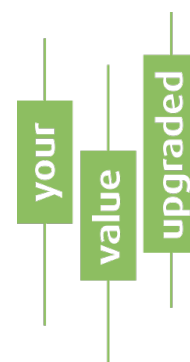


Current Report nr. 38 / 2021

Current report according to	Law 24/2017, FSA Reg 5/2018
Date of report	07.07.2021
Name of the issuing entity	BITTNET SYSTEMS S.A
Legal Address	Strada Șoimus Nr. 23, Bloc 2, Apartament 24, Sector 4, Bucuresti
Adress	Bldv. Timisoara nr 26 Cladirea Plaza Romania Offices Spatiul PRO-01 Etaj 1 Sector 6, Bucuresti
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:	Segment: BSE Main Market; Category: Standard
Ticker	BNET - shares BNET23, BNET23A, BNET23C – bonds
Subscribed and paid share capital	48,043,690.40 RON
Total number of shares	247.228.275 shares face value RON 0.10 per share ¹



¹ At the publication date of this current report, the Company has in process of registration with FSA and Central Depository two capital increase operations registered at the Trade Register - from August 2020 (according to BoardDecision no. 7/18.08.2020) and December 2020 (according to Board Decision no. 10/17.12.2020). At Trade Register, the Company has a share capital composed of 480,436,904 shares after processing the capital increase operations according to EGMS Decisions no. 2 and 3 from 27 April 2021.

Board Decision - allocation of free shares according to EGMS decisions of 27.04.2021

BITTNET SYSTEMS S.A. (hereinafter referred to as the “Company” / “Issuer”) informs investors about the decision of the Board of Directors dated 06.07.2021 by which it was established to keep the allocation report of 7 free shares to 10 held on the date of registration according to the mandate by the General Meeting of Shareholders of 27.04.2021 (EGSM Decisions no. 2 and 3).

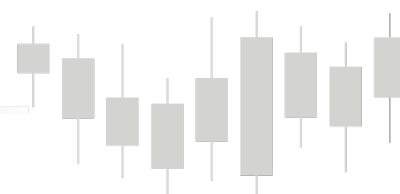
This decision was necessary considering that at the date of convening notice of the GMS, the coordinates of the capital increase with free shares were applied to the entire share capital registered at that time in the records of the Trade Register – RON 28,260,994.30, respectively 282,609,943 shares - values resulting from the processing of the capital increase operations decided in August 2020 and December 2020 and registered in Trade Register since the end of 2020, but not yet finalized at the Financial Supervisory Authority (FSA) and the Central Depository.

In order not to disadvantage any of the shareholders from the registration date (July 21st, 2021), nor the creditors from the two capital increase operations, so that they receive the rights resulting from holding BNET shares on the date of payment of the new shares, the Board decided, according to the mandate offered by the two EGMS Decisions, to keep the allocation report established by the EGMS but applied for the number of shares registered at FSA and the Central Depository (247,228,275 shares).

Therefore, in first phase, a number of 148,336,965 BNET shares will be issued (according to the EGMS Decision no. 2 / 27.04.2021) which will be distributed to all shareholders from the registration date, July 21, 2021, in proportion to the holdings and in the report that was decided by EGMS (6 free shares out of 10 held on the date of registration). The difference of 21,229,001 shares, up to the total of 169,565,966 shares, will be distributed to the entitled persons after the registration of the two operations at FSA and the Central Depository (capital increase operations decided in August 2020 and December 2020).

The same principle will be applied to the capital increase decided by the Extraordinary General Meeting of 27.04.2021, at No. 3, with the mention that those creditors who are shareholders on the registration date, July 21, 2021, will be able to choose to leave the newly issued share at Company’s treasury and receive in return its nominal value. In first phase a number of 24,722,828 shares will be issued, proportionally with the holdings of all shareholders from the registration date and according to the allocation report established by EGMS: 1 free share for every 10 shares, for which it will be possible to opt for distribution in cash of the nominal value or for allocation at the Central Depository.

The difference of 3,538,167 shares, up to the total of 28,260,995 shares, resulting from the application of the increase report on the entire capital registered in the records of the Trade Register, is will be allocated to the entitled persons after the registration of the 2 operations at FSA and the Central Depository (capital increase



operations decided in August 2020 and December 2020) and according to the options expressed in the option period.

The decision of the Board of Directors was issued according to the mandate offered to the Board of Directors by the shareholders in the EGMS of 27.04.2021 and is attached to this current report.

President of the Board

Mihai Alexandru Constantin Logofatu

