PATENTUS S.A.
CAPITAL GROUP
with its registered office in Pszczyna, Górnośląska Street 11

MANAGEMENT BOARD REPORT ON

PATENTUS S.A. CAPITAL GROUP PERFORMANCE

IN 2022

Pszczyna, 18th March 2023

Table of content:

MANAGEMENT BOARD REPORT ON PATENTUS CAPITAL GROUP PERFORMANCE IN 2022.

1. Principles of compiling the annual consolidated financial statements.

Consolidated financial statements of PATENTUS S.A. Capital Group for the annual reporting period ended on the 31st December 2022, as well as comparable financial statements for the annual reporting period ended on the 31st December 2021 were prepared in accordance with the International Financial Reporting Standards, International Accounting Standards and related interpretations published in the form of Regulations of the European Commission (hereinafter referred to as IFRS).

In order to fully understand the Capital Group's financial situation and results the present report on PATENTUS S.A. Capital Group's performance should be read taking into account the information contained in the Capital Group's consolidated financial statements prepared as at 31st December 2022 and PATENTUS S.A separate financial statements prepared as at 31st December 2022. These reports shall be available on the Parent Company website at www.patentus.eu by the date consistent with the current report on the annual report publication date, i.e. on 22nd March 2023. Content of the financial statements includes requirements indicated in the Ordinance of Minister of Finance of 19th February 2009 on current and interim information provided by issuers of securities and the conditions for recognising of information required by the law of a non-member state as equivalent (Journal of Laws of 2014, item 133).

Financial statements have been prepared in accordance with the historical cost principle (adjusted for impairment losses), with the exception of investment property, land and available-for-sale financial assets, which are measured at fair value.

The Capital Group has exercised its right under § 10 of IAS and did not change the names of elements of complete financial statements.

Thus: the former name "Balance Sheet" is used to describe the "Statement of financial position"; to define the "Statement of Changes in Equity for the period", the current name "Statement of Changes in Equity" is used; the current name "Cash Flow Statement" is used to denote "Statement of Cash Flows"; The "Statement of Comprehensive Income" consists of two components, "Profit and Loss Statement" and a separate "Statement of Comprehensive Income".

With connection to the loss of control caused by declaration of bankruptcy by the District Court in Rzeszów, 12th Commercial Division – National Court Register, Restructuring and Bankruptcy Section, subsidiary PATENTUS STREFA S.A. in bankruptcy was not included in the consolidation.

2. Overview of the basic economic and financial figures, disclosed in the annual consolidated financial statements.

Consolidated Balance Sheet:

a) Assets

Assets **data in PLN thousand**	**Note**	**Period end 31st December 2022**	**Period end 31st December 2021**
I.Fixed assets		**84 777**	**94 193**
1.Intangible and fixed assets	1	5 289	6 096
2.Tangible fixed assets	2	75 564	83 177
3.Investment property	3	1 375	1 253
4.Deferred tax assets	17	1 170	571
5.Shares in other entities and other investments	3	0	0
6.Trade recivables and other receivables	4	0	0
7.Long-term receivables from lease agreements	4	1 379	3 096
II.Current assets		**60 904**	**44 434**
1.Inventory	5	34 193	30 022
2.Trade, recivables and other receivables	4	11 664	9 861
3.Short-term receivables from lease agreements	4	1 703	1 747
4.Receivables due to current corporate income tax at end of period	17	0	0
5.Cash and cash equivalents	6	13 344	2 804
Total assets		**145 681**	**138 627**

b) Liabilities

Liabilities data in PLN thousand	Note	Period end 31st December 2022	Period end 31st December 2021
I.Equity (Ia+ Ib)	**7**	**107 008**	**102 410**
Ia. Equity (fund) attributable to Parent Company's shareholders		**106 266**	**101 753**
1.Share capital	7	11 800	11 800
2. Supplementary capital arising from the sale of shares above their nominal value	7	6 448	6 448
3 Revaluation reserve	7	9 617	8 643
4.Retained earnings	7	78 401	74 862
Ib. Equity attributable to non-controlling interests	**7**	**742**	**637**
II.Total long-term liabilities		**22 679**	**24 256**
1. Credits and loans	8	10 309	11 313
2.Other long-term financial liabilities	9	12	33
3.Other long-term non-financial liabilities	9	4 761	5 760
4.Provisions for long-term liabilities	10	205	203
5.Deferred income tax liabilities	17	7 392	6 947
III. Total short-term liabilities		**15 994**	**11 961**
1. Credits and loans	8	4 878	4 780
2.Trade liabilities and other short-term liabilities	9	6 532	4 057
3.Other short-term non-financial liabilities	9	4 467	3 091
4. Liabilities due to current income tax	17	16	0
5.Provisons for short-term liabilities	10	101	33
Total liabilities		**143 681**	**138 627**

Consolidated Profit and Loss Statement:

Profit and Loss Statement data in PLN thousand	Note	Period from 1st January 2022 to 31st December 2022	Period from 1st January 2021 to 31st December 2021
I. Revenues from sales of products, services, goods and materials	11	82 562	38 073
II. Cost of products, services, goods and materials sold	12	(72 975)	(42 376)
III. Gross profit (loss) on sales		**9 587**	**(4 303)**
IV. Selling costs	12	(3 243)	(3 576)
V. General and administrative costs	12	(5 404)	(2 803)
VI. Other operating revenues	13	5 205	6 226
VII. Other operating expenses	14	(2 059)	(1 709)
VIII. Profit (loss) on operating activity		**4 086**	**(6 165)**
IX. Financial revenues	15	589	171
X. Financial expenses	16	(1 353)	(1 257)
XI. Pre-tax profit (loss)		**3 322**	**(7 251)**
XII. Income tax	17	302	794
XIII. Gross profit (loss)		**3 624**	**(6 457)**
Net profit (loss) attributable to:		3 624	(6 457)
Parent Company's shareholders		3 539	(6 355)
Non-controlling interests		85	(102)
Weighted average number of shares (in units)		29 500 000	29 500 000
basic		0.12	(0.22)
diluted		0.12	(0.22)

Consolidated Statements of Comprehensive Income:

Statement of Comprehensive Income data in PLN thousand	Note	Period from 1st January 2022 to 31st December 2022	Period from 1st January 2021 to 31st December 2021
Net profit (loss)		**3 624**	**(6 457)**
Other comprehensive income, including:		**974**	**661**
Effects of revaluation to fair value of tangible fixed assets		1 203	816
Deferred income tax provision settled with equity	17	(229)	(155)
Total comprehensive income		**4 598**	**(5 796)**
Parent Company's shareholders		4 513	(5 694)
Non-controlling interests		85	(102)

Consolidated Statement of Changes in Equity:

Statement of Changes in Equity data in PLN thousand	Note	Equity attributable to Parent Company's shareholders					Equity attributable to non-controlling interests	Total equity
		Share capital	Supplementary capital arising from the sales of shares above their nominal value	Revaluation reserve	Retained earnings	Total		
Data as at 1st January 2022		**11 800**	**6 448**	**8 643**	**74 862**	**101 753**	**657**	**102 410**
Share capital increase by the new shares issuance		0	0	0	0	**0**	**0**	**0**
Net surplus from the sales of shares above their nominal value		0	0	0	0	**0**	**0**	**0**
Events after reporting date		0	0	0		**0**	**0**	**0**
Total comprehensive income		0	0	874	3 539	**4 513**	**85**	**4 598**
Data as at 31st December 2022		**11 800**	**6 448**	**9 617**	**78 401**	**106 266**	**742**	**107 008**
Data as at 1st January 2021		**11 800**	**6 448**	**7 982**	**81 321**	**107 551**	**759**	**108 310**
Share capital increase by the new shares issuance		0	0	0	0	**0**	**0**	**0**
Net surplus from the sales of shares above their nominal value		0	0	0	0	**0**	**0**	**0**
Events after reporting date		0	0	0	(104)	**(104)**	**0**	**(104)**
Total comprehensive income		0	0	661	(6 355)	**(5 694)**	**(102)**	**(5 796)**
Data as at 31st December 2021		**11 800**	**6 448**	**8 643**	**74 862**	**101 753**	**657**	**102 410**

Consolidated Cash Flow Statements:

Cash Flow Statement (indirect method) **data in PLN thousand**	**Note**	**Period from 1st January 2022 to 31st December 2022**	**Period from 1st January 2021 to 31st December 2021**
Operating activity			
Net profit (loss)	17	3 709	(6 355)
Profit (loss) attributable to minority shareholders		(85)	(102)
Total adjustments		5 744	3 555
Amortisation and depreciation	12	9 063	9 246
Exchange gains (losses)	15	135	(34)
Interest and profit sharing (dividend)	16	280	346
Profit (loss) on investment activity	19	9166)	(1 172)
Change in provisions on liabilities and deferred income tax provisions	19	287	7
Change in inventory	5	(4 171)	(6 022)
Change in trade recivables and other receivables excluding advances transferred for the fixed assets acquisition	4	(195)	7 597
Change in liabilities excluding credits, loans and provisions	19	3 731	(2 614)
Change in deferred income tax assets	17	(22)	7
Other adjustments		0	(3 692)
Change in accruals (excluding deferred income tax)	17	(3 198)	(114)
Current income tax paid (adjusted for the balance of settlements from the previous year)	17	0	0
Net cash flows from operating activity		**9 368**	**(2 902)**
Investment activity			
Disposal of intangible assets and tangible fixed assets	19	83	1 218
Acquisition of intangible assets and tangible fixed assets	1,2	(126)	(11 890)
Transferred advances for intangible assets and tangible fixed assets acquisition	4	0	0
Disposal of investment property	3	0	1 080
Acquisition of financial assets – certificates	4	0	(4 500)
Acquisition of shares and stocks		0	0
Disposal of financial assets	15	0	9 524
Repayment of granted loans		0	0
Received interest on loans granted		0	0
Received interest on loans granted to subsidiaries		0	0
Other inflows from financial assets		0	1 027
Net cash flows from investment activity		**(43)**	**(3 354)**
Financial activity			
Net inflows from issuance of shares	7	0	0
Received credits and loans	8	3 234	4 081
Repayment of credits and loans	8	(4 275)	(3 522)
Other inflows (+) or outflows (-) from financial activity	9	3 092	0
Payment of liabilities arising from finance leases	9	0	(74)
Payment of receivables arising from finance leases	9	(27)	(19)
Interest paid	16	(809)	(327)
Net cash flows from financial activity		**1 215**	**139**
Total net change in cash		**10 540**	**(6 304)**
Change in cash due to exchange differences	6	0	0
Balance sheet change in cash and cash equivalents		**10 540**	**(6 304)**
Cash and cash equivalents opening balance		2 804	9 108
Closing balance of cash and cash equivalents	**6**	**13 344**	**2 804**
including cash and cash equivalents of limited disposability	19	0	0

Note numbers indicated in tables indicate the individual note numbers included in the consolidated annual financial statements.

