

## Current Report no. 10 / 2019

<b>Current report according to:</b>	Rulebook BVB for AeRO-ATS, Law 24/2017, ASF 5/2018
<b>Date of report:</b>	06.02.2019
<b>Name of the issuing entity:</b>	Bittnet Systems S.A.
<b>Address</b>	Soimus Street, no. 23, bl. 2, Sc. B, 2nd Floor, Ap. 24, District 4
<b>Tel/fax number:</b>	0040 21 527 16 00 / 0040 21 527 16 98
<b>Single Registration:</b>	RO 21181848
<b>Number with the Trade Registration:</b>	J/40/3752/2007
<b>Subscribed and paid share capital:</b>	5,175,523.80 RON
<b>The market where the securities issued are traded:</b>	AeRO ATS Premium

## Capital increase operation February 2019

The Sole Administrator of BITTNET SYSTEMS S.A. (hereinafter referred to as "the Company") informs the investors about the decision to increase the capital by issuing a total of 3,477,967 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 6 of 28.04.2016 and the management contracts approved by OGSM decisions 4 and 5 of 28.04.2016 - hereinafter referred to as "SOP 2016" or "SOP".

The shared an subscribed capital increased by RON 347,796.70, and the capital increases additionally with the amount of RON 3,584,392.30 - share premiums. According to SOP2016, 18 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 of RON 7,800,000. In 2018, the 18 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 number 2530 dated 28.01.2019 - attached. The number of

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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 February 6, 2018 - February 5, 2019.

The capital increase is made by suspension of the preference right and based on the Decision of the Administrator no. 5622 of 6.02.2019 (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 SOP2016). Due to the fact that the price per share is equal to the market price, the operation is neutral for the shareholders not included in this capital increase (they may acquire additional shares - at the same price with the Key people - on the market).

In addition to access to quality human resources, at no extra monthly cost (or at monthly cost below market price), this roll-out of the incentive program - SOP2016 - 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 amount of RON 3,932,189 - 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.

Cristian Logofatu,  
CFO