

Current report No 13/2020

Date of issue: 28/02/2020

Issuer short name: POLIMEX MOSTOSTAL

Subject: Conclusion of an agreement and provision of a bank guarantee

Legal basis: Article 17(1) of the Market Abuse Regulation (MAR) – confidential information.

Content of the report:

With reference to the current report No 6/2020 of 30 January 2020, the Management Board of Polimex Mostostal S.A. with the registered office in Warsaw (the “Company”) informs about the conclusion of an agreement (the “Agreement”) with Powszechna Kasa Oszczędności Bank Polski S.A. with the registered office in Warsaw (“PKO BP”), the subject of which is the provision, at the request of the Company, of a bank guarantee for the return of the advance payment in domestic transactions (the “Guarantee”). This is in relation with the implementation by the Company within the consortium also comprising General Electric Global Services GmbH with the registered office in Switzerland and General Electric International Inc. with the registered office in the state of Delaware in the USA, of a contract for the construction of two gas and steam power units for PGE Górnictwo i Energetyka Konwencjonalna S.A. at the Dolna Odra Power Plant Complex (the “Contract”). Pursuant to the terms of the Agreement, PKO BP provided the Company with a Guarantee in the amount of PLN 47,360,495.98. The Guarantee remains valid until 31 March 2023.

In compliance with the Agreement, the receivables of PKO BP have been secured: (i) with the transfer to PKO BP of cash receivables the Company is entitled to under the Contract, (ii) with a registered pledge on the receivables under a bank account agreement regarding a project-specific account opened for the purpose of servicing the Contract, and (iii) with a financial pledge on cash and cash payment claims, including on deposits deployed in the financial market from the project-specific account opened for the purpose of servicing the Contract.

In addition, the Company is obliged to submit within 14 days of the conclusion of the Agreement a statement of submission to enforcement, compliant with Article 777(1), point 5 of the Civil Procedure Code. The maximum amount of each of the above-mentioned collaterals is PLN 71,040,743.00. Pursuant to the terms of the Agreement, following the issuance of the Guarantee, the list of collaterals may be extended conditional upon the fulfilment of the provisions outlined in the Agreement.