Selected financial data:

Selected financial data from Profit and Loss Statement and Cash Flow Statement	in PLN thousand		in EUR thousand	
	Period from 1st January 2022 to 31st December 2022	Period from 1st January 2021 to 31st December 2021	Period from 1st January 2022 to 31st December 2022	Period from 1st January 2021 to 31st December 2021
I.Net revenue from sales	82 562	38 073	17 613	8 337
II.Profit (loss) on operating activity	4 086	(6 165)	872	(1 350)
III.Pre-tax Profit (loss)	3 322	(7 251)	709	(1 588)
IV.Net profit (loss)	3 624	(6 457)	773	(1 414)
V.Net profit (loss) attributable to the Parent Company's shareholders	3 539	(6 355)	755	(1 392)
VI.Net profit (loss) attributable to non-controlling interests	85	(102)	18	(22)
VII.Total comprehensive income	4 598	(5 796)	981	(1 269)
VIII.Total comprehensive income attributable to the Parent Company's shareholders	4 513	(5 694)	963	(1 247)
IX.Total comprehensive income attributable to non-controlling interests	85	(102)	18	(22)
X. Weighted average number of shares in units	29 500 000	29 500 000	29 500 000	29 500 000
XI. Book value per share (in PLN / EUR)	3.63	3.47	0.77	0.76
VIII. Net profit (loss) per share and diluted net profit (loss) per share attributable to the Parent Company's shareholders (in PLN / EUR)	0.12	(0.22)	0.03	(0.05)
XIII. Net cash flows from operating activity	9 368	(2 902)	1 998	(635)
XIV. Net cash flows from investing activity	(43)	(3 541)	(9)	(775)
XV. Net cash flows from financial activity	1 215	139	259	30
XVI.Total net cash flow	10 540	(6 304)	2 248	(1 380)
EUR exchange rate used to convert Profit and Loss statement items and Cash Flow Statement items			4.6876	4.5670

Selected financial data from assets and liabilities	in PLN thousand		in EUR thousand	
	Period end 31st December 2022	Period end 31st December 2021	Period end 31st December 2022	Period end 31st December 2021
XVII.Fixed assets	84 777	94 193	18 077	20 479
XVIII.Current assets	60 904	44 434	12 986	9 661
XIX.Total assets	145 681	138 627	31 063	30 140
XX.Long-term liabilities	22 679	24 256	4 836	5 274
XXI.Short-term liabilities	15 994	11 961	3 410	2 601
XXII. Equity	107 008	102 410	22 817	22 266
XXIII. XXIII. Equity attributable to the Parent Company's shareholders	106 266	101 753	22 658	22 123
XXIV. Share capital	11 800	11 800	2 516	2 566
XXV. Equity attributable to non-controlling interests	742	657	158	143
EUR exchange rate used to convert Balance Sheet items				

Exchange rates table:

Period	Average EUR/PLN exchange rate for the period	The lowest EUR/PLN exchange rate for the period	The highest EUR/PLN exchange rate for the period	EUR/PLN exchange rate for the last day of the period
column 1	column 2	column 3	column 4	column 5
from 1st January 2022 to 31st December 2022	4.6876	4.4879	4.9647	4.6899
from 1st January 2021 to 31st December 2021	4.5670	4.4541	4.7210	4.5994

In 2022, we can observe an increase in assets and liabilities by 5.09% in comparison to the previous year.

Compared to the corresponding period of previous year, fixed assets decreased by 10%, while current assets increased by 37.07% compared to the end of the fiscal year. It is a decrease in fixed assets by PLN 9 416 thousand and an increase in current assets by PLN 16 470 thousand.

In liabilities, an increase in the equity group can be observed by 4.49%, a decrease in long-term liabilities by 6.50% compared to the corresponding period of previous year. Value of short-term liabilities increased by PLN 4 033 thousand, i.e. 33.72% compared to the value as at 31st December 2021.

As at 31st December 2022, sales revenues reached the level of PLN 82 562 thousand and were higher than in the corresponding period of previous year: by 116.85%.

Net profit at the end of 2022 amounted to PLN 3 624 thousand.

3. Description of factors and events, including those of unusual nature, having a significant impact on PATENTUS S.A. Capital Group's performance and the Group's profits and losses in the fiscal year.

Below, the Parent Company presents information related to PATENTUS S.A. efforts for obtaining non-returnable subsidies:

1. On 19th November 2015, as part of the Intelligent Development Operational Program 2014-2020, the Company submitted an application to the National Center for Research and Development for project co-financing (Priority axis: Increasing the scientific and research potential; Measure: Research and development works; Sub-measure: Application projects); Recruitment number: 1/4.1.4/2015) titled: "Development of innovative technology for the production of toothed elements with hybrid surface layers with nano-structured base for drive units of conveyors intended for operation in extreme operating conditions" No. POIR.04.01.04-00-0064/15. Project implementation period was scheduled from 1st April 2016 to 30th September 2020. This project is to be implemented in the Consortium led by Patentus S.A. and other contractors: Warsaw University of Technology, Institute of Sustainable Technology – National Research Institute, Nanostal Sp. z o.o. Value of the entire project amounts to PLN 11 666 thousand, of which the co-financing will amount to PLN 8 612 thousand. The Parent Company's share in the entire project will amount to PLN 7 718 thousand, of which co-financing PLN 5 036 thousand. On 29th June 2016 the Company signed the subsidy agreement. On 7th April 2021, the Company submitted a final payment application to the National Research and Development Center, thus closing the project's substantive implementation. On 19th May 2022, an information was received by the Company from the National Research and Development Centre on recognizing the project as executed and therefore completed.

1) On the 1st February 2017, the Company signed an agreement with Oerlikon Balzers Coating Polska Sp. z o.o. with its registered office in Polkowice for the implementation of DLC coatings on samples for wear tests and gear wheels. The agreement value depends on the number of coatings performed. As at the date of this report submission, the aforementioned agreement was fulfilled.

2. On 5th January 2018, as part of the Intelligent Development Operational Program 2014 2020, the Company submitted an application to the National Center for Research and Development for project co-financing (Priority axis: Increasing the scientific and research potential; Measure: Research and development works; Sub-measure: Application projects; Recruitment number: 1/4.1.4/2017) titled: "Development of innovative scraper conveyors with increased start-up susceptibility and service life" no. POIR.04.01.04-00-0081/17. Project's implementation period is scheduled from 2nd July 2018 to 1st July 2021. The project is to be implemented in the Consortium led by Patentus S.A., and other contractors: Silesian University of Technology and Fabryka Elementów Napędowych "FENA" Sp. z o.o.. Value of the entire project is PLN 5 760 thousand, of which co-financing will amount to PLN 3 923 thousand. The Company's share in the entire project will amount to PLN 3 982 thousand, of which co-financing will amount to PLN 2 351 thousand. On 10th October 2018, the co-financing agreement with the National Center for Research and Development dated on 28th August 2018 was received at the Company's registered office. On 31st October 2022, an information was received by the Company from the National Research and Development Centre on recognizing the project as executed and therefore completed.

3. On 18th December 2019, as part of the Regional Operational Program of the Śląskie Voivodeship for 2014-2020, Priority Axis: III. Competitiveness of SMEs for measure: 3.2. Innovations in SMEs, the Company submitted an application to the Silesian Center of Entrepreneurship for co-financing of project no. WND-RPSL.03.02.00-24-0678/19-001 entitled "Implementation of an innovative drive unit consisting of a gearbox integrated with technical diagnostics systems". The entire project value will amount to PLN 11 931 thousand, of which co-financing will amount to PLN 2 909 thousand. The co-financing agreement was signed by the Company on 28th January 2021 in the Silesian Center of Entrepreneurship, in Chorzów.

Within this project, following tangible fixed assets were acquired:

1. Slovackie strojirny CNC hobbing machine for the amount of EUR 530 thousand,
2. HHW Hommel Hercules mounting press for samples for the amount of PLN 38 thousand,
3. Foundation for CNC hobbing machine for the amount of PLN 15 thousand executed by Sidal Sp z o.o.,
4. Budtor Sp z o.o. overhead crane with a load capacity of 20 tons for the amount of PLN 194.5 thousand,
5. Liebherr CNC toothing slotting machine for the amount of EUR 1 060 thousand,
6. Kapp Niles CNC toothing profile grinding machine for the amount of EUR 718 thousand,
7. Rosler shot-blasting machine for the amount of EUR 310 thousand,

8. Foundation for CNC slotting machine for the amount of PLN 30 thousand executed by Wasa Trade Sp. z o.o.,
9. Foundation for the shot blasting machine for the amount of PLN 144 thousand executed by Global Travel Excellence Sp. z o.o..
10. Measuring arm for PLN 86 thousand from Martech.
11. Diameter measuring instrument for the amount of PLN 72 thousand from Martech.

On 9th December 2021, a final payment application was submitted to the Silesian Center of Entrepreneurship, by the Company. As at the date of this report submission, the project is at final settlement process.

4.On 29th April 2020, the Company submitted an application to the National Center for Research and Development as part of a consortium consisting of the Warsaw University of Technology, the Silesian University of Technology, the Institute of Sustainable Technologies and the Welding Institute, for co-financing of project no. TECHMATSTRATEG-III/0028/2019 entitled "Development of innovative hybrid surface layers composed of anti-wear coatings as part of the toothing of gearboxes for drive units of conveyors operating in extreme operating conditions". On 9th November 2020, the co-financing application was approved. On 1st April 2021, the Warsaw University of Technology, acting as the Consortium Leader, signed a subsidy agreement with the National Center for Research and Development. Project implementation period starts on 1st July 2021 and ends on 30th June 2021. Value of co-financing granted to the Company amounts to PLN 3 804 thousand. As at the date of this report submission, the Company has started the project implementation.

4. Description of PATENTUS S.A. Capital Group development prospects for next fiscal year at least.

The Company in 2023 shall continue acquisition of fixed assets and shall sell its products also through finance lease, as it did in previous years. In January the Company successfully passed the supervision audit confirming compliance with the 15085 standard requirements, which allows the plant to weld rail vehicles components. The purpose of obtaining the certificate is to ensure high-quality rail vehicles components in accordance with the requirements of the PN-EN 15085 standard series, while maintaining full quality requirements for metal materials welding in accordance with PN-EN ISO 3834-2. The procedure for the execution of welded structures for railway industry is used in the case of the implementation of agreements in accordance with the requirements of PN-EN 15085 standard. Obtaining certification in the scope of meeting the conditions resulting from PN-EN 15085 standard allows to use the current potential of the Plant for the production of load-bearing structures for rail vehicles - including bogie frames . Obtaining the above certificate validity in accordance with the PN-EN 15085 standard is the result of obtaining in the previous year of certificate recognized by PKP Cargo S.A. the manufacturer of the product. Based on the re-audit, PKP CARGO SA. confirmed that our plant has an organization, technical equipment, employs employees with appropriate qualifications and uses technologies in accordance with the requirements of regulations and instructions in force at PKP CARGO SA. in the field of production:

- gear wheels of main gears of traction vehicles,
- forgings and axles of wheelsets for railway vehicles,
- pins for rolling stock,
- hollow shafts.

Moreover, based on the same audit, Patentus SA. obtained a Certificate of a contractor recognised by PKP Cargo for services in the field of mechanical processing of:

- axle box bodies, draw hooks, pins, bumper elements,
- hollow shafts, main gears,
- old usable railcar and locomotive axles, mechanical and heat treatment of semi-finished products.

In line with the adopted strategy, the Company will implement:

- conducting further research among companies from the metal industry and others, in order to continue building the capital group;
- conducting further searches for foreign contractors;
- searching for new subsidies;
- development of operating activities of entities from the Capital Group.

5. Description of significant risk factors and hazards, with specification to what extent the PATENTUS Capital Group is exposed to them.

Risk related to the dependence of the revenue value on the economic situation in the mining industry.
The amount of revenue of PATENTUS S.A. depends to a large extent on the current economic situation in the hard coal industry in Poland. Over 67% of the Company's revenue in the audited period of 2022 and almost 49% in the corresponding period of 2021 were made for recipients from the mining industry, such as Jastrzębska Spółka Węglowa S.A., Famur, Polska Grupa Górnicza. The remaining sales were carried out, among others, for such recipients as Ungarex, Recstal S.C., SBM Mineral Processing, Neuero Industrietechnik. Value of revenues for the aforementioned customers in 2022 was approximately 32.5%, and in 2021 over 50.7% in relation to total sales. Deterioration of the main clients' financial situation in this industry may result in deterioration of the Parent Company's financial results. Termination of cooperation or limitation of orders from these entities would have a significant, negative impact on the level of revenues and financial situation of the Parent Company. The aim of the Parent Company's Management Board, which has been executed in recent years, is to diversify the sources of revenues, among others, by commencing the supply of mining machinery and equipment to the eastern and Far Eastern markets, as well as the export of welded structures and equipment to the European Union markets.

Risk related to unit production.
The Company produces machines and devices mainly based on a unit order for the given customer. Due to the lack of serial production, typical production preparation processes, the process of supplying materials, as well as the maintenance and repair schedule of the machinery park are more difficult to plan and implement. This phenomenon may have temporary impact on the financial results of the Company.

