



Signing a facilities agreement

Reference is made to the current report of 7 May 2018 (No. RB-17) regarding, *inter alia*, the execution on 7 May 2018 of the syndication agreement by Cognor Holding S.A. (the "**Issuer**", "**Cognor**") with mBank S.A. ("**mBank**"), pursuant to which mBank undertook to arrange new financing for the purpose of refinancing of the financial indebtedness of the Issuer's group arising from senior secured bonds with a nominal value as at 30 June 2018 of EUR 80,887,290 issued by Cognor International Finance PLC ("**CIF**"), a subsidiary of the Issuer (the "**Bonds**"), and financing of the current business activity. The Management Board hereby announces that on 12 July 2018 a facilities agreement (the "**Facilities Agreement**") was signed between Cognor S.A. (the "**Borrower**") as borrower and the Issuer, CIF, Odlewnia Metali Szopienice sp. z o.o., Cognor Blachy Dachowe S.A., Business Support Services sp. z o.o., Cognor Holding spółka akcyjna sp. k. and Przedsiębiorstwo Transportu Samochodowego S.A. (the "**Guarantors**") as guarantors and mBank S.A. acting as a mandated lead arranger, agent and security agent and Bank Zachodni WBK S.A., Bank Gospodarstwa Krajowego and European Bank for Reconstruction and Development (the "**Lenders**") as, *inter alia*, lenders, under which the Lenders committed to provide the Borrower with the following financing: (i) a term loan facility of up to EUR 60,000,000 (or equivalent of such amount in PLN) to be used to refinance the Bonds and to finance certain capital expenditures indicated therein (the "**Term Facility**"); and (ii) a revolving facility of up to PLN 40,000,000 to be used to finance the day-to-day operations of the Issuer's group (the "**Additional Facility**" and jointly with the Term Facility, the "**Facilities**").

Pursuant to the Facilities Agreement, the Term Facility and the facilities extended under the Additional Facility will accrue interest equal to the sum of the relevant WIBOR or EURIBOR rate and the Lenders' margin, which will not be greater than any standard margins that apply in similar types of transactions, and interest will be charged, for the Term Facility, in three-month interest periods, and for the facilities extended under the Additional Facility, in monthly interest periods.

The Borrower will have the right to draw the Term Facility within the designated availability period and it will be repaid by the final repayment date, i.e. 31 December 2022 (with one tranche being repaid in quarterly instalments and one by way of a balloon payment on the final repayment date). Pursuant to the Facilities Agreement, the early repayment of all or some of the Term Facility is possible on condition of the payment of a prepayment fee with respect thereto. The amount of the prepayment fee does not differ from any standard commission charged in connection with such type of financing and will be determined as a certain percentage of the prepaid amount of the Term Facility. The Additional Facility may be drawn until the date falling one month prior to the final repayment thereof, i.e. 30 June 2020.

The Facilities Agreement provides that the Facilities may be drawn upon the satisfaction of certain conditions precedent, including the delivery of documentation confirming that an equity contribution has been made in a specific manner and in the amount necessary for the total repayment of the Bonds. The Facilities Agreement provides that the equity contribution or its part may be used towards partial repayment of the Bonds prior to the utilisation of the Facilities; in this respect, CIF submitted an irrevocable notice on the partial redemption of the

Bonds in the nominal amount of EUR 20,887,290 and designated 6 August 2018 as the redemption date.

The undertakings under the Facilities will be guaranteed by the Issuer and other Guarantors and, in addition, to secure the performance of those undertakings, certain other collateral will be provided at a later date in the form of, *inter alia*: (i) registered pledges over the Borrower's and the Guarantor's (other than CIF) enterprises; (ii) registered, financial and civil pledges over shares and rights of the partner (in case of the Guarantors being partnerships) of the Borrower and the Guarantors (provided that only certain shares of the Issuer will be encumbered by the registered and financial pledges); (iii) mortgages on key real properties owned by the Borrower and the Guarantors (other than CIF); (iv) registered and financial pledges over the bank accounts of the Borrower and the Guarantors (other than CIF); (v) powers of attorney to the bank accounts of the Borrower and the Guarantors (other than CIF); and (vi) the assignment of insurance policies (excluding insurance policies regarding trade receivables and insurances policies regarding civil liability) and receivables under factoring agreements concluded by the Borrower and the Guarantor (other than CIF) with any entities other than the Lenders.

The extension of the Facilities will involve certain customary financial and operating restrictions being imposed on the Borrower and the Guarantors.

In connection with the extension of the Facilities, the Lenders will be entitled to standard commission fees applied to such type of financing.