

Current report no. 55/2017

Date prepared: 21.06.2017

Issuer's abbreviated name: POLIMEX-MOSTOSTAL

Subject: Conclusion of contracts concerning changes to the conditions of financing for the Polimex-Mostostal Group

Legal basis: Article 17(1) of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

Referring to current report no. 7/2017 dated 19 January 2017, current report no. 33/2017 dated 31 March 2017, current report no. 37/2017 dated 13 April 2017 and current report no. 40/2017 dated 8 May 2017, the Management Board of Polimex-Mostostal S.A. having its registered office in Warsaw (hereinafter referred to as the "**Company**" or the "**Issuer**") informs that, on 20 June 2017, in accordance with the provisions of the Agreement (as defined in current report no. 7/2017) the following documents were concluded:

1. An agreement between the Issuer and Towarzystwo Finansowe "Silesia" Sp. z o.o. and Bankowe Towarzystwo Kapitałowe S.A. concerning the amendment and harmonisation of the conditions of Class A convertible bond issue originally dated 12 September 2014, and an agreement between the Issuer and Agencją Rozwoju Przemysłu S.A. concerning the amendment and harmonisation of the conditions of Class B ordinary bond issue originally dated 12 September 2014.

In accordance with the amended conditions of Class A bond issue: (i) Class A bonds shall be redeemed on 31 July 2022 or on the first working day following this day, as a result of which the interest payment terms shall change accordingly, (ii) the issue price of shares issued in exchange for Class A bonds shall be equal to the nominal value of the Company's shares, (iii) the Company has undertaken to acquire Class A bonds for the purpose of their redemption in the amount and on the dates indicated in the Obligatory Redemption Schedule, i.e. on 31 July 2020 and 31 July 2021 at a price equal to the nominal value of bonds plus interest on bonds due, (v) the catalogue of disclosure obligations has been modified, (vi) the scope of the Company's obligations related to intragroup financing and payment of dividends has been modified, (vii) amendments have been introduced into the catalogue of circumstances entitling each shareholder to demand early redemption of Class A bonds; one of the items added in this scope is obligatory early redemption due to the non-issuance of new convertible bonds by 30 September 2017 on the terms and conditions indicated in the Agreement, about whose conclusion the Company notified in current report no. 3/2017, (viii) the catalogue of securities has been amended to ensure the coherence of the bond issue conditions and the Contract between the Creditors referred to below.

The conditions of Class B bond issue have been changed in the same scope as the conditions of Class A bond issue, taking into account the differences arising from the fact that Class B bonds, in contrast to Class A bonds, are not convertible bonds.

2. Annex no. 10 to the financial debt service contract dated 21 December 2012 between the Issuer and Bank Polska Kasa Opieki S.A., Bank Ochrony Środowiska S.A., Powszechna Kasa Oszczędności Bank Polski S.A., PKO Parasolowy Fundusz Inwestycyjny Otwarty, Unifundusz Specjalistyczny Fundusz Inwestycyjny Otwarty and Unifundusz Fundusz Inwestycyjny Otwarty (hereinafter referred to as the "FDS Contract").

The Annex among other things (i) changes the debt repayment term which is due to fall on 31 December 2019 in the amount of 50% of the debt, on 31 December 2020 in the amount of 33% of the debt, and on 31 December 2021 in the amount of 17% of the debt, (ii) modifies obligations concerning changes in the capital group of the Company related to (A) the extension of the catalogue of permitted financial flows between the companies being members of the capital group of the Company, and (B) specifies the catalogue of permitted transformations and permitted regulations, (C) extends the catalogue of permitted financial debt, (iii) changes to the scope of obligations concerning obligatory debt prepayment and the catalogue of violations, covering inter alia the removal of obligatory debt prepayment due to the sale of Mostostal Siedlce and the addition of a failure to issue new convertible bonds by 30 September 2017.

Additionally, the provisions of the FDS Contract have been amended to be consistent with the currently applicable provisions of law and the situation of the Company and the capital group in the context of the recapitalization of the Company.

