

# AMENDMENT NO. 1 TO FINANCIAL COVENANTS TERMS AND CONDITIONS APPROVED ON 16 APRIL 2019

## Article I. Introductory Provisions

- 1.1. This is Amendment No. 1 to the Financial Covenants Terms and Conditions dated 16 April 2019 (hereinafter "**This Amendment**").
- 1.2. Under This Amendment the Financial Covenants Terms and Conditions are changed and amended in the extent specified in Article II. hereof.
- 1.3. The capitalised terms defined in the Financial Covenants Terms and Conditions, which are not expressly defined in This Amendment, have the same meaning in This Amendment as ascribed to them in the Financial Covenants Terms and Conditions.
- 1.4. The references to the Financial Covenants Terms and Conditions specified anywhere in the text will be the references to Financial Covenants Terms and Conditions, as amended by This Amendment.

## Article II. Contents of the Amendment

- 2.1. In par. 1.2. of the Financial Covenants Terms and Conditions new definition "Assessed Person" is added, which reads as follows:

**Assessed Person** – means any person in relation to whom the Borrower, Guarantor or third party has undertaken to fulfil or ensure the fulfillment of a particular financial covenant, including:

- a. each person forming the Aggregate Whole, if the calculation of the Aggregate Financial Covenant is to be performed on the basis of the aggregated Financial Statements, and
- b. each Subsidiary Reporting Entity forming a Consolidated Whole with the Assessed Person as the Parent Reporting Entity, if the calculation of the financial indicator is to be performed on the basis of the consolidated Financial Statements of the Assessed Person;

- 2.2. In the Financial Covenants Terms and Conditions paragraph 2.1. is cancelled and replaced by new paragraph 2.1. which reads as follows:

- 2.1. The individual financial covenants will be calculated as follows
  - a. **CAPEX** as specified in par. 2.2. below;
  - b. **Current ratio** = Current assets / Current liabilities;
  - c. **Total assets** as specified in par. 2.2. below;

- d. **Operating revenues** as specified in par. 2.2. below;
- e. **CPLTD (Current Portion of Long Term Debt)** as specified in par. 2.2. below;
- f. **DEBT** as specified in par. 2.2. below;
- g. **DEBT/EBITDA** = DEBT / EBITDA;
- h. **Debt service** as specified in par. 2.2. below;
- i. **Receivables period** = ((Average value of trade receivables/ Operating revenues) \* Number of days in Monitored Period);
- j. **Inventory period** = (Average value of inventories / Cost of goods and services) \* Number of days in Monitored Period;
- k. **Payables period** = (Average value of payables / Cost of goods and services) \* Number of days in Monitored Period;
- l. **DSCR (Debt Service Coverage Ratio)** = (EBITDA - Income tax payable) / Debt service;
- m. **DSCR considering CAPEX** = (EBITDA - CAPEX - Income tax payable) / Debt service; while only the positive (non-negative) value of the CAPEX covenant is taken into account for the calculation and in the case of a negative one it is replaced by zero in the formula;
- n. **EBIT (Earnings Before Interests and Tax)** as specified in par. 2.2. below;
- o. **EBIT margin in percent** = (EBIT / Operating revenues) \* 100;
- p. **EBITDA (Earnings Before Interests, Tax, Depreciation and Amortization)** as specified in par. 2.2. below;
- q. **EBITDA margin in percent** = (EBITDA / Operating revenues) \* 100;
- r. **EBT (Earnings Before Tax)** = EBIT + Profit/loss from financial activities;
- s. **Profit / Loss** as specified in par. 2.2. below;
- t. **Intragroup Interest** as specified in par. 2.2. below;
- u. **Profit/Loss Margin in percent** = (Profit / Total Revenues) \* 100;
- v. **Long term assets** as specified in par. 2.2. below;
- w. **Non-trade related intragroup relations** = Non-trade related intragroup payables – Non-trade related intragroup receivables;
- x. **NET DEBT** = DEBT - Financial accounts;
- y. **NET DEBT / EBITDA** = (DEBT - Financial Accounts) / EBITDA;
- z. **Unpaid intragroup interest** as specified in par. 2.2. below;
- aa. **OPEX** as specified in par. 2.2. below;
- bb. **Equity ratio in percent** = (Equity / Total Assets) \* 100;

