



(TRANSLATION ONLY)

**Current report No:** 8/2024

**Prepared on:** 2024-04-05

**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:**

In reference to current report No. 2/2024 of 9 January 2024 concerning the selection by PKP Polskie Linie Kolejowe S.A. [Investor] of the most favourable offer submitted by the consortium, the leader of which is the Issuer, in the open tender for the award of a public contract entitled "Implementation of construction works and execution of the detailed design and execution of construction works for the installation of railway traffic control devices, devices of railway telecommunication networks, dynamic travel information system on the section of Katowice Szopienice Płd. - Katowice - Katowice Piotrowice as part of the project "Works on basic passenger lines (E 30 and E 65) in the area of Silesia, Stage I: line E 65 on the section Będzin - Katowice Szopienice Płd. - Katowice - Katowice Piotrowice"" [Investment], the Issuer's Management Board announces that the Company concluded an agreement with the Investor for the execution of the aforementioned public order [Agreement] on 05 May 2024.

The consortium's remuneration under the contract is approximately PLN 3,402.3 million net (i.e. PLN 4,184.8 million gross), including:

- basic order approx. PLN 3,374.7 million net (i.e. PLN 4,150.8 million gross),
- option no. 1 approx. PLN 16.3 million net (i.e. PLN 20 million gross),
- option no. 2 approx. PLN 11.4 million net (i.e. PLN 14 million gross).

The Issuer's share in the consortium is approximately 70%.

The completion period of the Project is 228 months from the Commencement Date, including:

- the completion period of the Basic Contract: 48 months from the Commencement Date,
- performance period for option 1: from 121 months to 228 months from the Commencement Date (for 108 months starting from the date of expiry of the Defect Notification Period),
- exercise period of option 2: not less than 6 months from the date of the request by the Employer for each of the scopes indicated in option 2, the request for the right of option may be made in the period up to 228 months from the Commencement Date, i.e. in the period not exceeding the end of the basic period, and in the case of the activation of option 1 until its completion.

The period of the performance bond was set at 72 months.

The agreement envisages the possibility of imposing 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 consortium. At the same time, the total amount of contractual penalties charged



will not exceed 30% of the consortium's net remuneration. Payment of the contractual penalty does not deprive the Investor of the right to claim compensation under general rules exceeding the amount of the reserved contractual penalty.

The remaining terms of the agreement, including its security and the possibility of withdrawing from or terminating this contract, do not deviate from the terms commonly used for such agreements.