Risk of the responsibility for quality and timeliness of deliveries and services.
Risk of responsibility for the quality of delivered equipment and timeliness of executed services is an integral element of agreements concluded by PATENTUS S.A.. The Company may be exposed to the necessity to incur additional costs related to possible complaints. However, in the opinion of the Management Board, the risk of frequent or significantly debilitating complaints is small due to the many years of experience of the personnel.

Due to the low risk of complaints, the Company's Management Board decided that there was no need to create provisions for future warranty repair costs.

Risk of losing qualified employees.
In the Company's operations, employees' qualifications are one of the highest values. The Company employs qualified engineering, economic and financial staff, which constitute a key group of employees. The Company cooperates with PPHU Mirpol Mirosław Kobiór with its registered office in Pszczyna, a private company with qualified production staff providing work services using the Company's machines and devices, under the supervision of engineering staff and based on the Company's patents, solutions and documentation. In the Management Board 's opinion, there is a slight risk of ending the cooperation lasting several years. Termination of the agreement could cause periodic production difficulties. However, in this case, the Company will strive to take over the majority of contractor 's employees for which the Company is a major services recipient.

Risk of production stoppage due to breakdowns or destruction of production assets
The Capital Group's performance is largely dependent on the use of production assets. Destruction of tangible fixed assets owned by the Group's companies may result in a temporary suspension of contracts, and in extreme cases, the inability to perform the signed agreements – which may result in sales deterioration. The Company insured its production assets and property according to the replacement value.

Risk related to delayed payments.
PATENTUS S.A. implements a number of projects for domestic recipients related to the production of machinery and equipment and repair services for these devices. Possible delays in payments by the contractor may have a negative impact on the Company's financial liquidity ratios and may lead to an increase in financial costs incurred in connection with the use of external sources of financing.

Risk related to public tenders.
A significant part of PATENTUS S.A revenues comes from the implementation of won public tenders, in which the price offered has the primary impact on the final result. Currently, the Company calculates its price offers at a level ensuring a fair margin, which may not always be the case in the future. An additional factor that increases the risk of obtaining possibly worse financial results is the protest against tender provisions by competitors, which leads to an extended time for agreements signing or, in extreme cases, to the tender cancellation.

Risk related to the macroeconomic environment.
The macroeconomic situation has significant meaning for PATENTUS S.A., especially such factors as the economic policy of the government, in particular in the field of mining industry, and its impact on the GDP growth rate, the inflation level, the tax system, the amount of burdens on employers resulting from labor costs. Additional element influencing the Company's performance is the policy of the National Bank of Poland and the Monetary Policy Council with regard to interest rates and exchange rates.

Exchange rate risk
There is a risk of unfavorable conditions for the PATENTUS S.A. in rapid changes in the zloty exchange rate in relation to other currencies. This phenomenon may have an impact (in the light of the strategy adopted by the Management Board) on the results of the Company, in connection with the assumption of increasing exports of goods and services. A significant

appreciation of the zloty may result in a decline in the profitability of export contracts. Changes in the zloty exchange rate are also relevant with regard to loans taken in foreign currencies.

Risk of increased competition on the domestic market.

Recently, an increase has been observed in the activity of competition on the domestic market for the production of mining machinery and equipment. Such situation increases the pressure to reduce margins on individual products, which may have a negative impact on the Company's financial result. However, due to the actions taken by the Management Board towards the sources of revenues diversification, the reduction in prices of products manufactured for the mining industry will not have a significant impact on the Capital Group's performance and revenues in the future.

Risk of changes in the prices of materials for production.

Price changes on the global markets of basic raw materials used by PATENTUS S.A. for production (steel, metallurgical products) can significantly affect the final product. The Company calculates the prices of its products in such manner that the increase effect is included in the price, however, large and sudden increases in the prices of materials may have in the short term a negative impact on the Company's financial results.

Risk resulting from granted collateral on Company's assets.

One of the forms of collateral for loans granted by banks are mortgages and registered pledges on production assets. In the event of the Company not settling its liabilities under loan agreements, banks may satisfy the claim by taking over the subject of the pledge. Such situation may affect the production processes and consequently, the Company's financial results. The Company settles its liabilities regularly and at present such risk is minimal.

Risk resulting from EU funds subsidies obtained.

The Company has concluded agreements with the unit managing structural funds regarding co-financing from the European Union funds for the purchase of new machinery and equipment and agreements regarding the reimbursement of costs incurred necessary to perform the tasks resulting from these agreements. In the event of failure to meet the indicators included in the agreements with the unit managing the given structural fund, it may be necessary to reimburse part or all of the subsidy with interest. The maximum amount to be reimbursed is approximately PLN 23 046 thousand (excluding interest).

Risk of dependence on significant customers and suppliers.

The amount of the Parent Company's revenues depends to a large extent on the current economic situation in the hard coal industry in Poland. Over 67% of the Parent Company's revenue in the audited period of 2022 and over 49% in the corresponding period of 2020 were made for such recipients from the mining industry as Jastrzębska Spółka Węglowa S.A., Famur, Polska Grupa Górnicza. The remaining sales were carried out, among others, for such recipients as Ungarex, Fabryka Pojazdów Szynowych Cegielski, Przedsiębiorstwo Budowy Szybów, Polska Grupa Energetyczna and SBM. Value of revenues for the aforementioned customers in 2022 was approximately 33%, and in 2021 over 50% in relation to total sales. Deterioration of the main clients' financial situation in this industry may result in deterioration of the Parent Company's financial results. Termination of cooperation or limitation of orders from these entities would have a significant, negative impact on the level of revenues and financial situation of the Parent Company. The aim of the Parent Company's Management Board, which has been executed in recent years, is to diversify the sources of revenues, among others, by commencing the supply of mining machinery and equipment to the eastern and Far Eastern markets, as well as the export of welded structures and equipment to the European Union markets. In order to further reduce the risk of becoming dependent on significant customers, The Parent Company is looking for customers from outside the mining industry.

The largest service provider in the reporting period of 2022 was PPHU MIRPOL Mirosław Kobiór with its registered office in Pszczyna. MIRPOL company provides services concerning work on the Parent Company's machines and equipment, under the engineering staff supervision and based on the Parent Company's patents, solutions and documentation. In the Management Board 's opinion, there is a slight risk of cooperation termination. The contract termination could cause periodic production difficulties. However, in such case, the Parent Company will strive to take over the majority of contractor 's employees for which the Company is a major services recipient.

Risk of changes in legal regulations.
Polish legal system is subject to numerous changes that may also affect the Company. The introduced legal changes may potentially pose a risk related to interpretation problems, lack of uniform jurisprudence, unfavorable or erroneous interpretations adopted by courts or public administration bodies.

Risk of applying tax law.
Polish tax system is characterized by instability. Tax regulations are subject to frequent changes, mostly to the taxpayers' detriment. Changes in tax law may also result from the necessity to implement new solutions provided for in the European Union law, resulting from the introduction of new or changes to existing tax regulations. In practice, tax authorities apply the law not only relying directly on the provisions, but also on their interpretations made by higher instance bodies and court decisions. Such interpretations are also subject to change, replaced by others, or are in contradiction with each other. To some extent, this also applies to judicial decisions. This results in uncertainty as to the application method of the law by tax authorities or its automatic application in accordance with the interpretations available at the moment, which may not be compatible with various, often complex facts occurring in economic transactions. The lack of clarity in many provisions that constitute Polish tax system additionally contributes to increasing this risk. On one hand, this raises doubts as to the proper provisions application, and on the other, it makes it necessary to take into account the above-mentioned interpretations to a greater extent. In the case of tax regulations that are based on the regulations in force in the European Union and should be fully harmonized with them, attention should be paid to the risk of their application related to the often insufficient level of knowledge about EU regulations, which is due to the fact that they are relatively new to Polish legal system. This may result in the adoption of an interpretation of Polish law that is inconsistent with the regulations in force at the European Union level.

Liquidity risk.
Another liquidity risk measure, monitored by the Company, is the analysis of the equity level. The analysis of the equity level is performed on the basis of the Equity-to Assets ratio and the Debt/EBITDA ratio.

Equity-to Assets ratio is calculated as the proportion of total equity to total of assets as at a given balance sheet date. The Company assumes maintaining the Equity-to-Assets ratio at a level not lower than 0.5. As at 31st December 2022 the ratio is 0.73.

Debt/EBITDA ratio is calculated as the proportion of total liabilities arising from credits and loans as well as finance lease agreements to the total EBITDA value. EBITDA is the sum of operating profit and depreciation and amortisation. The Company assumes that the debt/EBITDA ratio will not exceed 2.5. As at 31st December 2022 the ratio is 1.16.

Risk of the SARS-COV-2 pandemic impact on the Issuer's performance.

SARS-COV-2 epidemic alert status worldwide as well as in Poland, along with actions introduced by individual countries to limit the dynamics and scope of the epidemic, led to another imbalance in global markets, which was translating into the domestic economy. As at the time of this report preparation, the Issuer is operating without major disruptions.

Risk of political and economic situation in Ukraine impact on the Issuer’s operations.

Political and economic situation in Ukraine has led to significant imbalance in world markets. This condition had and still has relevant influence on the domestic economy. As at the time of this report preparation, the Issuer operates without major disruptions, however, with regards to changes in the economic situation induced by the ongoing war in Ukraine, it can or even should be assumed that it shall have a remarkable impact on the Issuer's performance. Armed conflict in Ukraine resulted in a progressive economy slowdown, both domestically and worldwide, as well as an increase in fuel and raw material prices, along with potential problems with their availability, especially in the scope of finished products, such as steel products, sheets, etc., which are subject to prefabrication.

The following circumstances related to the armed conflict in Ukraine should be indicated in particular as risks affecting the Issuer's current performance:

- risk of fluctuations related to prices and availability of steel provided by the Issuer's suppliers from the territory of Ukraine,
- risk of interest rates increase and the PLN exchange rate depreciation against the EUR as a result of economic turmoil caused by the armed conflict in Ukraine;
- risk related to unavailability or limited availability of employees as a result of the universal mobilization of men to the armed forces of Ukraine as ordered by Ukraine’s governing authorities.
- risk related to sanctions imposed on Russia in connection with the armed conflict in Ukraine, which may result with restrictions related to export of certain goods from Russia, translating to substantial impact on the availability and prices of goods (e.g. steel) necessary for the Issuer's operations.

As at the date this report publication, the Issuer does not plan to significantly reduce or discontinue its operations with regards to the situation in Ukraine.

The Issuer will disclose all information of relevant importance regarding the situation in Ukraine impact on its business, in line with the transparency obligations under Regulation 596/2014 on market abuse (MAR).

General description of the risk associated with the subsidiary ZKS MONTEX Sp. z o.o .:

The initial period of an entity's operation is always characterized by an unstable customer market. The Subsidiary's Management Board strives to achieve the basic requirements enabling the verification process to be passed on to target customers who may become key recipients in the years to come.

At present, the company bases its performance on individual orders for specific clients. Therefore, it is difficult to plan the production preparation processes, supply of materials and repairs of machine park, which is often associated with the need to incur higher costs in their implementation. The Subsidiary's Management Board will strive to conclude long-term agreements allowing to determine the planned turnover for given year as well as the types of products delivered.

The Subsidiary's Management Board is aware of the risk of liability for the quality of the delivered devices and the timeliness of the services provided as an important element of the concluded agreements. The Company may be exposed to the necessity to incur additional costs related to possible complaints, therefore the Subsidiary's Management Board decided to create provisions for future warranty repair costs. The provision for warranty repairs remained at the 2012 amount. In the Management Board's opinion, there is no need to increase this provision. In 2015, according to the Management Board, in the area of staff building it was to employ qualified staff and the largest group of experienced employees, especially in production. Which will enable the realization of the task of the Company's re-emergence on the market of welded structures in the face of strong industry competition Due to the constant process of forming individual cells of the organizational structure of the plant, there is still a high risk of staff instability.

