

## Current report no. 3 / 2018

<b>Current report according to:</b>	Rulebook BVB for AeRO-ATS , Law 24/2017, ASF 1/2006
<b>Date of report:</b>	6.03.2018
<b>Name of the issuing entity:</b>	Bittnet Systems S.A.
<b>Adress:</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</b>	J/40/3752/2007
<b>Registration:</b>	
<b>Subscribed and paid share capital:</b>	3,044,425.80 RON
<b>The market where the securities issued are traded:</b>	AeRO ATS Bond

## Announcement about income taxation for bond coupons

BITTNET SYSTEMS S.A. (hereinafter referred to as “the Company”/ “the Issuer”) informs that the bondholders (trading ticker: BNET19 and BNET22) about the amendment of the Fiscal Code through OUG no. 79 of November 8<sup>th</sup>, 2017, regarding the determination, withholding and transfer to the State budget of the income tax (including tax income from coupons resulting from corporate bonds):

Thus, starting with January 1<sup>st</sup>, 2018, the taxation is as follows:

- For resident individual investors: 10% at source;
- For non-resident individual investors **who didn't send** the tax residence certificate of a state with which Romania has signed the double taxation convention/treaty: 16% at source;
- For non-resident individual investors who have send the fiscal residence certificate, the tax will be determined, withheld and transferred in accordance with the double taxation convention signed by Romania with the bondholder's state of fiscal affiliation;
- For resident and non-resident legal entities: the obligation to declare and pay the income tax is at the bondholder.

For each coupon payment, the Company files a request with the Central Depository and receives a registry of bondholders at the reference date. This registry does not contain information about the bondholder's fiscal residence. The Issuer approximates the fiscal residence for each bondholder using the information provided in the 'country of domicile' and 'CNP' fields.

As such, all natural persons that have a declared domicile in Romania and have a valid CNP code are assumed to be residents of Romania. All natural persons without valid CNP or with any other country than Romania mentioned in the 'domicile' address are assumed to be non-residents and subject to 16% withholding tax.

According with above mentions resolutions, the Company aska non-resident bondholders to send us their tax residence certificates, issued by the competent authorities of the state of residence before March 14<sup>th</sup>, 2018. This certificate can be sent to the following e-mail address: [investors@bittnetsystems.ro](mailto:investors@bittnetsystems.ro).

Otherwise, the Company will apply the 16% withholding tax to the gross value for the quarterly coupon of the BNET19 and BNET22 bonds, according to art. 224 of Law 227/2015 regarding the New Fiscal Code, as amended by OUG 79/2017: [https://static.anaf.ro/static/10/Anaf/legislatie/Cod\\_fiscal\\_norme\\_2018.htm#T4o](https://static.anaf.ro/static/10/Anaf/legislatie/Cod_fiscal_norme_2018.htm#T4o)

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