- cc. **Re-invoiced costs** = revenues relating to re-invoicing of costs and energies;
- dd. **Simple current ratio** = Current assets / Simple current liabilities;
- ee. **Simple operating revenues** as specified in par. 2.2. below;
- ff. **Simple receivables period** = ((Average value of trade receivables/ Simple operating revenues) \* Number of days in Monitored Period);
- gg. **Simple EBIT (Earnings Before Interests and Tax)** as specified in par. 2.2. below;
- hh. **Simple EBIT margin in percent** = (EBIT / Operating revenues) \* 100;
- ii. **Simple EBITDA (Simple Earnings Before Interests and Tax, Depreciation and Amortization)** as specified in par. 2.2. below;
- jj. **Simple EBITDA margin in percent** = (Simple EBITDA / Operating revenues) \* 100;
- kk. **Simple EBT (Simple Earnings Before Tax)** = EBIT + Profit/loss from financial activities;
- ll. **Simple Profit/Loss margin in percent** = (Simple Profit/Simple total revenues) \* 100;
- mm. **Simple adjusted equity** = Equity + Simple non-trade related intragroup payables - Simple non-trade related intragroup receivables;
- nn. **Simple adjusted equity ratio in percentage** = ((Equity + Simple non-trade related intragroup payables - Simple non-trade related intragroup receivables) / (Total assets - Simple non-trade related intragroup receivables)) \* 100;
- oo. **Simple interest cover** = Simple EBIT / Interest expense;
- pp. **Adjusted equity** = Equity + Non-trade related intragroup payables - Non-trade related intragroup receivables;
- qq. **Adjusted equity without Cash** = Equity + Non-trade related intragroup payables - Non-trade related intragroup receivables - Cash;
- rr. **Adjusted equity ratio in percent** = ((Equity + Non-trade related intragroup payables - Non-trade related intragroup receivables) / Total Assets - non-trade related intragroup receivables) \* 100;
- ss. **Adjusted equity ration without Cash in percent** = ((Equity + Non-trade related intragroup payables - Non-trade related intragroup receivables - Cash) / (Total assets - non-trade related intragroup receivables - Cash)) \* 100;
- tt. **Interest cover** = EBIT / Interest expense;
- uu. **Equity** as specified in par. 2.2. below;
- 2.3. In par. 2.2. of the Financial Covenants Terms and Conditions, the financial covenant **Operating revenues** and the method of its calculation are removed and replaced by a new covenant **Operating revenues** and the method of its calculation is as follows:
- Operating revenues** (revenues from the economic/operating activities (excluding the revenues from financial activities) net of income from sale of assets, assignment of receivables and value relating to dissolution of investment subsidy) calculated based on the Financial Statements under:
- (i) Slovak Accounting Regulations:  
Total revenues = (Revenues from economic activities total (V I. 02) - Revenues from sales of NCIA, NCTA and materials (V I. 08) - Revenues from assignment of receivables and value related to dissolution of investment subsidy (part to V I. 09))
  - (ii) Slovak Accounting Regulations for micro reporting entities:  
Total revenues = (Revenues from economic activities total (V I. 01) - Revenues from sales of NCIA, NCTA and materials (V I. 06) - Revenues from assignment of receivables and value related to dissolution of investment subsidy (part to V I. 07))
  - (iii) International Accounting Regulations or Foreign Accounting Regulations:  
Operating revenues = operating income
- 2.4. In par. 2.2. of the Financial Covenants Terms and Conditions, **CPLTD financial covenant (Current Portion of Long Term Debt)** and the method of its calculation are removed and replaced by the new **CPLTD covenant (Current Portion of Long Term Debt)** and the method of its calculation is as follows:
- CPLTD (Current Portion of Long Term Debt)** (part of long-term loans, leases and Loans payable within Monitored Period, for which this financial covenants is calculated) calculated based on the Financial Statements under:
- (i) Slovak Accounting Regulations:  
CPLTD = (total annual amount of principal instalments of all credits and Loans + total annual amount of principal instalments of Intragroup Loans and financial assistance + total annual amount of principal instalments of finance leases + total annual amount of principal instalments from other sources (issued bonds and issued bills of exchange payable)\*, which are accepted and payable in Monitored Period, for which this financial covenant is calculated)
- \* concerning bonds and bills of exchange issued by:
- Borrower if CPLTD is calculated based on individual Financial Statements of Borrower
  - Borrower and each person, which under the Financial Regulations is in relation to the

