–ERBUD S.A.

Current Report No. 07/2019
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Topic:

Conclusion of Annexes to significant credit facility agreements with mBank S.A. seated in w Warsaw.

Legal basis:
Article 17(1) of the MAR – confidential information

Content of report:

Management Board of ERBUD S.A. (the Issuer) informs that on 28 January 2019 it received the signed Annex No. 16 to the Credit Facility of 2 June 2009, Annex No. 12 to the Framework Agreement of 2 February 2010 and Annex No. 9 to the Overdraft Facility of 22 February 2011.

Under these Annexes, the Issuer may use the multi-purpose line up to the total amount of PLN 90 million, including debt capacity of up to PLN 10 million.

The multi-purpose facility is secured by an assignment of receivables under construction contracts, a power of attorney to the bank account at mBank S. A., a statement on submission to enforcement pursuant to Art. 777(1) item 5 of the Banking Law and a bond in case of a request to issue a guarantee with a period longer than 24 months.

As a result of the signed Annexes, the financial ratios, which the Issuer undertook to achieve during the term of Agreements, have changed. Upon the entry into force of the aforementioned Annexes, the financial ratios will be based on the consolidated financial data of the ERBUD Group (before the effective date, the ratios were calculated on the basis of the separate data of Erbud S.A.).

The Issuer undertook to maintain the following levels of financial ratios:

1. current liquidity ratio, calculated as follows:(inventories - unsaleable inventories + receivables and claims - bad debts – enforced claims + short-term investments + short-term prepaid expenses) / (short-term liabilities to related parties and to other entities, excluding special funds + accrued expenses) - min. 1.2;
2. EBIT margin ratio, understood as the ratio of operating profit/loss to total revenues; total revenues are understood as the sum of the income from sale of products and services as well as goods and materials, other operating income and financial income - min. 1%;
3. equity ratio, understood as the ratio of equity to total assets - min. 25%;
4. ratio of net financial liability to annual EBITDA, where net financial liabilities are understood as the sum of long-term and short-term loans, borrowings, issue of securities and other financial liabilities to related parties and other entities, less cash and other cash assets, and the annual EBITDA as the sum of net profit, interest, income tax and depreciation - max 2.5 at the end of the 2nd calendar quarter and max 2.0 at the end of the 4th calendar quarter;

Total revenues, operating profit / loss and EBITDA will be calculated cumulatively for the last 12 months.

The maturity of the line of credit falls on 31 January 2020.

Other conditions of the Agreement are at arm's length.