

Current report no. 4 / 2018

Current report according to:	Rulebook BVB for AeRO-ATS , Law 297/2004, ASF 1/2006
Date of report:	14.02.2018
Name of the issuing entity:	Bittnet Systems S.A.
Adress:	Bulevardul Timisoara no. 26, Plaza Offices Building, district 6, Bucharest
Tel/fax number:	0040 21 527 16 00 / 0040 21 527 16 98
Single Registration:	RO 21181848
Number with the Trade Registration:	J/40/3752/2007
Subscribed and paid share capital:	3,044,425.80 RON
The market where the securities issued are traded:	AeRO ATS Premium

Continuous improvement of financing

Bittnet Systems S.A. (hereinafter referred to as “the Company”) informs the shareholders about following operations regarding banking loans:

- signing of a new revolving overdraft contract with ProCredit Bank in amount of RON 2,790,000 with a fixed interest rate of 3.75% per year;
- signing of a credit contract with monthly reimbursements from ProCredit Bank in amount of RON 697,000 with an interest rate of ROBOR6M+1.5% per year and a 3 years maturity.

The guarantees for the 2 financing lines are:

- 26% collateral cash deposit with a 0.3% fixed interest rate per year;
- personal guarantees from the founders Mihai Logofatu and Cristian Logofatu;
- guarantee under the "SME Initiative" program funded by the European Union through ERDF and “Horizon 2020” and by the European Investment Fund and European Investment Bank.

The loans will be used for financing current activity, working capital and the development plans of Bittnet Systems SA and Gecad NET SRL. The average cost of borrow capital is now fixed at under 6,4% per year.

At the same time, the Company has extended the loan contract to Gecad NET from an initial amount of EUR 90,000 to a new ceiling of EUR 1 million. The new interest rate for this loan is 6.5% per year. The reason for this EUR currency loan contract between the two companies is that Gecad NET SRL makes more foreign currency payments to external vendors, whereas Bittnet Systems has more foreign currency receivables then payables.

This means that Bittnet Systems obtains FCY reserves, while Gecad NET needs to negotiate and buy FCY to cover payments. With the loan agreement the two companies intend to decrease the FX exposure and minimize currency exchange costs.