- Borrower as a Parent Reporting Entity, its Subsidiary Reporting Entity composing the Consolidated Whole, if CPLTD is calculated based on the consolidated Financial Statements of the Borrower
- (ii) Slovak Accounting Regulations for micro reporting entities:  
 CPLTD = (total annual amount of principal instalments of all credits and Loans + total annual amount of principal instalments of Intragroup Loans and financial assistance + total annual amount of principal instalments of finance leases + total annual amount of principal instalments from other sources (issued bonds and issued bills of exchange payable)\*, which are accepted and payable in Monitored Period, for which this financial covenant is calculated)  
 \* concerning bonds and bills of exchange issued by:
- Borrower if CPLTD is calculated based on individual Financial Statements of Borrower
  - Borrower and each person, which under the Financial Regulations is in relation to the Borrower as a Parent Reporting Entity, its Subsidiary Reporting Entity composing the Consolidated Whole, if CPLTD is calculated based on the consolidated Financial Statements of the Borrower
- (iii) International Accounting Regulations or Foreign Accounting Regulations:  
 CPLTD = (total annual amount of principal instalments of all credits and Loans + total annual amount of principal instalments of Intragroup Loans and financial assistance + total annual amount of principal instalments of finance leases + total annual amount of principal instalments from other sources (issued bonds and issued bills of exchange payable)\*, which are accepted and payable in Monitored Period, for which this financial covenant is calculated)  
 \* concerning bonds and bills of exchange issued by:
- Borrower if CPLTD is calculated based on individual Financial Statements of Borrower
  - Borrower and each person, which under the Financial Regulations is in relation to the Borrower as a Parent Reporting Entity, its Subsidiary Reporting Entity composing the Consolidated Whole, if CPLTD is calculated based on the consolidated Financial Statements of the Borrower
- 2.5. In par. 2.2. of the Financial Covenants Terms and Conditions, **EBIT** financial covenant (*Earnings Before Interests and Tax*) and the method of its calculation are removed and replaced by the new EBIT covenant (*Earnings Before Interests and Tax*) and the method of its calculation is as follows:
- EBIT (Earnings Before Interests and Tax)** (operating profit expressed as profit/loss from economic/operating activities net of items related to sale of assets, negative value of provisions, value related to dissolution of investment subsidies to revenues) calculated based on the Financial Statements prepared under:
- (i) Slovak Accounting Regulations:  
 EBIT = (Profit/Loss from economic activities (V I. 27) – Revenues from sale of non-current intangible assets, non-current tangible assets and materials (V I. 08) + Residual price of non-current assets sold and materials sold (V I. 24) + negative balance of account Provisions for inventories (V I. 13) + negative balance of account (Provisions for non-current intangible assets and non-current tangible assets (V I. 23) + negative balance of account Provisions for receivables (V I. 25) – revenues from investment, one-time or other extraordinary subsidies (part to V I. 9))
- (ii) Slovak Accounting Regulations for micro reporting entities:  
 EBIT = (Profit/Loss from economic activities (V I. 18) – Revenues from sale of non-current intangible assets, non-current tangible assets and materials (V I. 06) + Residual price of non-current assets sold and materials sold (V I. 15) + negative balance of account Provisions for receivables (V I. 16) – revenues from investment, one-time or other extraordinary subsidies (part to V I. 7))
- (iii) International Accounting Regulations or Foreign Accounting Regulations:  
 EBIT = Profit/Loss from operating activities net of items related to sale of assets, negative value of provisions, value related to dissolution of investment subsidies to revenues
- 2.6. In par. 2.2. of the Financial Covenants Terms and Conditions, **Non-trade related intragroup receivables** financial covenant (Non-trade related intragroup receivables) and the method of its calculation are removed and replaced by the new Non-trade related intragroup receivables covenant (Non-trade related intragroup receivables) and the method of its calculation is as follows:
- Non-trade related intragroup receivables** (receivables from Related Parties except for trade receivables) calculated based on the Financial Statements under:

- (i) Slovak Accounting Regulations:  
 Non-trade related intragroup receivables = (Loans to related reporting entities (S I. 25) + Loans as a participation share except to related reporting entities (S I. 26) + Other loans (S I. 27) + Loans and other non-current financial assets with residual maturity period up to one year (S I. 29) bound to intragroup relations + Other receivables from related reporting entities (S I. 47) + Other receivables as a participation share except receivables from related reporting entities (S I. 48) + Receivables from partners, members and association (S I. 49) + part of item Other receivables (S I. 51) bound to intragroup relations + Other receivables from related reporting entities (S I. 59) + Other receivables as a participation share except receivables from related reporting entities (S I. 60) + Receivables from partners, members and association (S I. 61) + part of item Other receivables (S I. 65) bound to intragroup relations)
- (ii) Slovak Accounting Regulations for micro reporting entities:  
 Non-trade related intragroup receivables = (receivables from Related Parties except for trade receivables)
- (iii) International Accounting Regulations or Foreign Accounting Regulations:  
 Non-trade related intragroup receivables = receivables from Related Parties except for trade receivables

2.7. In par. 2.2. of the Financial Covenants Terms and Conditions, following new financial covenants and method of their calculation are added:

**Simple operating revenues** (revenues from the economic/operating activities (excluding the revenues from financial activities) net of income from sale of assets relating to dissolution of investment subsidy) calculated based on the Financial Statements under:

- (i) Slovak Accounting Regulations:  
 Simple operating revenues = (Total revenues from economic activities (V I. 02) – Revenues from sale of non-current intangible assets, non-current tangible assets and materials (V I. 08))
- (ii) Slovak Accounting Regulations for micro reporting entities:  
 Simple operating revenues = (Total revenues from economic activities (V I. 01) – Revenues from sale of non-current intangible assets, non-current tangible assets and materials (V I. 06))
- (iii) International Accounting Regulations or Foreign Accounting Regulations:

Simple operating revenues = operating income

**Simple EBIT** (Simple Earnings Before Interests and Tax) (operating profit expressed as profit/loss from economic/operating activities net of items related to sale of assets and negative value) calculated based on the Financial Statements prepared under:

- (i) Slovak Accounting Regulations:  
 Simple EBIT = (Profit/Loss from economic activities (V I. 27) – Revenues from sale of non-current intangible assets, non-current tangible assets and materials (V I. 08) + Residual price of non-current assets sold and materials sold (V I. 24) + negative balance of account Provisions for inventories (V I. 13) + negative balance of account (Provisions for non-current intangible assets and non-current tangible assets (V I. 23) + negative balance of account Provisions for receivables (V I. 25))
- (ii) Slovak Accounting Regulations for micro reporting entities:  
 Simple EBIT = (Profit/Loss from economic activities (V I. 18) – Revenues from sale of non-current intangible assets, non-current tangible assets and materials (V I. 06) + Residual price of non-current assets sold and materials sold (V I. 15) + negative balance of account Provisions for receivables (V I. 16))
- (iii) International Accounting Regulations or Foreign Accounting Regulations:  
 Simple EBIT = Profit/Loss from operating activities net of items related to sale of assets and negative value of provisions

**Simple EBITDA** (sum of sum of operating profit and depreciation of N CIA and NCTA where operating profit expressed as profit/loss from economic/operating activities net of items related to sale of assets and negative value) calculated based on the Financial Statements prepared under:

- (i) Slovak Accounting Regulations:  
 Simple EBITDA = (Profit/Loss from economic activities (V I. 27) – Revenues from sale of non-current intangible assets, non-current tangible assets and materials (V I. 08) + Residual price of non-current assets sold and materials sold (V I. 24) + Depreciation of intangible and tangible non-current assets (V I. 22) + negative balance of account Provisions for inventories (V I. 13) + negative balance of account (Provisions for non-current intangible assets and non-current tangible assets (V I. 23) + negative balance of account Provisions for receivables (V I. 25))
- (ii) Slovak Accounting Regulations for micro reporting entities:  
 Simple EBITDA = (Profit/Loss from economic



activities (V I. 18) – Revenues from sale of non-current intangible assets, non-current tangible assets and materials (V I. 06) + Residual price of non-current assets sold and materials sold (V I. 15) + Depreciations and provisions for non-current intangible assets and non-current tangible assets (V I. 14) + negative balance of account Provisions for receivables (V I. 16))

- (iii) International Accounting Regulations or Foreign Accounting Regulations:

Simple EBITDA = (sum of operating profit and depreciation of non-current tangible assets and non-current intangible assets where operating profit means profit/loss from economic/operating activities net of items related to sale of assets and negative value of provisions)

**Simple non-trade related intragroup receivables** (receivables from Related Parties except for trade receivables) calculated based on the Financial Statements under:

- (i) Slovak Accounting Regulations:  
Simple non-trade related intragroup receivables = (Loans to related reporting entities (S I. 25) + Loans as a participation share except to related reporting entities (S I. 26) + Other receivables from related reporting entities (S I. 47) + Other receivables as a participation share except receivables from related reporting entities (S I. 48) + Receivables from partners, members and association (S I. 49) + Other receivables from related reporting entities (S I. 59) + Other receivables as a participation share except receivables from related reporting entities (S I. 60) + Receivables from partners, members and association (S I. 61))
- (ii) Slovak Accounting Regulations for micro reporting entities:  
Simple non-trade related intragroup receivables = (receivables from Related Parties except for trade receivables)
- (iii) International Accounting Regulations or Foreign Accounting Regulations:  
Simple non-trade related intragroup receivables = receivables from Related Parties except for trade receivables

**Simple non-trade related intragroup payables** (payables to related parties except for trade payables) calculated based on the Financial Statements under:

- (i) Slovak Accounting Regulations:  
Simple non-trade related intragroup payables = (Other payables to related reporting entities (S I. 108) + Other payables as a participation share except payables to related reporting entities (S I. 109) + Other payables to related

reporting entities (S I. 128) + Other payables as a participation share except payables to related reporting entities (S I. 129) + Payables to partners, members and association (S I. 130))

- (ii) Slovak Accounting Regulations for micro reporting entities:  
Simple non-trade related intragroup payables = (part of items Long-term payables except the reserves and loans (S I. 35) and Other short-term payables (S I. 42) bound to intragroup relations)
- (iii) International Accounting Regulations or Foreign Accounting Regulations:  
Simple non-trade related intragroup payables = payables to Related Entities except the trade payables

**Simple current liabilities** (Current liabilities (due within 1 year) that do not take CPLTD into account) calculated based on the Financial Statements under:

- (i) Slovak Accounting Regulations:  
Simple current liabilities = (Short-term reserves (S I. 136) + Short-term liabilities (S I. 122) + Short-term financial assistance (S I. 140) + Current bank loans (S I. 139))
- (ii) Slovak Accounting Regulations for micro reporting entities:  
Simple current liabilities = (Current provisions for liabilities (S I. 43) + Current payables except payables, loans and assistance (S I. 38) + Current financial assistance (S I. 45) + Current bank loans (S I. 44))
- (iii) International Accounting Regulations or Foreign Accounting Regulations:  
Current liabilities = current liabilities (due within 1 year)

2.8. In the Financial Covenants Terms and Conditions paragraph 2.3. is cancelled and replaced by new paragraph 2.3. which reads as follows:

2.3. The methods of calculating the financial covenants specified in par. 2.1. above will be used for calculation always when the calculation methods under 2.4. below are not used. For calculating a particular financial covenants the calculation method of financial covenants in par. 2.1. above, which is determined for calculating will be used, which is determined for calculation according to the last Financial Statements provided to Lender.

2.9. In the Financial Covenants Terms and Conditions paragraph 2.5. is cancelled and replaced by new paragraph 2.5. which reads as follows:

2.5. Financial covenants specified in par. 2.4. above will be calculated always based on the Financial Statements prepared under

the Slovak Accounting Regulations for micro reporting entities.

2.10. In the Financial Covenants Terms and Conditions paragraph 3.4. is cancelled and replaced by new paragraph 3.4. which reads as follows:

3.4. If the Product Document contains the obligation of the Borrower, Guarantor or third person to fulfil or ensure fulfilment of particular financial covenant, then no Assessed Person may change length, first or last day of its Accounting Period without Lender's prior written consent.

Each change of length, first or last day of its Accounting Period of such Assessed Person without prior written consent of the Lender as well as violation of any ban specified in this paragraph is considered to be Event of Default.

2.11. In the Financial Covenants Terms and Conditions paragraph 3.5. is cancelled and replaced by new paragraph 3.5. which reads as follows:

3.5. The first calculation of the financial covenant will be performed for the Monitored Period,

in which any of the following documents was entered into:

- a. Product Document containing obligation of the Borrower, Guarantor or third party to ensure compliance with the agreed value of the financial covenant , or
- b. Amendment to the Product Document, by which the Product Document is supplemented with the obligation of the Borrower, Guarantor or third party to ensure compliance with the agreed value of the financial covenant.

Other calculations of the financial covenant will be performed for each following Monitored Period.

**Amendment No. 1 to the Financial Covenants Terms and Conditions was approved in Bratislava by the Credit Committee of Tatra banka, a.s., on 28 May 2021.**