



(TRANSLATION ONLY)

**Current report No:** 25/2021

**Prepared on:** 2021-06-18

**Issuer's abbreviated name:** TORPOL S.A.

**Subject:** Conclusion of an agreement with "PKP Intercity" S.A. for the execution of construction works

**Legal Grounds:**

Article 17(1) of MAR – Confidential Information

**Contents of the Report:**

With reference to the current report No. 20/2021 dated 26.05.2021 and regarding the "PKP Intercity" S.A.'s [Investor] selection of the offer submitted by TORPOL S.A. [Issuer, Company] as the most advantageous one in the public procurement procedure conducted in the form of an open tender under the name: The rebuilding and redeveloping of the existing railroad infrastructure in the area of the Szczecin Zaleskie Łęgi railroad siding together with the construction of an inspection channel and supplying and installing a station to protect against ice on the rolling stock in the design and build system [Investment], the Management Board of the Issuer announces that the Company concluded an agreement with the Investor for the implementation of the above-mentioned project [Agreement] on 18 June 2021.

The Issuer's remuneration under the agreement amounts to PLN 73.1 million net [i.e. PLN 89.9 million gross].

The investment realization term has been defined as 31 October 2023, whereas the quality guarantee and defect warranty period has been defined as 36 months.

The agreement envisages the possibility of charging contractual penalties, among other things, in the event of a delay in the performance of the agreement or in the event of withdrawal from the agreement for reasons attributable to the Issuer. The total amount of accrued contractual penalties will not exceed 60% of gross remuneration of the Issuer. Payment of the contractual penalty does not preclude the Investor from seeking damages in excess of the amount of the reserved contractual penalty, on general terms.

Other terms of the agreement, including its security and possibility of withdrawal or termination, do not differ from those commonly used for such agreements.