

Current Report No. 18/2014

Drawn up on: 23 July 2014

Subject: Information about the intention to make use of the right to a change of security for series A bonds.

Legal basis: Article 56 par. 1 pt. 2 of the Public Offering Act - current and periodic information

Content of the report:

With reference to Current Report No. 5/2013 concerning the adoption of a resolution on issuing series A bonds (the "Bonds") and Current Reports No. 6/2013 and 8/2013 concerning, respectively, the conclusion and amendment of an agreement to establish a pledge on assets of a significant value, the Management Board of Midas S.A. (the "Company", the "Issuer"), acting on the basis of the provisions of the Bond Issue Conditions ("BIC"), announces that it is intending to make use of the right to which it is entitled to change the security ("Change of Security"), involving deleting the following registered pledges from the register of pledges:

(i) a pledge on 221,000 shares of Aero2 Sp. z o.o. ("Aero2") representing 100 per cent of the share capital of that company and giving entitlement to 100 per cent of the votes at the meeting of shareholders of that company, owned by the Issuer;

(ii) a pledge on 4,264,860 shares of CenterNet S.A. ("CenterNet") representing 100 per cent of the share capital of that company and giving entitlement to 100 per cent of the votes at the meeting of shareholders of that company, owned by the Issuer;

(iii) a pledge on 204,200 shares of Mobyland Sp. z o.o. ("Mobyland") representing 100 per cent of the share capital of that company and giving entitlement to 100 per cent of the votes at the meeting of shareholders of that company, owned by the Issuer;

The Management Board of the Company announced that the aforementioned registered pledges were entered in the register of pledges in, respectively: (i) Current Report No. 13/2013, (ii) Current Report No. 16/2013 and (iii) Current Report No. 11/2013 (updated by Current Report No. 17/2013).

The decision concerning the intention to make use of the right to change security is the consequence of the agreement concluded by the Company on 10 July 2014 with Bank Polska Kasa Opieki S.A. (the "Agreement") concerning investment credit for up to PLN 200,000,000 (the "Credit") for the purpose of expanding the LTE and HSPA+ telecommunication network, which the Management Board of the Company provided information about in Current Report No. 16/2014. Under the provisions of the Agreement, one form of security for the Credit being granted is a registered pledge up to the amount of PLN 300,000,000 on the shares of subsidiaries of the Issuer, i.e. Aero2, CenterNet and Mobyland. For that reason, in order to enable the aforementioned security for the Credit to be established, the Management Board of the Company on 23 July 2014 adopted a resolution in which it decided to make use of the right to a Change of Security.

The Management Board of the Company issues a reminder that after the effective deletion of the aforementioned registered pledges from the register of pledges, the provisions of the BIC will come into force, as described in Current Report No. 5/2013, concerning calculation of the Amount for

Payment (defined in Current Report No. 5/2013) after the Issuer makes use of the right to a Change of Security, and also that the value of the discount rate will be increased by 1.7 percentage points, on the basis of which the theoretical value of the Bonds (TVB) is calculated. Moreover, in accordance with the BIC provisions, the Issuer is entitled to re-secure the Bonds by establishing a New Registered Pledge, but as at the publication of this current report the Management Board of the Company is not able to predict whether and within what period of time it will make use of that right.