The Subsidiary ZKS MONTEX Sp. z o.o. bases its operations to a large extent on the use of production assets. Destruction of the tangible fixed assets owned by the Company would result in a temporary suspension of contracts execution, and in extreme cases, the inability to perform the signed agreements, which would have a negative impact on sales level. The Company has insured production assets and property.

ZKS MONTEX Sp. z o.o. has not yet developed any financial reserves. Current investment activity is mostly based on external financing sources, including PATENTUS S.A.. Payment delays have a significant impact on the Company's financial liquidity, increasing the costs of financial operations caused by possible interest for late payments.

Changes in world market prices of basic materials used by the Company in the production inter alia, steel and metallurgical products have a significant impact on the price of the final product. The Company tries to include the effects of prices increases, however, large and sudden increases in the prices of materials may have in short term a negative impact on the Company's financial results.

The Subsidiary continues to shape the structure of its suppliers, also relying in their choices on PATENTUS S.A.'s experience in the group of steel products (sheets, plates and rolled profiles) as the basic material of production. This structure is not yet stable and may change significantly in the following year.

Just like in the case of suppliers, ZKS MONTEX Sp. z o.o. only shapes the group of its recipients. Until now, the Company's revenues are not dependent on any of them, and the structure of sales trends is still unstable.

6. Indication of proceedings pending before the court, competent arbitration authority or public administration authority.

a) Proceedings related to liabilities or receivables which value constitutes at least 10% of the Parent Company's equity.

1) On 20th May 2019, the Issuer was informed that on 17th May 2019, a claim was filed with the District Court in Katowice, 14th Commercial Division for payment in a prescriptive proceeding, in which the Court will order AIG EUROPE LIMITED SP. Z O.O. BRANCH IN POLAND and Jan Pasławski ("Defendants") in solidum payment to the Plaintiff: PLN 15 971 439.64 with statutory interest calculated from the date of filing the statement of claim to the date of payment and the costs of proceedings, including legal representation costs, and necessary expenses, including the amount of PLN 17 as stamp duty on the power of attorney, according to the standards provided for by law.

The aforementioned information was published in the current report No. 16/2019 on 20th May 2019.

As at the date of this report the proceeding is in progress, the hearing of evidence in the aforementioned case are pending.

b) Two or more proceedings related to liabilities or receivables which value constitutes at least 10% of PATENTUS S.A.'s equity.

1) As at 31st December 2022, the Parent Company was conducting proceedings regarding receivables pending before the court, competent arbitration authority or public administration authority. However, the total value of these receivables did not constitute the amount equal to at least 10% of the Parent Company's equity.
2) As at 31st December 2022, the Subsidiaries were conducting proceedings regarding receivables pending before the court, competent arbitration authority, public administration authority. However, the total value of these receivables did not constitute the amount equal to at least 10% of the Parent Company PATENTUS S.A's equity.

100% of the claimed receivables were written down for receivables subject to court or enforcement proceedings.

7. Indication of main, basic products, goods or services along with their value and quantity determination and the share of individual products, goods and services (if relevant) or their groups in the sales of the PATENTUS S.A. Capital Group in total, as well as changes in this respect in the given fiscal year.

<u>The Parent Company is currently operates in the scope of:</u>

1) Production of specialized equipment for mining industry, based on own design or custom-made, such as: face scraper conveyors, beam stage loaders and haulage conveyors, belt conveyors, output crushers, transport platforms, working platforms, air duct coolers, hydraulic tensioners, shifting equipment, shifting devices, hydraulic presses.

2) Overhauls of mining machinery and equipment;
3) The Company provides repair services for all manufactured by PATENTUS S.A. devices and those of similar type according to the customer's request.
4) Execution of steel structures such as: execution of welded steel structures of production halls and hypermarkets; execution of welded steel structures for membrane roofs of amphitheaters and roller coasters; construction of antenna masts for radio (cellular) networks; construction of occasional sacred and secular buildings.
5) Trade in metallurgical products and steel;
6) The Company owns a steel warehouse that supplies materials for production and deals in the trade of metallurgical products and bolted joints. The wholesale offer includes: hot-rolled steel sheets and plates, cold-rolled and galvanized sheets and plates, hot-rolled and cold-bent sections, round, ribbed, flat, square bars, corrosion-resistant sheets and aluminum sheets.
7) Wholesale trade in office supplies and computer hardware, household chemicals, disposable packaging;
8) The main area of the wholesaler's activity is supplying workplaces, educational institutions and health centers. From the beginning of its operations, retail sales also had a share in the revenues. The offered range of assortment includes: office and school supplies, packaging and disposable tableware, household chemicals, decorative items, gifts. This assortment range is constantly being expanded.
9) Trade in welding equipment and protective clothing, accessories and safety equipment; The Company has warehouses for goods, which makes it possible to expand the range and its permanent presence in the commercial offer. The offer of welding equipment and materials includes, among others: compact semi-automatic welding machines (step voltage control), semi-automatic welding machines with a separate feeder (step and smooth voltage control), multi-process semi-automatic welding machines (synergic parameter settings), devices for craftsmanship, inverter devices, welding generators, plasma cutting equipment, automatic welding machines, reducers, hand-held and machine torches, auxiliary equipment.
10) Machining; PATENTUS S.A. has the capability to carry out a wide scope of orders as part of machining. Thanks to the vast range of processing, it can handle both large-series and single orders, making elements of a very different scale of difficulty. On the one hand, a numerically controlled lathe gives the customer a guarantee.
11) The Company offers services in the field of sheet metal cutting with a digital numerical burner. The offer applies to cutting and burning from stainless (austenitic) sheets with a plasma torch and from carbon sheets with an autogenous (oxygen) burner.
12) Welding on a robotized welding station; PATENTUS S.A. has the capability to carry out a wide scope of orders as part of arc welding in protective gas shielding at an automated welding station. The station is equipped with new generation equipment and ensures reliable welding of structural components to be delivered to customers.
13) Specialized services as part of the created control and measurement laboratory.
14) Heat treatment services.

The subsidiary ZKS MONTEX Sp. z o.o. in 2022, conducted its operations in the field of:

1) Production of steel structures such as: flue gas and air ducts.
2) Production of expansion joints, containers and platforms
3) Production of electrodes for the power industry; pipeline elements; segmented knees; tees; reducers and suspensions.

Assortment structure of sales revenues:

1) Production and repairs of specialized mining equipment (sale and repairs of mining machinery, equipment and gears);
2) Production of devices and spare parts for export based on the documentation of foreign contractors;
3) Manufacture of gears and locomotive components for the Hungarian Railways;
4) Manufacture of gears for the power industry;
5) Sale of materials (e.g. scrapers, driving stars, actuators, shafts, drums);
6) Wholesale of metallurgical products and steel (steel wholesale);
7) Wholesale of office supplies and computer equipment, household chemicals, disposable packaging; comprehensive office equipment (wholesale of office supplies);
8) Wholesale of welding equipment and protective clothing, accessories and health and safety equipment (welding wholesale);
9) Scrap metal trading (scrap);
10) Income from lease of fixed assets (buildings).

Sales structure by revenue sources:

1	2	3	4	5	6	7
Types of services / groups of services	2022 in PLN thousand	Share in %	2021 in PLN thousand	Share in %	Difference (2 – 4)	Changes dynamics (6/4)
Total	**82 562**	**100.00%**	**38 073**	**100.00%**	**44 489**	**1.17**
Wholesale of office supplies	3 558	4.31%	2 995	8.68%	563	0.19
Wholesale of welding equipment	1 130	1.3%	879	2.55%	251	0.29
Wholesale of steel products	427	0.52%	477	1.38%	-50	-0.10
Scrap metal trading	834	1.01%	799	2.32%	35	0.04
Sale of conveyors	30 422	36.85%	8 464	24.53%	21 958	2.59
Other sale of mining machinery and equipment	44 283	53.64%	22 703	55.46%	21 580	0.95
Hungarian Railways (Ungarex)	0	0.00%	0	0.00%	0	0.00
Gearboxes for power industry (Ramb)	0	0.00%	0	0.00%	0	0.00
Services	0	0.00%	0	0.00%	0	0.00
Lease income	510	0.62%	340	0.99%	170	0.50
Sales of materials and goods Jankowice	1 398	1.69%	1 416	4.11%	-18	-0.01

The revenues from the sale of other mining machinery and equipment have a significant share in the revenues, the share of which in the total sale is 53.65%. However, the largest share in the revenues is the sale of conveyors, thus as much as 36.84%. A significant increase in revenues from the sale of conveyors by PLN 21 958 thousand can be observed along with an increase in other sales of mining machinery and equipment by PLN 21 600 thousand.

The Company continued sales outside the mining segment.

PATENTUS S.A. registered office:

1. 43–200 Pszczyna, Górnośląska St. 11.

Branches – PATENTUS S.A entities:

1. 43–200 Pszczyna, Bielska St. 21;
2. 43–215 Jankowice, Złote Łany St. 52b;
3. 43–215 Jankowice, Złote Łany St. 52.

Zakład Konstrukcji Spawanych MONTEX Sp. z o.o. registered office:

1. 41–603 Świętochłowice Wojska Polskiego St. 68c

8. Information on sales markets, with reference to the division into domestic and foreign markets.

Taking into account the Company's structure of sales revenues, the main market in which the Company operates is the mining machinery market. In 2022, the Company obtained over 65% of sales revenues from operating on this market.

Export sales do not have a significant share in sales revenues. The Company is currently exporting to Germany. The Company obtains revenues mainly from the most important source for it, i.e. sale and repair of mining machinery and equipment in domestic market. With accordance to the adopted development strategy, the Company plans to develop export sales.

Specification / data in PLN thousand	Period from 1st January 2022 to 31st December 2022	Period from 1st January 2021 to 31st December 2021
Sales revenues by territorial structure, including:	**82 562**	**38 073**
Domestic sales revenues	71 090	32 587
Export and intra-community supplies of goods and services	11 472	5 486

9. Information on the supply sources of materials for production, goods and services, with the determination of dependence on one or more recipients and suppliers, and if the share of one recipient or supplier reaches at least 10% of total sales revenues – the name (of the company) of the supplier or recipient, its share in sales or supply and its formal connections with PATENTUS S.A. Capital Group.

The main recipients of PATENTUS S.A. are underground mines belonging to the two largest hard coal companies: Jastrzębska Spółka Węglowa S.A. with its registered office in Jastrzębie-Zdrój and Polska Grupa Górnicza S.A. with its registered in Katowice.

Detailed information on the sales volume and its % share in total sales of the Company is presented in the table below:

Specification / data in PLN thousand	Period from 1st January 2022 to 31st December 2022		Period from 1st January 2021 to 31st December 2021	
	data in PLN thousand	in percentage points	data in PLN thousand	in percentage points
Total rrevenue from the sale of products, services, goods and materials, including main recipients:	**82 562**	**100.00%**	**38 073**	**100.00%**
Jastrzębska Spółka Węglowa S.A.	3 088	3.74%	6 045	15.88%
*including KUKE factoring**	*0*	*0.00%*	*0*	*0.00%*
PGG Polska Grupa Górnicza	20 207	24.47%	9 332	24.51%
*including KUKE factoring **	*0*	*0.00%*	*0*	*0.00%*
MASCHINENFABRIK LIEZEN	1 267	1.53%	484	1.27%
FAMUR	13 115	15.89%	696	1.83%
RECSTAL S.C.	834	1.01%	799	2.10%
UNGAREX SP. Z O.O.	758	0.92%	2 599	6.83%
SBM MINERAL PROCESSING	6 084	7.37%	2 036	5.35%
SMB MINERAL POLSKA	1 844	2.23%	435	1.14%
NEUERO INDUSTRIETECHNIK	251	0.30%	812	2.13%
SMS GROUP GMBH	924	1.12%	488	1.28%
UNGAREX S.C.	1 904	2.31%	0	0.00%
WĘGLOKOKS S.A.	11 924	14.44%	0	0.00%
JZR	2 635	3.19%	179	0.47%
PG SILESIA	2 132	2.58%	504	1.32%
TIM INVEST	709	0.86%	397	1.04%
PRZEDSIĘBIORSTWO BUDOWY SZYBÓW	797	0.97%	243	0.64%
ZIMM GERMANY GMBH	597	0.72%	0	0.00%
WESCO	650	0.79%	445	1.17%
Other recipients	12 842	15.55%	12 579	33.04%

With regards to the above, the Company's revenues are significantly influenced by revenues obtained from production and provision of services to mines, which makes the level of the Company's revenues dependent on the number and value of tenders won for the delivery of a specific device or the so-called annual supplies for spare parts. By the end of 2022, the Company won 10 tenders held on the basis of the Public Procurement Law and 7 tenders not covered by the basis of the Public Procurement Law but on the basis of internal mine regulations. In connection with the above, deliveries may take place only on the basis of signed periodic agreements. Such agreement may bind the supplier to the mine for the entire year or until the certain agreed scope of supplies completion. Due to the nature of its operations, which also include commercial activity, the Company cooperates with over one thousand customers throughout the year.

