

Current Report No. 5/2016

(Wednesday, 20 April 2016)

Legal basis: Article 56.1.2 of the Polish Public Offering Act – current and periodical information

Conclusion of an annex to a major credit contract by a subsidiary

The Management Board of AB S.A. with its registered office in Magnice (“Issuer”), pursuant to Art. 5.1.3 of the Regulation of the Minister of Finance of 19 February 2009 on current and periodical disclosures by issuers of securities and conditions to recognise as equivalent the information that is required by the law in non-member states (consolidated text, Journal of Laws of 2014, item 133) informs that on 19 April 2016 the Issuer learned about the conclusion on 18 April 2016 of an annex (“Annex”) to the loan agreement (“Agreement”) between the subsidiary company AT Computers a.s. with its registered office in Ostrava (“Company”) and Citibank Europe plc (“Bank”) with its registered office in Prague, the Czech Republic.

The signed Annex modifies the amount of the granted short-term credit limit and the limit for bank guarantees under which a loan is granted and bank guarantees can be issued in CZK, EUR, or USD. The credit limit covers:

A. the credit limit varies in time and each year amounts to CZK 70,000,000 in a period from 1 April to 31 August and to CZK 140,000,000 in a period from 1 September to 31 March. The limit is available as part of the following sub-limits:

- short-term loan up to CZK 20,000,000, overdraft up to CZK 50,000,000 in a period from 1 April to 31 August;
- short-term loan up to CZK 90,000,000, overdraft up to CZK 50,000,000 in a period from 1 September to 31 March.

B. the limit of the short-term loan amounts to USD 10,000,000. Granting a short-term loan within this limit is subject to simultaneous conclusion of a CIRS transaction that will secure a rate of the loan currency (exchange from USD to CZK) and its interest rate.

The collateral to the granted credit limit is as follows:

- pledge on receivables and inventories
- blank promissory note
- a guarantee by AT Computers Holding a.s.

Interest on the loan, depending on the currency, accrues on the basis of the PRIBOR, EURIBOR, or LIBOR reference rates plus a margin of the Bank.

The other provisions remain unchanged and were presented in Current Report 2/2015.

The other provisions of the agreement do not differ from standard provisions used in agreements of this type.

The criterion used to determine whether the agreement is material is its total value exceeding the equivalent of 10% of the Issuer's equity.