

Current Report No. 18/2018

Date prepared: 2018-07-16

Short name of the issuer: ELEKTROTIM S.A.

Information on amending the Contracts concluded with mBank S.A. regarding the multiproduct line for group of entities as part of the ELEKTROTIM Group of Companies.

Legal grounds: Article 17, section 1 of MAR - Confidential Information

Content of the Report:

ELEKTROTIM S.A. informs that on 16.07.2018 it received another signed Annexe to the Contract on multiproducts line for a group of affiliated entities "Multiproduct Umbrella" signed by mBank S.A. with its seat in Warszawa (date of the Annexe: 04.07.2018). The Company informed about the last amendment with a Current Report No. 30/2016 of 01.07.2016.

The subject of the Contract is joint usage of multiproduct line as part of bank accounts of individual companies of ELEKTROTIM Group of Companies being the Parties to the Contract. Each Company bears individual costs resulting from the debt. Timing of the conclusion of the Contract has been extended to 09.07.2021.

On the basis of the Annexe the amount of limit for Companies of the ELEKTROTIM Group of Companies which are Parties to the Contract to be used as part of the Multiproduct Line has been changed and amounts to PLN 32 million (was PLN 31 million), with the stipulation that usage by the Companies of ELEKTROTIM Group of Companies in the form of payment order shall be limited to PLN 28.5 million (was PLN 22 million) and the usage in the form of guaranties is limited to PLN 31.5 million (was PLN 29 million).

In conformity with the Annexe the Contract is concluded by and between mBank Spółka Akcyjna and affiliated entities of ELEKTROTIM S.A., i.e. PROCOM SYSTEM S.A., ZEUS S.A., and Eltrako Sp. z o.o.

Pursuant to the Annexe the amount of limit to be used granted by mBank S.A. to ELEKTROTIM S.A. shall change from PLN 18 million to PLN 22.5 million, provided that the usage by ELEKTROTIM S.A. in the form of payment order shall be limited to the amount of PLN 20 million (was: PLN 10 million) and the usage in the form of a guarantee shall be limited to the amount of PLN 22.5 million (before: PLN 18 million).

Other provisions of the Contract:

Companies being part of the ELEKTROTIM Group obliged to keep the companies in financial condition not worse than at the time of concluding the Contract.

Additionally, ELEKTROTIM S.A. obliged to achieve, within the term of the Contract, the following economic and effects and financial indicators:

- 1) current liquidity indicator calculated in conformity with the formula: $(\text{inventory} - \text{non-tradable inventory} + \text{short-term receivables} - \text{non-recoverable receivables} - \text{receivables claimed at court} + \text{short-term investments}) / (\text{short-term liabilities against affiliated entities and against other entities excluding special funds})$ - not less than 1.0; verified on a quarterly basis,
- 2) debt ratio understood as the ration of the sum of provisions + long-term liabilities, short-term liabilities, special funds, and accrued expenditures to the total assets - no greater than 70%; verified on a quarterly basis;
- 3) annual EBIT (at the end of the accounting year) shall be understood as a sum of gross profit and interest - above zero.

Taking into account the character of the product (multiproduct contract) ELEKTROTIM S.A. shall be jointly, unconditionally, and irrevocably liable to the total amount of the limit for obligations towards mBank S.A. The remaining companies of the Group of Companies, being Parties to the Contract, shall be jointly, unconditionally, and irrevocably liable to mBank S.A. to the amount of limits granted separately for each subsidiary.