The situation is similar on the suppliers' side. Due to the conducted commercial activity, the number of suppliers in 2022 remains at the level of over 800. The main suppliers of the Company include mainly suppliers of steel needed for production purposes and for conveyors parts. Goods such as steel sheets/plates, forgings or sections are considered strategic materials, the proper inventory stock of which must be kept at an appropriate level, and their lack could cause the production process bottle necks.

Detailed information on the volume of purchases and their % share in total sales of the Company is presented in the table below:

Specification / data in PLN thousand	**Period from 1st January 2022 to 31st December 2022**		**Period from 1st January 2021 to 31st December 2021**	
Acquisition of goods and services for core business (net value, excluding VAT), including major suppliers:	data in PLN thousand	% share in sales	data in PLN thousand	% share in sales
PPHU Mirpol Mirosław Kobiór	10 313	12.49%	4 833	12.69%
ARCELOR MITTAL	2 744	3.32%	1 212	3.18%
UNIPOL	3 267	3.96%	0	0.00%
BOWIM	876	1.06%	277	0.73%
KONKO	1 498	1.81%	0	0.00%
UNION STAL	716	0.87%	575	1.51%
HUTA MAŁAPANEW	7 585	9.19%	705	1.85%
REMA-POL	950	1.15%	864	2.27%
UNGAREX SP. Z O.O.	971	1.18%	271	0.71%
MEGA STEEL	3 550	4.30%	2 129	5.59%
DAMEL	722	0.87%	0	0.00%
AKROSTAL	764	0.93%	259	0.68%

The majority of main suppliers of products with strategic meaning have signed contracts for the delivery of raw materials of adequate quality within a specified period. For products of strategic importance to ensure business, PATENTUS S.A. applies preliminary and periodic qualification of suppliers. The Company also purchases other goods for its wholesalers (office supplies, steel and welding products).

Significant suppliers include PPHU Mirpol Mirosław Kobiór with its registered office in Jankowice. It is a company run by a natural person, with whom the Company currently cooperates on the basis of outsourcing, having qualified production staff providing work services on machines and devices owned by PATENTUS S.A., under the supervision of its engineering staff and based on the Company's patents, solutions and documentation. In 2022, the share of liabilities to PPHU Mirpol Mirosław Kobiór in the total sales revenues of the Company amounted to 12.49%. The value of services purchased from MIRPOL amounted to PLN 10 313 thousand. Apart from PPHU Mirpol Mirosław Kobiór with its registered office in Jankowice, in the Company's opinion, there is no dependence on suppliers. The vast majority of materials and raw materials used in production – the Company may purchase from another contractor.

All the aforementioned suppliers and recipients are not related entities within the meaning of IAS 24.

10. Information on concluded agreements significant for the PATENTUS S.A Capital Group performance, including known agreements concerning insurance, collaboration or cooperation concluded between shareholders (partners).

Loan agreements of the Parent Company*:

* The banks' margin on the agreements described below is in the range of 1.50 pp. up to 4.10 pp.

1) On 29th November 2017, the Factoring Agreement No. 0096/2017 ("Factoring Agreement") was signed, concluded between the Issuer and KUKE Finance Spółka Akcyjna with its registered office in Warsaw ("Factor"):

- ✓ The subject of the Factoring Agreement is the provision of factoring services by Factor to the Company. The Factor, in accordance with and under the conditions set out in the Factoring Agreement, acquires all undisputed cash receivables due to the Company from contractors included in the list of Contractors;
- ✓ the Limit granted to the Company is PLN 14 000 000.00;
- ✓ the maximum maturity period for receivables that Factor acquires is 120 days;
- ✓ Factor will pay an advance payment of 85% of the value of acquired receivables;
- ✓ guarantee fund in the amount of 15% of the value of acquired receivables and the amount for repaid acquired but outstanding receivables;
- ✓ deadline for requesting a refund is 30 days;
- ✓ interest rate: WIBOR 1M + factor margin;
- ✓ collateral to meet Factor's claims under the Factoring agreement: blank promissory note with a promissory note declaration; power of attorney to a bank account; a declaration in the form of a notarial deed on submission to enforcement of the repayment of receivables under the Factoring Agreement pursuant to art. 777 of the Code of Civil Procedure up to the amount of PLN 15 000 000.00. The Factor has the right to satisfy its claims from each collateral separately or from all of them jointly, in the order of its choice.
- ✓ The agreement was concluded for an indefinite period with one month's notice.

The aforementioned information was published in the current report 18/2017 on 18th December 2017.

On 13th February 2018, Annex No. 1 to the Factoring Agreement No. 0096/2017 of 29th November 2017 was signed between KUKE Finance Spółka Akcyjna with its registered office in Warsaw ("Factor") and Patentus S.A. introducing the following amendments:

- ✓ The maximum maturity period for receivables that Factor acquires is 130 days. The other provisions of the agreement remain unchanged.

On 1st March 2018, Annex No. 2 to the Factoring Agreement No. 0096/2017 of 29th November 2017 was signed between KUKE Finance Spółka Akcyjna with its registered office in Warsaw ("Factor") and Patentus S.A. introducing the following amendment:

- ✓ "The Factorer agrees to set off the receivables of KUKE Finance S.A. resulting from this Factoring agreement No. 0096/2017 with the amounts due to the Factor, resulting from the receivables management agreement No. 0110/2018 of 1st March 2018 ".

Other provisions of the agreement remain unchanged.

On 1st March 2018, Annex No. 3 to the Factoring Agreement No. 0096/2017 of 29th November 2017 was signed between KUKE Finance Spółka Akcyjna with its registered office in Warsaw ("Factor") and Patentus S.A. with its registered office in Pszczyna introducing the unified text of the Agreement:

Both Parties jointly declare that the aforementioned Factoring Agreement continues, is being implemented, has not been denounced or terminated, therefore the Parties amend the Factoring Agreement and introduce a unified text with the following content:

- ✓ The subject of the Factoring Agreement is the provision of factoring services by Factor to the Company. The Factor, in accordance with and under the conditions set out in the Factoring Agreement, acquires all undisputed cash receivables due to the Company from contractors included in the list of Contractors;
- ✓ The following options are an integral part of the agreement: assumption of risk with the KUKE S.A. policy Package.
- ✓ the Limit granted to the Company is PLN 14 000 000.00;
- ✓ the maximum maturity period for receivables that Factor acquires is 130 days;
- ✓ Factor shall pay an advance payment of 85% of the value of acquired receivables;
- ✓ guarantee fund in the amount of 15% of the value of acquired receivables and the amount for repaid acquired but outstanding receivables;
- ✓ the deadline for requesting a refund is 30 days;
- ✓ interest rate: WIBOR 1M + Factor margin;
- ✓ collateral to meet the Factor's claims under the Factoring Agreement: blank promissory note with a promissory note declaration; power of attorney to a bank account; declaration in the form of a notarial deed on submission to enforcement of the repayment of receivables under the Factoring Agreement pursuant to art. 777 of the Code of Civil Procedure up to the amount of PLN 15 000 000.00; global assignment of rights under Insurance policy no. RW/OP/14/00013949/2018 concluded with Korporacja Ubezpieczeń Kredytów Eksportowych S.A. (KUKE S.A. - the policy was described in the current report 15/2018). The Factor has the right to satisfy its claims from each collateral separately or from all of them jointly, in the order of its choice.
- ✓ The Factoring Agreement was concluded for an indefinite period with a one-month notice period. The provisions of the Factoring Agreement regarding the acquisition of receivables and the takeover of the Contractor's insolvency risk shall apply no longer than until the end of the insurance agreement.

On 6th August 2018, a Tripartite Agreement was concluded regarding supplementary provisions concerning the Insurance Agreement RW/OP/14/00013949/2018 concluded with Korporacja Ubezpieczeń Kredytów Eksportowych S.A. ("KUKE") and the Factoring Agreement No. 0096/2017 concluded with KUKE Finance S.A. ("Factor") reading as follows:

- ✓ KUKE agrees to transfer the insured under the Insurance Agreement receivables from debtors, made by the Insuring Party/Factorer to the Factor. The transfer of receivables does not exclude the above receivables from the Insurance Agreement, provided that the receivables resulting from the invoices being the subject of the transfer are transferred to the Factor in full;
- ✓ As of the date of transferring the receivables to the Factor, the Insurance Agreement in the part relating to the transferred receivables is concerned as an agreement concluded for the account of a third party;
- ✓ The Factor, as the insured, is entitled to demand from KUKE the benefits due under the Insurance policy in connection with the failure to pay the debt from the debtor whose liability to the Policyholder/Factor is the subject of the Factoring Agreement;
- ✓ Factor agreed to be covered by insurance policy under the Insurance Agreement - turnover policy concluded by the Issuer and KUKE S.A.; acknowledges that with regard to the receivables acquired, the Factor has been indicated as a third party; has read and acknowledged all provisions contained in the Insurance Agreement; The Factor

decided that it cannot achieve greater benefits than the Policyholder/Factorer is entitled to; decided that KUKE has the right to raise any allegations against it that affect the limitation or exclusion of insurance liability that KUKE is entitled to in relation to the Issuer in accordance with the Insurance Agreement.

The aforementioned information was published in the current report 21/2018 on 28th August 2018.

On 31st August 2018, a signed copy of the Tripartite Agreement was received regarding supplementary provisions concerning the Insurance Agreement RW/OP/14/00013949/2018 concluded with Korporacja Ubezpieczeń Kredytów Eksportowych S.A. ("KUKE") and the Factoring Agreement No. 0096/2017 concluded with KUKE Finance S.A. ("Factor") reading as follows:

- ✓ KUKE agrees to transfer the receivables from debtors, insured under the Insurance Agreement made by the Insuring Party/Factorer to the Factor. The transfer of receivables does not exclude the above receivables from the Insurance Agreement, provided that the receivables resulting from the invoices being the subject of the transfer are transferred to the Factor in full;
- ✓ As of the date of transferring the receivables to the Factor, the Insurance Agreement in the part relating to the transferred receivables is treated as an agreement concluded for the account of a third party;
- ✓ The Factor, as the insured, is entitled to demand from KUKE the benefits due under the Insurance in relation with the failure to pay the debt from the debtor whose liability to the Policyholder/Factor is the subject of the Factoring Agreement;
- ✓ Factor agreed to be covered by insurance under the Insurance Agreement - turnover policy concluded by the Issuer and KUKE S.A .; acknowledges that with regard to the receivables acquired by it, it has been indicated as a third party; has read and acknowledged all provisions contained in the Insurance Agreement; The Factor decided that it cannot achieve greater benefits than the Policyholder/Factorer is entitled to; decided that KUKE has the right to raise any allegations against it that affect the limitation or exclusion of insurance liability that KUKE is entitled to in relation to the Issuer in accordance with the Insurance Agreement.

The aforementioned information was published in the current report 22/2018 on 31st August 2018.

