/1990 and art. 87-88 of Law 24/2017 on Issuers of Financial Instruments and Market Operations and Art. 174 of the FSA Regulation no. 5/2018. Thus, the number of shares was established by dividing the Company's debt at the medium market price of the BNET shares during August 5, 2018 - August 6, 2019.

The capital increase is made by suspension of the preference right and based on the Decision of the Administrator no. 5703 of August 7th 2019 (attached to this current report) and in accordance with the attributions delegated by the EGMS by Decisions no. 3 of 25.04.2018 and no. 1 of December 17, 2018, so that the newly issued shares can be allocated to the option holders (as a result of SOP2017).

In addition to access to quality human resources, this roll-out of the incentive program - SOP2017 - creates for the Company a double benefit in terms of cash-flow and financial position (balance sheet): on the one hand, to complete the incentive plan, the Company did not have to decapitalize (by buying shares on the market), on the other hand, its own capital increases by the value of the option, without generating any disadvantage for minority shareholders.



Thus, the shares released as a result of the increase of the share capital through the conversion of the certain receivable will be recorded by the Central Depository on the Payment Date in the accounts of the Key Persons regarding.

The Company will submit all the diligence in order to implement this operation, with the National Trade Register Office, the Financial Supervision Authority, Bucharest Stock Exchange and the Central Depository.

CFO
CRISTIAN LOGOFATU