3. Annex No. 3 to the Contract between the Creditors dated 11 September 2014 between the Issuer, Polimex-Mostostal S.A., Polimex Energetyka Sp. z o.o., Naftoremont - Naftobudowa Sp. z o.o., Mostostal Siedlce Spółka z ograniczoną odpowiedzialnością Sp. K., Polimex Budownictwo Spółka z ograniczoną odpowiedzialnością Sp. k. (hereinafter referred to as the "Debtors") and the Financing Banks (Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Bank Ochrony Środowiska S.A., Bank Zachodni WBK S.A., Bank Millennium S.A.), 2007 Bond Holders (PKO Parasolowy FIO represented by PKO Towarzystwo Funduszy Inwestycyjnych S.A.; UniFundusze SFIO represented by Union Investment TFI S.A., UniFundusze FIO represented by Union Investment TFI S.A.), 2014 Bond Holders (Towarzystwo Finansowe "Silesia" sp. z o.o., Agencja Rozwoju Przemysłu S.A., Bankowe Towarzystwo Kapitałowe S.A.), 2017 Bond Holders (Towarzystwo Finansowe "Silesia" sp. z o.o., Bankowe Towarzystwo Kapitałowe S.A.), Bank Millennium S.A., Bank Gospodarstwa Krajowego (hereinafter referred to as the "Creditors") and Powszechna Kasa Oszczędności Bank Polski S.A. (as the Payment Agent and the Security Agent) and Towarzystwo Finansowe "Silesia" Sp. z o.o. (as the Corporate Security Administrator).

The Annex amends the Contract between the Creditors due to the acquisition by the Company of new financing in the form of guarantee financing from Bank Gospodarstwa Krajowego and the planned issue of convertible bonds. It modifies the scope and rules of exercising rights attached to the securities of the financial debt of the Company and its subsidiaries, inter alia providing for the substitution of Agencja Rozwoju Przemysłu S.A. with Towarzystwo Finansowe Silesia Sp. z o.o. as the administrator of a part of securities.

The Annex introduces the mechanism of obligatory prepayment of receivables to which the creditors being parties to the Contract between the Creditors are entitled in a situation where the Company and its subsidiaries have financial surpluses, and provides for amendments to the Contract between the Creditors required to ensure the consistency of its provisions and the provisions of individual financing documents.

4. Annex No. 3 to the credit contract concerning new guarantee lines and the related revolving credit dated 21 December 2012 between the Issuer, Polimex Energetyka Sp. z o.o., Naftoremont - Naftobudowa Sp. z o.o. (hereinafter referred to as the Obligors) and Powszechna Kasa Oszczędności Bank Polski S.A. (as the Credit Agent, Security Agent, Guarantee Issuer and the Lender), and Bank Polska Kasa Opieki S.A., Bank Ochrony Środowiska S.A., Bank Millennium S.A. and Bank Zachodni WBK S.A. (hereinafter referred to as the Lenders) (hereinafter referred to as the "NGL Contract").

The Annex inter alia (i) reduces the scope of disclosure obligations, (ii) reduces the time limit for examining an application for the issuance of a guarantee and a bid guarantee, (iii) modifies the catalogue of violations in order to ensure its consistency with the catalogues contained in other financing documents, (iv) extends the period of availability of the guarantee line by 31 December 2021; (v) extends the final date of the expiry of guarantees issued as part of the guarantee line and the final credit repayment date by 31 December 2023, and (vi) introduces an additional condition for using a part of the guarantee line: the acquisition by the Company of additional guarantee financing from Bank Gospodarstwa Krajowego, or other bank or insurance institutions.

Further, procedural changes have been introduced under the annex to simplify the process of applying for and issuing new guarantees and the provisions have been verified in terms of their consistency with other financing documents.

5. Agreements between the Issuer and Bank Millennium S.A. under which: (i) the rules of participation of Bank Millennium S.A. in the NGL Contract have been specified, (ii) Bank Millennium S.A. (subject to cases indicated in the agreement) has undertaken to abstain from enforcement activities starting from the day on which the FDS Contract is terminated or expires in any other way; or by the day on which all the receivables of Bank Millennium are unconditionally and finally settled, (iii) the content of the existing contracts between the Issuer and Bank Millennium has been adapted to the text agreed on in the Agreement and introduced to other contracts concerning the financing of the Polimex-Mostostal Group.