On 10th September 2018, Annex No. 4 to the Factoring Agreement No. 0096/2017 of 29th November 2017 was signed between KUKE Finance Spółka Akcyjna with its registered office in Warsaw ("Factor") and Patentus S.A. introducing the following amendments:

- ✓ The Factor will pay the Factorer all his rights from the Factor under the Factoring Agreement to the following Client's bank accounts in PLN in the following division:
  - Raiffeisen Bank Polska S.A. in the amount of 25%,
  - Deutsche Bank Polska S.A. in the amount of 25%,
  - Getin Noble Bank S.A. in the amount of 25%,
  - ING Bank Śląski S.A. in the amount of 25%.

The other provisions of the agreement remain unchanged.

On 7th November 2018, Annex No. 5 to the Factoring Agreement of 29th November 2017 ("Factoring Agreement") was signed between KUKE Finance Spółka with its registered office in Warsaw ("Factor") and Patentus S.A. with its registered office in Pszczyna introducing the following amendments:

- ✓ the Limit granted to the Company is PLN 26 000 000.00;
- ✓ the maximum maturity period for receivables that Factor acquires is 130 days;
- ✓ Factor pays an advance of 80% of the value of acquired receivables;
- ✓ guarantee fund in the amount of 20% of the value of acquired receivables and the amount for repaid acquired but outstanding receivables;
- ✓ the deadline for requesting a refund is 30 days;
- ✓ interest rate: WIBOR 1M + factor margin;
- ✓ collateral to meet the Factor's claims under the Factoring Agreement: blank promissory note with a promissory note declaration; power of attorney to bank accounts; declaration in the form of a notarial deed on submission to enforcement of the repayment of receivables under the Factoring Agreement pursuant to art. 777 of the Code of Civil Procedure up to the amount of PLN 30 000 000.00; global assignment of rights under Insurance policy no. RW/OP/14/00013949/2018 concluded with Korporacja Ubezpieczeń Kredytów Eksportowych S.A. The Factor has the right to satisfy its claims from each collateral separately or from all of them jointly, in the order of its choice.
- ✓ The Factoring Agreement was concluded for an indefinite period with a one-month notice period. The provisions of the Factoring Agreement regarding the acquisition of receivables and the acquisition of the Contractor's Insolvency Risk shall apply no longer than until the end of the insurance agreement.

The aforementioned information was published in the current report 31/2018 on 5th December 2018.

On 3rd December 2018, Annex 6 to the Factoring Agreement of 29th November 2017 ("Factoring Agreement") was signed between KUKE Finance Spółka Akcyjna with its registered office in Warsaw ("Factor") and Patentus S.A. with its registered office in Pszczyna introducing the following amendments:

- ✓ The Factor will pay the Factorer all his rights from the Factor under the Factoring Agreement to the following Client 's bank accounts in PLN in the following division:
  - Deutsche Bank Polska S.A. in the amount of 25%,
  - Getin Noble Bank S.A. in the amount of 50%,
  - ING Bank Śląski S.A. in the amount of 25%.

The other provisions of the agreement remain unchanged.

On 20th May 2019, a signed copy of Annex No. 7 to the Factoring Agreement No. 0096/2017 of 29th November 2017 ("Factoring Agreement"), concluded between the Issuer and KUKE Finance Spółka Akcyjna with its registered office in Warsaw ("Factor") was received introducing following amendments:

- ✓ "5. The Factor declares, and the Factorer acknowledges and applies, that the Maximum Maturity Period of Receivables which Factor acquires, accepted by Factor, is 130 days, with the provision that for Contractors covered by insurance, the Maximum Maturity

Period of Receivables is consistent with the payment date specified in the applicable credit decision. The above provision does not apply to the invoice number 51811045 issued on 30th November 2018 for the Contractor Polska Grupa Górnicza S.A. for which the Parties accept the Maximum Maturity Period of 145 days."

On 20th May 2019, a signed copy of Annex 8 to the Factoring Agreement No. 0096/2017 of 29th November 2017 ("Factoring Agreement"), concluded between the Issuer and KUKE Finance Spółka Akcyjna with its registered office in Warsaw ("Factor") was received, introducing the following amendments:

- ✓ "5) Factor and Factorer jointly declare that after signing this annex, Factor will buy the claim number 51811032 issued to the Contractor Jastrzębska Spółka Węglowa S.A. in the amount of PLN 6 069 212.06. The Factorer will pay the Factor an operating commission of 0.15% of the gross value of the above Receivable due its purchase"

On 13th September 2019, the Company received a copy of Annex 9 to the Factoring Agreement of 29th November 2017 ("Factoring Agreement") concluded between the Issuer and KUKE Finance Spółka Akcyjna with its registered office in Warsaw (Factor), signed on 19th August 2019. The Parties jointly declare that the aforementioned Factoring Agreement lasts, is being implemented, has not been denounced or terminated, therefore the Parties make amendments to the Factoring Agreement in the following scope:

- ✓ the Limit granted to the Company is PLN 32 000 000.00;
- ✓ collateral to meet the Factor's claims resulting from the Factoring Agreement: declaration in the form of a notarial deed on submission to enforcement of the repayment of debts under the Factoring Agreement pursuant to art. 777 of the Code of Civil Procedure up to the amount of PLN 36 000 000.00;

The other provisions of the Agreement remain unchanged.

The aforementioned information was published in the current report 21/2019 on 13th September 2019.

On 15th June 2020, the Company received a copy of Annex No. 10 to the Factoring Agreements of 29th November 2017 ("Factoring Agreement") concluded between the Issuer and KUKE Finance Spółka Akcyjna with its registered office in Warsaw (Factor), signed on 18th March 2020. The Parties jointly declare that the aforementioned Factoring Agreement continues, is being implemented, has not been denounced or terminated, with relation to which the Parties introduce amendments to the Factoring Agreement in the scope of:
"5. The Factor declares, and the Factorer acknowledges and applies, the Acceptable Maximum Maturity Period of Receivables which Factor acquires, acceptable to the Factor, is 130 days.
The above provision does not apply to the invoice for the 2020/01/PRO/FV/00003 and 2020/01/PRO/FV/00005 licenses issued on 30th January 2020. to the Contractor Polska Grupa Górnicza S.A., for which the Parties accept the Maximum Maturity Period of 180 days. "
The other provisions remain unchanged.

On 30th October 2020, the Company received a signed copy of Annex 11 of 9th October 2020 to the Factoring Agreement of 29th November 2017 ("Factoring Agreement") concluded between the Issuer and KUKE Finance Spółka Akcyjna with its registered office in Warsaw ("Factor "). Under the aforementioned Annex, the Parties introduced the following amendments to the Factoring Agreement:

- ✓ the Factor's Limit granted to the Factorer is PLN 0 (in words: PLN zero);
- ✓ in the period from the date of signing the Annex to the end of June 2021 Minimum operating commission, access to the electronic information exchange system fee and Administrative fee - monitoring of receivables, will not be charged by the Factor;
- ✓ Before starting the financing of new Receivables, the Factorer shall submit to the Factor the completed Factoring Application together with the documents mentioned above.

The other provisions of the Agreement remain unchanged.

The aforementioned information was published in the current report No. 30/2020 on 30th October 2020.

On 29th June 2021 the Company received a signed copy of Annex No. 12 of 14th June 2021 to the Factoring Agreement of 29th November 2017 ("Factoring Agreement") concluded between the Issuer and KUKE Finance Spółka Akcyjna with its registered office in Warsaw ("Factor"). Under the aforementioned Annex, the Parties made the following amendments to the Factoring Agreement:

- ✓ in the period from the Annex signing date to the end of December 2021, all fees under the Agreement will not be charged, i.e. Minimum operating commission, Access to the electronic information exchange system fee and Administrative fee - monitoring of receivables will not be charged by the Factor;
- ✓ Prior to new Receivables financing, the Factorer shall submit to the Factor the completed Factoring Application along with the documents indicated in the Factoring Application mentioned above.

Other provisions of the Agreement remain unchanged.

The aforementioned information was published in the current report No. 8/2021 on 29th June 2021.

On 22nd December 2021 a signed copy of Annex No. 13 of 13th December 2021 to the Factoring Agreement No. 0096/2017 of 29th November 2017 ("Factoring Agreement ") concluded between the Issuer as a Factorer and KUKE Finance Spółka Akcyjna with its registered office in Warsaw (" Factor") was received. Under the aforementioned Annex, the Parties made following amendments to the Agreement:

- Limit granted to the Company equals PLN 2 600 000.00;
- the factor shall pay an advance in the amount of 90% of the purchased receivables value;
- guarantee fund in the amount of 10% of the purchased receivables value and the amount for repaid acquired but yet unpurchased receivables.

The other provisions of the Agreement remain unchanged.

The aforementioned information was published in the current report No. 18/2021 on 22nd December 2021.

On 10th June, 2022 a signed copy of Annex No. 14 of 6th June, 2022 to the Factoring Agreement no. 0096/2017 of 29th November, 2017 ("Factoring Agreement") concluded between the Issuer as a Factorer and KUKE Finance Spółka Akcyjna with its registered office in Warsaw ("Factor") was received. Pursuant to the aforementioned Annex, following amendments were introduced to the Factoring Agreement by the Parties:

- Limit granted to the Company amounts to PLN 9 000 000.00;
- pursuant to this Factoring Agreement the Factorer shall pay the Factor an operating commission equal to 0.32% of each Purchased Receivable value.
- pursuant to this Factoring Agreement the Factorer shall pay the Factor a commission in the amount of 0.35% of the gross value of each Purchased Receivable for assuming the risk of the Contractor's insolvency.

The aforementioned information was published in the current report No. 12/2022 on 10th June 2022.

2) On 30th May 2022 the investment agreement No. 04/ARRBB/POIR/2022 was concluded between the Issuer (Borrower) and Agencja Rozwoju Regionalnego S.A. (Lender) with its registered office in Bielsko-Biała.

- ✓ The Lender implements the Financial Instrument "POIR Liquidity Loan" pursuant to the Operational Agreement No. 2/POIR/1921/2022/VII/R/421;
- ✓ Loan amount of PLN 3 100 000.00;
- ✓ Repayment in 72 monthly installments;
- ✓ The loan bears an interest rate of 1.53% per annum throughout the entire repayment period;
- ✓ Aid in the form of interest subsidy is granted in accordance with the Ordinance of the Minister of the Fund and Regional Policy of 28th April 2020 on aid granting in the form of subsidy or repayable aid under operational programs for 2014-2020 to support the Polish economy in connection with the COVID – 19 pandemic occurrence;
- ✓ Purpose: employee remuneration (including SS, IR); public and legal liabilities; repayment of trade liabilities, coverage of infrastructure use costs; current installments of credits, loans or leases, provided that the credit, loan or lease does not originate from ESI Funds, other European Union funds, programmes, measures and instruments or other sources of domestic or foreign assistance; other expenses necessary to ensure Borrower's going concern; stocking, semi-finished products;
- ✓ The entire expenditure must be settled in 100%;
- ✓ Disbursement of the loan must take place within 180 calendar days from the date of full disbursement of the loan;
- ✓ Loan collateral: blank promissory note with promissory note declaration; contractual mortgage on a developed property, consisting of plot no. 2518/128; 2793/128 located in Jankowice, Pszczyna municipality, Pszczyna county, Silesian Voivodeship, for which the District Court in Pszczyna, 5th Land and Mortgage Register Division maintains Land and Mortgage Register No. KAIP/00044542/8 up to the amount of PLN 4,650,000.00; assignment of rights under a property insurance policy; declaration of submission to enforcement pursuant to Art. 777 par. 1 point 5 of the Code of Civil Procedure to the amount of PLN 4 650 000.00;
- ✓ The Agreement shall expire upon the Borrower's fulfillment of all obligations arising from it, but not earlier than on the date of repayment of the entire loan principal together with all accrued interest and possible costs;

- ✓ The Borrower agrees to the Lender's monitoring;
- ✓ Investment Agreement may be terminated by the Lender with a 7-day notice period in the event of: delays in capital installments repayment; use of loan funds contrary to their intended purpose.

