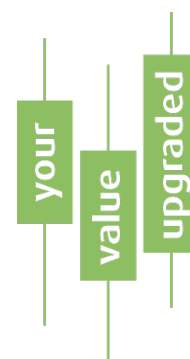


Current Report nr. 40 / 2021

Current report according to	Law 24/2017, FSA Reg 5/2018
Date of report	21.07.2021
Name of the issuing entity	BITTNET SYSTEMS S.A
Legal Address	Strada Șoimus Nr. 23, Bloc 2, Apartament 24, Sector 4, Bucuresti
Address	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	395,565,240 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 Board Decision 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.

Options period for cash distribution

EGMS no. 3/27 April 2021

BITTNET SYSTEMS S.A. (hereinafter referred to as the “Company” / “Issuer”) informs the shareholders regarding the possibility to opt according to the additional procedure and the EGMS Decision no. 3 of April 27, 2021 - through the eVote application. Shareholders for the registration date July 21st will be able to opt for 9 days.

Starting with **July 26, 2021, at 00:00 and until August 3, 2021, at 17:00**, shareholders who hold shares on the registration date of July 21, 2021 will be able to opt for cash distribution of RON 0.1 for every 10 shares held on the date of registration.

The option can be exercised through the eVote accounts of BNET shareholders (with the credentials set to vote at the General Meeting). The shareholders who do not have an eVote account can create one at the following link: <https://bittnet.evot.ro/login>.

According to the EGMS Decision no. 3 of April 27, 2021 and the additional selection procedure, the shareholders registered by the Central Depository in the register of shareholders from July 21, 2021 will be able to choose to receive a cash distribution of RON 0.1 for every 10 shares held (additional to of the 6 free shares that will be distributed according to the EGMS Decision No. 2 on July 22, 2021) and the Company will be able to benefit from a number of treasury shares, charged by the Central Depository directly to the company's account.

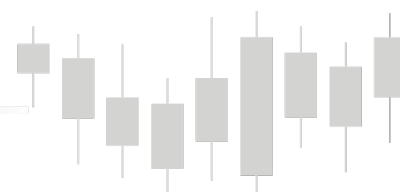
Thus, the shareholders can vote **FOR** or **AGAINST** the cash distribution of RON 0.1 for every 10 shares held on the registration date - according to the EGMS Decision no. 3 and the additional procedure. The shareholders who opt FOR will receive the cash distribution in the bank account indicated in the eVote application, or they will be able to send the bank account by email to investors@bittnet.ro.

The following shareholders from the registration date will not benefit from cash distribution:

- The Shareholders who do not create and validate their account from the eVote platform
- The Shareholders who vote AGAINST, abstain, or do not take any action

The treasury shares acquired by the Company through this mechanism may be used for the settlement of the stock option plans for key persons (SOP), plans voted in previous General Meetings.

In this way, the shareholders from July 21, 2021 do not register a dilution of the voting position (treasury shares do not have the right to vote), and subsequently, if the company will transform this asset (treasury shares) by transferring them to the key persons, all shareholders will benefit both from the infusion of cash in the Company but also from the value generated by the transfer of an asset at a higher price than the acquisition one.



For example, during June 2021, the Company settled the SOP2019 incentive plan using the treasury shares resulting from the operation carried out last year in July, with coordinates similar to the operation now proposed. During last year's operation, the company acquired treasury shares at a cost of RON 900,000 and sold to the option holders (key persons) at a price of RON 2,000,000.

The current operation has similar coordinates: if 100% positive vote is obtained, then the Company would have at its disposal 24.7 million BNET shares to sell to the key persons in the SOP2020 plan, in June 2022, at a price of approximately RON 0.227 per share, thus registering a cash inflow of RON 5.6 million, versus the initial payment to current shareholders - amounting to approximately RON 2.47 million. We attach to this current report, the additional selection procedure, approved by the General Meeting of Shareholders on April 27, 2021.

President of the Board

Mihai Alexandru Constantin Logofatu

