



(TRANSLATION ONLY)

Current report No: 36/2023

Prepared on: 2023-10-02

Issuer's abbreviated name: TORPOL S.A.

Subject: Conclusion of a construction works agreement with PKP Polskie Linie Kolejowe S.A.

Legal Grounds:

Article 17(1) of MAR – Confidential Information

Contents of the Report:

With reference to current report No. 24/2023 of 11 July 2023, concerning the selection by PKP Polskie Linie Kolejowe S.A. [Investor] as the most favourable offer submitted by the Issuer in the open tender under the name: "Implementation of construction works for the Project "Works on railway line no. 38 on the section Giżycko - Korsze with electrification" [Investment], the Issuer's Management Board informs that an agreement was concluded with the Investor for the execution of this public order [Agreement] on 02 October 2023.

The Issuer's remuneration under the agreement is approximately PLN 1.078 billion gross [i.e. approximately PLN 876.75 million net]. The completion date of the Investment is 30 months from the date of signing the agreement, and the quality guarantee period is set at 60 months.

The agreement envisages the possibility to charge contractual penalties, inter alia, in the event of a delay in the execution of the agreement or in the event of withdrawal from the agreement for reasons attributable to the Issuer. At the same time, the total amount of the charged contractual penalties will not exceed 30% of the Issuer's net remuneration. Payment of the contractual penalty does not deprive the Investor of the right to claim compensation on general terms in excess of the amount of the reserved contractual penalty.

The other terms and conditions of the contract, including with regard to its security and the possibility of withdrawal or termination, do not differ from those commonly used for this type of contract.