

POLISH FINANCIAL SUPERVISION AUTHORITY

Current Report No. 42/2019

Date prepared: 2019-11-25

Short name of the issuer: ELEKTROTIM S.A.

Subject: 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 25.11.2019 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: 07.11.2019). The Company informed about the last amendment with a Current Report No. 18/2018 of 16.07.2018.

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 (ELEKTROTIM S.A., PROCOM SYSTEM S.A., and ZEUS S.A.). Each Company bears individual costs resulting from the debt. The Contract expires on 09.07.2021.

The following conditions of executing the Contract have been introduced in the Contract - the condition for making the products (working capital loan, overdraft, and warranties) available is:

1. submitting by all of the Companies of the ELEKTROTIM Group of Companies statements on the acceptance of enforcement, pursuant to Article 777, section 1, subsection 5 of the Civil Procedures Code, of the entire assets of a given Company in relation to all or part of the financial claims resulting from the Framework Contract, i.e. within the scope of the duty of paying the amounts of products and other liabilities resulting from the Framework Agreement, including interest, fees, and commissions, as well as expenses resulting from the Framework Agreement. In case of ELEKTROTIM S.A., the maximum amount of enforcement may amount to PLN 48,000,000,
2. concluding by ELEKTROTIM S.A. an Agreement on Mortgage Establishment on a real property in Wrocław, ul. Stargardzka 8 (contractual joint mortgage up to PLN 46,275,000 on first place, with equal priority of entry with a contractual joint mortgage up to PLN 37,5 million to PKO BP S.A. with its seat in Warszawa),
3. concluding rights assignment agreement from the insurance policy for the above-mentioned real property,
4. concluding an assignment agreement on factoring contract concluded by and between ELEKTROTIM S.A. and mFaktoring S.A.

On the basis of the Annexe, the amount of a limit granted to ELEKTROTIM S.A. by mBank S.A. to be used from PLN 22.5 million to PLN 23.5 million, including a sublimit for an overdraft is limited to PLN 21 million (by 28.11.2019, as amended to 31.03.2020 when it decreases to PLN 14 million), working sublimit is limited to PLN 1 million (by 30.12.2019, as amended to 31.03.2020 when it is increased to PLN 7 million), and a sublimit for warranties shall be PLN 23.5 million; subject to the fact that the total amount of the loan and working sublimit does not exceed PLN 21 million.

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.