3) On 16th November 2022, a Framework Agreement on banking products number 1222953 was concluded between the Issuer and Bank Polskiej Spółdzielczości S.A..
   - ✓ pursuant to the agreement, the Issuer is authorized to open term deposits, according to the current offer specified in the interest rate table;
   - ✓ the agreement was concluded for a definite period
   - ✓ each party is entitled to terminate the Agreement with one month's notice. Termination of the agreement shall be effected in writing under pain of being declared null and void.

Loan agreements of the Subsidiary ZKS MONTEX Sp. z o.o. *:

In the presented period the Subsidiary Zakład Konstrukcji Spawanych MONTEX Sp. z o.o. did not conclude or annexed any loan agreements.

Commercial agreements of the Parent Company:

With relation to the number of commercial transactions concluded with major customers and suppliers, the agreements concluded in 2022 by the Parent Company meeting the materiality requirement i.e. exceeding the value of 10% of PATENTUS S.A.'s equity are presented below.

1) Throughout the period from 2nd August 2021 to 10th February 2022 as part of cooperation between the Issuer and Polska Grupa Górnicza S.A. with its registered office in Katowice ("Ordering Party," PGG ") concluded agreements with PGG and received orders from PGG for the total net amount of PLN 16 503 881.00.

The agreement of the highest value is the agreement of 10th February 2022 ("Agreement"), and the parties adopted as the date of its conclusion – the date of the last signature.

- Subject of the agreement: Delivery of a new face conveyor – execution of linear and inspection segments with the internal width of the trough = 790 mm, according to PGG S.A.'s own documentation – task no.1 for PGG S.A. branch of KWK Mysłowice – Wesoła.
  - ✓ Completion time:
- Delivery **up to 20 weeks** from the date of order delivery (via e-mail) to the Contractor. The order shall be delivered no later than 4 weeks from the Agreement conclusion date.
  - ✓ Subject of the Agreement value: PLN 16 226 000.00 net;
  - ✓ Warranty:

  General warranty for the subject of the order **stands at 24 months minimum**, from the Final Acceptance Protocol date, but no longer than the offered warranty period **extended by 6 months** from the date of the Completeness of Delivery Protocol to the Ordering Party's warehouse, excluding components for which a detailed warranty has been granted, as defined below.

  Detailed warranty: PZS drive hulls and trough haulage – 3 million tons of transported output or 36 months from the date of commissioning underground, whichever occurs first, PZS attached troughs and chain drums – 1.5 million tons of transported output or 24 months from the date of commissioning underground, whichever occurs first, gears and clutches – 24 months from the date of commissioning underground, drive units, motors and other electrical devices – 24 months from the date of commissioning underground, chains for the under-wall scraper conveyor – 12 months from the date of commissioning underground.

a) Warranty for the components or elements of devices repaired under the warranty, with the exception of elements for which a detailed warranty has been granted – 12 months from the date of the service, but not shorter than the general warranty;

b) Detailed warranty does not shorten the general warranty;

c) Warranty does not cover consumables, i.e. fuses, oils, greases.

d) Warranty for quick-wearing elements with reduced service life, i.e. ejectors and ejector plates, overload protection, replaceable drive slides, coupling inserts, o-rings and seals - 12 months from the Final Acceptance Protocol date, but not longer than 24 months from the date of the Protocol of completeness of delivery to the Ordering Party's warehouse.

- ✓ Contractual penalties:

Ordering Party may charge the Contractor with contractual penalties, the calculation grounds of which is the net value of the subject of the agreement;

1. **for withdrawal** from the agreement by one of the parties for reasons attributable to the Contractor (other than those indicated in point 2) below) in the amount of **20%** of the net value of the unrealized part of the agreement in the scope of the task the withdrawal concerns,
2. for withdrawal from the agreement by one of the parties in the case of the subject of Agreement non-delivery in the amount equal to the cost of a replacement item acquisition by the Ordering Party and **2%** of the net agreement value;
3. in the amount of **0.1%** of the net value of the not delivered on time part of the order for each day of delay beyond the deadline specified in § 5 up to 10 days inclusive,
4. in the amount of **0.2%** of the net value of the not delivered on time part of the order for each day of delay exceeding 10 days beyond the date of completion specified in § 5
5. in the amount of **0.01%** of the net agreement value for the warranty service reporting at the registered office of the Ordering Party for repair within more than 8 hours from the date of notification for each hour of delay;
6. in the amount of **0.1%** of the Subject of the Agreement net value for each hour of failure, to be removed under warranty obligations, after exceeding 36 hours of total downtime in a given month as a result of this type of failure,
7. in the amount of **0.2**% of the net agreement value for not removing the reported failure within 24 hours from the start of the repair by the Contractor's service team, for each commenced day of delay.
8. total value of charged contractual penalties in the cases referred to in sec. 3) and 7), may not exceed **10%** of the net agreement value;
9. in the event of detection that the works are carried out on the premises of the mining plant by the Contractor's employees unable to communicate in Polish in speech and writing to a degree that determines communication - in the amount of PLN 200 for each case;
10. for the delay in presenting the documents which, in accordance with the SOPZ, are to be submitted by the Contractor in the amount of PLN 100 each day of delay;
11. for breach of the confidentiality obligation by the Contractor in the amount of **5%** of the net agreement value;

12. In the event of detection of Contractor's employees at the stage of coming to work or during the performance of works:
    i. state after alcohol usage; (the state after alcohol usage occurs when the breath alcohol content equals or leads to the presence of 0.1 mg to 0.25 mg of alcohol in l dm3 corresponding to the blood alcohol concentration from 0.2‰ to 0.5‰ of alcohol)
    ii. state of intoxication; (the state of intoxication occurs when the breath alcohol content equals or leads to the presence of above 0.25 mg of alcohol in 1dm3 corresponding to the blood alcohol concentration above 0,5‰)
    iii. state under the influence of drugs or other substances, the impact of which on the employee's body prevents the proper performance of employee duties; (other substances)
    iv. using/consuming alcohol, drugs or other aforementioned substances during the performance of works or in the workplace;
    v. bringing alcohol, drugs or other aforementioned substances to the workplace,

- in the amount of PLN 1 000.00 (one thousand zlotys 00/100) for each disclosed case

1. In the event of the disclosure of the Contractor's employee/s seizure of the Ordering Party's property or property belonging to companies based on the Ordering Party's premises, the Contractor shall fully cover the losses resulting from the seizure, and will pay the Ordering Party a fine of PLN 1 000.00 (one thousand zlotys 00/100)) for each disclosed case.
2. Ordering Party may charge contractual penalties in the event of difficulties in the commencement or conduction or completion of the Audit mentioned in § 10, due to reasons attributable to the Contractor:
    1) after the ineffective expiry of the deadline specified in the Ordering Party's request to enable the commencement or conduction or completion of the Audit - in the amount of 0.1% of the net value mentioned in § 3 item 1), for each started day in which it was impossible to properly commence, conduct or complete the Audit.
    2) in the event of repeated difficulties in the commencement or conduction or completion of the Audit due to reasons attributable to the Contractor the Ordering Party is entitled to charge contractual penalties without prior call in the amount specified in item 1).

The aforementioned information was published in the current report No. 2/2022 on 14th February 2022.

2) On 25th April 2022 an information was received, on signed agreement number 482200486 concluded between Polska Grupa Górnicza S.A. (PGG) with its registered office in Katowice and Consortium composed of: Węglokoks S.A. with its registered office in Katowice (Consortium Leader), Becker-Warkop Sp. z o.o. with its registered office in Świerlany (Consortium Member) and Patentus S.A. with its registered office in Pszczyna (Consortium Member).

Subject of the agreement: Delivery of face scraper conveyors, beam stage loaders, crushers, conveyor shifting equipment control and interlock systems as well as a longwall system monitoring and visualization system for PGG S.A. Branch: KWK ROW, with the total net value of the subject of the agreement of PLN 18 729 845.00 of which PATENTUS S.A. shall complete task no. 2 with the total net amount of PLN 12 356 970.00:

1.1 Task no. 2 – delivery of new beam stage loaders.

Completion time – delivery up to 20 weeks from the date of order delivery to the Contractor.

Contractual penalties:

1. Ordering Party may charge the Contractor with contractual penalties in the event of failure to perform or improper performance of the Agreement, the calculation grounds of which is the net value specified in – Price and payment terms;

1) for withdrawal from the agreement by one of the parties for reasons attributable to the Contractor (other than those indicated in point 2) below) in the amount of 20% of the net value of the unrealized part of the agreement in the scope of the task the withdrawal concerns,
2) for withdrawal from the agreement by one of the parties in the case of the subject of Agreement non-delivery in the amount equal to the cost of a replacement item acquisition by the Ordering Party and 2% of the net agreement value;
3) in the amount of 0.1% of the net value of the not delivered on time part of the order for each day of delay beyond the specified deadline up to 10 days inclusive,
4) in the amount of 0.2% of the net value of the not delivered on time part of the order for each day of delay exceeding 10 days beyond the date of completion,
5) in the amount of 0.01% of the net agreement value for the warranty service reporting at the registered office of the Ordering Party for repair within more than 8 hours from the date of notification for each hour of delay;
6) in the amount of 0.1% of the net agreement t value for each hour of failure, to be removed under warranty obligations, after exceeding 36 hours of total downtime in a given month as a result of this type of failure,
7) in the amount of 0.2% of the net agreement value for inability to remove the reported failure within 24 hours from the start of the Contractor's service team, for each started day of delay;
8) the value of the charged contractual penalties may not exceed 10% of the net agreement value,

Warranty:

General warranty for the subject of the order stands at 24 months from the Final Acceptance Protocol date, but no longer than the offered warranty period extended by 6 months from the date of the Completeness of Delivery Protocol to the Ordering Party's warehouse, excluding components for which a detailed warranty was granted, as defined below.

Detailed warranty:

- PZS drive hulls and trough haulage – 3 million tons of transported output or 36 months from the date of commissioning underground, whichever occurs first,
- PZS attached troughs and chain drums – 1.5 million tons of transported output or 24 months from the date of commissioning underground, whichever occurs first,
- PZS drive hulls and trough haulage – 1.5 million tons of transported output or 18 months from the date of commissioning underground, whichever occurs first,
- PZS attached troughs and chain drums – 1 million tons of transported output or 18 months from the date of commissioning underground, whichever occurs first,
- gears and clutches – 24 months from the date of commissioning underground,
- drive units, motors and other electrical devices – 24 months from the date of commissioning underground,

- chains for the face scraper conveyor and beam stage loader – 12 months from the date of commissioning underground.

The signed PAT 22.010-99 agreement concluded between the Consortium Leader and PATENTUS S.A. provides the basis for cooperation.

Task no. 2, which will be performed by the Issuer pursuant to the aforementioned agreement, exceeded the value of 10% of the Issuer's equity, therefore the agreement was considered of significant value.

The aforementioned information was published in the current report No. 6/2022 on 25th April 2022.

3) In the period from 12th July, 2021 to 9th August, 2022 received orders from FAMUR S.A ("Ordering Party") with its registered office in Katowice for the total amount of PLN 12 724 340 plus VAT.

The order of the highest value is the order Z134/00480/2022/D400 of 13th June, 2022 amounting to PLN 11 062 340.00.

Subject of the order is the execution of complete elements for the face conveyor.

General provisions of the Order:

1. In the event of a delay in subject of the contract execution or in the removal of a defect during the guarantee or warranty period, the Supplier shall pay the Ordering Party a contractual penalty in the amount of 1% of the object value, charged for each day of delay.
2. Defective product replacement with a new one or removal of the defect should be executed within 7 days from the notification date submitted by the Ordering Party. Entitlement to decision on the defective goods replacement or repair, as well as on withdrawal from the agreement or on the price reduction demand rests with the Ordering Party.
3. Regardless of the stipulated contractual penalty, in the event of a delay in the subject of the order delivery lasting more than 7 days, the Ordering Party is entitled to withdrawal from this agreement with no obligation of designating an additional order deadline to the Supplier.
4. The Supplier shall pay the Ordering Party a contractual penalty in the amount of 10% of the subject of the order value for withdrawing from the order accepted for execution for reasons attributable to the Supplier.

