

Execution of Agreement with Santander Bank Polska Spółka Akcyjna

Current Report No.: 54/2022

Date: November 29th 2022

Time: 1.33 pm

The Management Board of MERCOR S.A. announces that on November 28th 2022 the Company executed a current account and foreign currency account overdraft facility agreement with Santander Bank Polska Spółka Akcyjna of Warsaw (the "Agreement").

The Agreement is to replace the existing credit facility agreement between MERCOR S.A. and mBank S.A. of Warsaw.

Under the Agreement, Santander Bank Polska has agreed to make available to the Company a credit facility of PLN 28,560,000.00 intended to finance its day-to-day business activities, with the option to simultaneously draw down the facility in EUR up to an amount not higher than the equivalent of PLN 10,000,000.00.

The final repayment date for all amounts outstanding under the overdraft facility has been set at November 28th 2024.

The interest rate on the amount drawn in PLN has been based on WIBOR for one-month bank deposits, while the interest rate on the amount drawn in EUR has been based on EURIBOR for one-month interbank deposits. According to the Agreement, the Bank will charge an upfront arrangement fee on the facility amount granted, and will be charging a commitment fee on the undrawn balance of the available facility amount and a management fee on the amount drawn down.

Contractual security interests under the Agreement include a mortgage over the Company's property in Mirosław near Płock, a registered pledge over inventories and a registered pledge over a machining centre. As for contractual covenants, the Company has agreed to maintain adequate levels of the average monthly payments into the current account held with the Bank, the share of equity, and the net debt to EBITDA ratio.

One of the conditions for disbursement is the provision of a certificate from the existing lender, mBank S.A. of Warsaw, stating the total amount of debt currently outstanding under the facility advanced by that lender. The first drawdown under the overdraft facility will be used to repay the existing facility being refinanced.

The Agreement is considered a reportable significant agreement because of its value and significance to the Company.

Legal basis:

Article 17(1) of MAR – Inside information

MANAGEMENT BOARD OF MERCOR S.A.:

Krzysztof Krempeć

President of the Management Board

Jakub Lipiński

First Vice President of the Management Board