

COMMISSION FOR FINANCIAL SUPERVISION

Current Report No. 42/2020

Date drawn up: 2020-10-30

Abbreviated name of the issuer ELEKTROTIM S.A.

Subject Information on the amendment to the agreements concluded with mBank S.A. for a multi-product credit facility for a group of entities within the ELEKTROTIM Capital Group and for the amounts of the guarantees

Legal basis Art. 17, sec. 1 MARCH – confidential information.

Content of the report:

The company ELEKTROTIM S.A. (hereinafter: Company) notifies that on 30.10.2020 it received a concluded with mBank S.A. with its registered office in Warsaw (hereinafter: Bank) another Annex to Multi-Product Credit Facility Agreement for the group of related entities „Umbrella wieloproduktowa” (Annex date: 29.10.2020; hereinafter: Credit Facility Agreement). The Company notified of the latest amendment to the Credit Facility Agreement in the current report No. 27/2020 of 10.07.2020.

The subject matter of the Agreement is the joint use of the multi-product credit facility as part of bank accounts of the respective companies of the ELEKTROTIM Capital Group being the parties to the Credit Facility Agreement (ELEKTROTIM S.A, PROCOM SYSTEM S.A. and ZEUS S.A.). Each of the companies shall bear their own costs due to debt.

Pursuant to the Annex, the date by which the credit facility has been made available has changed from 30.10.2020 to 30.11.2020, being the validity date for the credit facility and the final validity date of banking products, including also the repayment date for liabilities under the Agreement and the implementing agreements, with the proviso that it is allowed for the validity period of the guarantees granted by the Bank to exceed 23 months beyond the validity date of the credit facility and not to go beyond the date 28.10.2022.

Within the remaining scope the terms and conditions of the Credit Facility Agreement have remained unchanged. Having the nature of the product (multi-product contract) in mind, ELEKTROTIM S.A. is jointly and severally, unconditionally and irrevocably responsible, up to the total amount of the credit facility, for the liabilities towards mBank S.A. The remaining companies of the Capital Group being a party to the credit facility agreement, are liable to mBank S.A. jointly and severally, unconditionally and irrevocably up to the limits made available separately for each of the subsidiaries.

At the same time, along with the Annex to Credit Facility Agreement indicated above, the Company received a signed Annex to Framework Agreement of 25.08.2015 (hereinafter: Guarantee Agreement) whose subject matter is the use by ELEKTROTIM S.A. of the guarantees granted by the Bank as part of the guarantee credit line (Annex date: 30.10.2020).

As per the Annex in question, the period of use of the Credit Facility Limit in which ELEKTROTIM S.A. is entitled to place orders for granting a guarantee has changed from 30.10.2020 to 30.11.2020. The Company notified of the latest amendment to the Guarantee Agreement in the current report No. 41/2020 of 01.10.2020.

Extension of the validity period of the binding Agreements is the result of the ongoing process of negotiations regarding new agreements and is aimed at agreeing optimum conditions of further financing of the activities of ELEKTROTIM and the companies from the Capital Group.

Content of the report:

The company ELEKTROTIM S.A. notifies that on 25.11.2019 it received another Annex to Multi-Product Credit Facility Agreement for the group of related entities „Umbrella wieloproduktowa” (Annex date: 07.11.2019) signed by mBank S.A. with its registered office in Warsaw. The Company notified of the latest amendment to the Agreement in the current report No. 18/2018 of 16.07.2018.

The subject matter of the Agreement is the joint use of the multi-product credit line as part of bank accounts of the respective companies of the ELEKTROTIM Capital Group being the parties to the Agreement (ELEKTROTIM S.A., PROCOM SYSTEM S.A. and ZEUS S.A.). Each of the companies shall bear their own costs due to debt. The Agreement has been concluded by 09.07.2021.

The Agreement has had following conditions for the performance of the contract introduced - the conditions for making the products (revolving credit, overdraft facility, guarantees) available are:

1. provision by all companies of the ELEKTROTIM Capital Group of a declaration on submission to enforcement pursuant to Art. 777, § 1, point 5 of the Code of Civil Procedure, against the entire assets of a given Company, as regards the entirety or a part of pecuniary claims resulting from the Framework Agreement, i.e. with regard to the obligation to pay the amounts for products and other liabilities under the Framework Agreement, including interest, fees and commissions and expenses under the Framework Agreement. In the case of ELEKTROTIM S.A. the maximum amount of enforcement may amount to PLN 48,000,000,
2. signing by ELEKTROTIM S.A. of an Agreement for the establishment of a mortgage on the real property in Wrocław at ul. Stargardzka 8 (joint contractual mortgage up to the amount of PLN 46,275,000 in the first place, with equal priority of entry with the joint contractual mortgage up to the amount of PLN 37.5 million for the benefit of PKO BP S.A. with its registered office in Warsaw),
3. conclusion of an agreement for the assignment of rights from insurance policy of the above real property,
4. conclusion of an agreement for the assignment of rights from the factoring agreement concluded between ELEKTROTIM S.A. and mFaktoring S.A.

Pursuant to the Annex, the change also applied to the amount of the limit to be used and granted by mBank S.A. to the Company ELEKTROTIM S.A., from PLN 22.5 million to PLN 23.5 million, including a sublimit for an overdraft facility limited to the amount of PLN 21 million (by 28.11.2019 with amendments by 31.03.2020 when it amounts to PLN 14 million), the revolving sublimit is limited to the amount of PLN 1 million (by 30.12.2019 with amendments by 31.03.2020 when it amounts to PLN 7 million) and the sublimit for guarantees shall amount to PLN 23.5 million; with the proviso that the total amount of the credit facility and the revolving sublimit does not exceed PLN 21 million.

Having the nature of the product (multi-product contract) in mind, ELEKTROTIM S.A. is jointly and severally, unconditionally and irrevocably responsible, up to the total amount of the credit facility, for the liabilities towards mBank S.A. The remaining companies of the Capital Group being a party to the credit facility agreement, are liable to mBank S.A. jointly and severally, unconditionally and irrevocably up to the limits made available separately for each of the subsidiaries.