The aforementioned information was published in the current report No. 13/2022 on 9th August, 2022.

4) On 13th December 2022, a signed copy of the agreement number 072200548 with annex no. 1 dated 6th December 2022 was received by the issuer, concluded between Jastrzębska Spółka Węglowa S.A. and with its registered office in Jastrzębie - Zdrój (Ordering Party) and Patentus S.A. with its registered office in Pszczyna (Contractor).

1. Subject of the agreement: Provision of technical service to the Ordering Party's facilities and delivery of spare parts, subassemblies and assemblies of devices manufactured by PATENTUS S.A., hereinafter referred to as "the service".
2. Remuneration (according to the annex): PLN 11 508 412.20 + VAT – the remuneration will be the sum of the value of all orders for the performance of the service constituting

the subject of the agreement. The Ordering Party shall be entitled to non-performance of the agreement within the scope not exceeding 50% of the net remuneration. Non-performance of the agreement within the aforementioned scope shall not constitute non-performance or improper performance of the agreement and shall not be the basis for the Ordering Party's liability for non-performance or improper performance of the agreement.

3. Term of service completion – 24 months from the date of agreement conclusion.
4. Contractual penalties:

1. Upon the Contractor's recognition of possibility of delay or default in the service performance, the Contractor shall notify the Ordering Party in writing and by telephone of the possible delay or default. The notice shall specify the cause as well as the anticipated duration of the delay or default.
2. In the event of a breach by the Contractor or Subcontractor of the Agreement or the Technical Specification obligations, constituting Annex 1 to the Agreement, the Ordering Party shall be entitled to charge the Contractor a contractual penalty in the amount of PLN 500.00 for each identified breach.
3. The Ordering Party shall be entitled to a contractual penalty in the amount of 0.1% of the gross remuneration for the execution of a given order or contract, yet not less than PLN 100, for each hour of delay in agreement obligations performance or for each hour of delay in performing the obligations specified in the agreement.
4. In the event of breach by the Contractor or Subcontractor of contractual obligations, the Ordering Party shall charge the Contractor with a contractual penalty of PLN 500 for each identified breach.
5. In the event of non-payment or untimely payment by the Contractor of the remuneration due to subcontractors resulting from change in the amount of remuneration in connection with the amendment to the agreement, the Ordering Party shall be entitled to charge the Contractor with a contractual penalty of PLN 500 for each identified breach.
6. In the event of the agreement termination, the Ordering Party shall be entitled to a contractual penalty amounting to 10% of the contractual remuneration.
7. The Ordering Party shall be entitled to terminate the agreement with immediate effect (without observing the notice period) if the Contractor or Subcontractor is in default in performance of the agreement.
8. The Ordering Party will be entitled to terminate the contract with immediate effect (without observing the notice period) in the event of a breach of the agreement provisions by the Contractor or Subcontractor or when the Contractor or Subcontractor performs the contract improperly.
9. Either party shall be entitled to terminate the agreement with immediate effect (without observing the notice period) in the event of:

a) commencement of other party liquidation,

b) suspension of the agreement performance as a result of force majeure – exceeds the period of 6 months,

c) immediately after the cessation of the force majeure, the other party did not resume the performance of the service.

10. Agreement termination manner provided for in clauses 8 and 9 shall take place on the basis of a statement submitted by the entitled party in writing and sent to the other party by registered mail within 30 days of becoming aware of the circumstances justifying the termination.
11. Notwithstanding the provisions of clauses 1 – 10, in the event of a delay in performance by the Contractor or a Subcontractor of its obligations arising from the agreement, as well as in the event of improper service performance, the Ordering Party shall be entitled to order, at the Contractor's expense, the service or part of the service with the performance of which the Contractor or the Subcontractor is in delay or which it performs improperly, or to demand from the Contractor payment of the remuneration for their performance, retaining in both cases the claim for compensation of damage resulting from the delay.
12. The Contracting Authority reserves the right to claim damages in excess of the aforementioned penalties if the contractual penalties fail to cover the damage caused.
13. The total value of contractual penalties and damages to which the Ordering Party is entitled as a result of the Contractor's non-performance or improper performance of the agreement shall not exceed the total net remuneration specified in the agreement.

5. Warranty:

1. The Contractor declares provision of a warranty covering the service (labour) and the delivered spare parts, subassemblies or assemblies used to perform the service. In particular, the Contractor declares that all supplied spare parts, sub-assemblies or assemblies are of appropriate quality, are free from physical defects and will operate without fault or failure.

2. The Contractor shall provide the Ordering Party with a warranty for defects and general warranty:

a) for the service (labor): 6 months,

b) for spare parts, subassemblies and brand new assemblies: 12 months,

c) for spare parts, sub-assemblies and assemblies after overhaul: 6 months.

3. The warranty for defects and the general warranty terms shall commence:

a) in the case of service warranty (labour): from the date of service performance confirmed by the service protocol without reservations or remarks,

b) in the case of the warranty for spare parts, brand new subassemblies and assemblies and components and assemblies after overhaul:

- from the date of acceptance of the spare part, sub-assembly and assembly by the Ordering Party in the case of deliveries performed under this agreement without the participation of the Contractor's service team – from the date of installation of the spare part, sub-assembly and assembly as part of the service performance with the participation of the service team,

- from the date of acceptance of the spare part, sub-assembly and assembly to the ZWP warehouse on the premises of the plant or its branch.

4. The warranty liability covers the lack of quality and properties of spare parts, subassemblies or assemblies, resulting from Contractor's contract or offer, along with defects resulting from reasons corresponding to delivered spare parts, subassemblies or assemblies, as well as any other physical defects thereof resulting from or disclosed prior to the warranty period expiration. The warranty covers, in particular, design and material defects as well as faulty functioning and manufacturing of spare parts, subassemblies or assemblies.

5. On the basis of the provided warranty, the Ordering Party may demand from the Contractor, the warranty provider or persons authorised to replace or repair the spare part, sub-assembly and assembly, as well as to provide other necessary services.

6. Quick-wearing parts and consumables are excluded from the warranty (except for wear resulting from material defects), which include crusher hammers with screens, o- type seals and other seals of hydraulic and water pipes and fittings, V-belts, shock-absorbing bumpers, light bulbs, LED diodes, oil and water cartridges/filters, electric fuses and knife fuses, spray nozzles, hydraulic and water system pipes and fittings mechanically damaged as a result of external factors, electrical cables mechanically damaged as a result of external factors, glass components, oils, greases and lubricants.

7. The power to determine the Contractor's obligations arising from the warranty shall be vested in the Ordering Party. The Ordering Party may exercise rights under the warranty regardless of rights under the warranty for defects.

8. The Ordering Party shall not be liable for wear of spare parts, subassemblies or assemblies resulting from the device's proper operation. The Contractor shall be liable for wear of spare parts, subassemblies or assemblies of the device throughout the warranty period, unless it results from of the device's improper operation.

9. The Contractor shall be obliged to be available 24 hours a day to perform the services resulting from the provided warranty, every day of the week, including Saturdays and public holidays.

The value of agreements and orders received from Jastrzębska Spółka Węglowa S.A. in the period from 15th December 2021 to 12th December 2022, apart from the aforementioned agreement, amounts to PLN 303 106.00 net.

The aforementioned information was made public on in current report no. 14/2022 of 14th December 2022.

Commercial agreements of the Subsidiary ZKS MONTEX Sp. z o.o .:

1) **ZAWADZKI** – order of 10th January 2022, execution of fuel chute construction :
- net order amount – PLN 125 000.00;
- execution date – 18th March 2022.

2) **WINDEX** – order of 14th January 2022, execution of traverse body structure:
- net order amount – PLN 210 000.00;
- execution date – 10th March 2022.

3) **HOFFMEIER** – order of 24th January 2022, execution of anvils:
- net order amount – EUR 5 562.00;
- execution date – 14th February 2022.

4) **HELBERSTADT** – order of 17th January 2022, execution of transport stands:
- net order amount – EUR 17 790.00;
- execution date – 18th March 2022.

5) **PATENTUS** – order of 4th February 2022, execution of trough components:
- net order amount – PLN 257 465.00;
- execution date – 25th March 2022.

6) **WINDEX** – order of 15th February 2022, execution of traverse body structure:
- net order amount – PLN 142 850.00;
- execution date – 15th April 2022.

7) **HALBERSTADT** – order of 29th March 2022, execution of transport stands:
- net order amount – EUR 77 100.00;
- execution date – 27th May 2022.

8) **PATENTUS** – order of 4th April 2022, execution of cable guideway components:
- net order amount – PLN 274 308.00;
- execution date – 31st May 2022.

9) **PATENTUS** – order of 30th May 2022, execution of Prallbrecher 10/10/4:
- net order amount – PLN 249 000.00;
- execution date – 1st August 2022.

10) **CENTREX** – order of 27th May 2022 execution of coal discharge chute structure:
- net order amount – PLN 30 600.00;
- execution date – 30th June 2022.

11) **PATENTUS** – order of 22nd June 2022 execution of cable guideway components:
- net order amount – PLN 583 930,00;
- execution date – 19th August 2022.

12) **WRĘBOWA** – order of 10th June 2022 execution of tubes structure:
- net order amount – PLN 47 848.00;
- execution date – 4th July 2022.

13) **HALBERSTADT** – order of 6th July 2022, execution of transport stands:
- net order amount – EUR 129 930.00;
- execution date – 30th November 2022.

14) **WINDEX** – order of 15th July 2022, execution of traverse winch structure:
- net order amount – PLN 310 000.00;
- execution date – 25th October 2022.

15) **PATENTUS** – order of 10th August 2022, execution of valve assembly components:
- net order amount – PLN 242 025.00;
- execution date – 30th September 2022.

16) **CENTREX** – order of 23rd August 2022, execution of trough assembly components:
- net order amount – PLN 69 000.00;
- execution date – 30th September 2022.

17) **PATENTUS** – order of 28th September 2022 execution of valve assembly components:
- net order amount – PLN 235 385.00;
- execution date – 20th October 2022.

18) **ELEKTROPROJEKT** – order of 30th September 2022 execution of execution of 'B' mill drums:
- net order amount – PLN 40 000.00;
- execution date – 30th November 2022.

19) **ARTECH RYBNIK** – order for execution of tubes rolling:
- net order amount – PLN 58 255.00;

20) **WINDEX** – order of 4th October 2022, execution of traverse winch structure:
- net order amount – PLN 70 000.00;
- execution date – 29th December 2022.

21) **PATENTUS** – order of 23rd August 2022, execution of 58 pieces of pipe:
- net order amount – PLN 46 400.00;
- execution date – 31st December 2022.

22) **SID SA ZONE INDUSTRIELLE** – order of 14th October 2022 execution of slide assembly:
- net order amount – EUR 30 068.00;
- execution date – 28th December 2022.

23) **PATENTUS** – order of 4th November 2022 execution of wall structure and repetitive sections:
- net order amount – PLN 185 040,00;
- execution date – 31st December 2022.

24) **WINDEX** – order for execution of traverse winch structure:
- net order amount – PLN 43 000.00;
- execution date – 16th March 2023.

Other information disclosed to the public by the Parent Company PATENTUS S.A.:

Other information disclosed to the public:

1. On 24th February 2022, a signed minutes of the Company's Supervisory Board meeting was received along with the resolution of 23rd February 2022 on the amendment of resolution on the statutory auditor appointment.

Due to the fact that on 15th February 2022 the Company was notified that on 3rd January 2022 a proceeding was completed, as a result of which Moore Rewit Audyt limited liability company with its registered office in Gdańsk (80-137) at Starodworska St. No. 1 (previous name: REWIT Księgowi i Biegli Rewidenci limited liability company), as the statutory auditor selected by the Supervisory Board for the years 2021-2022, brought an organized part of the enterprise ("OPoE") to Moore Polska Audyt limited liability company with its registered office in Warsaw (00- 613), at Tytusa Chałubińskiego St. No. 8, consisting a group of tangible and intangible assets separated organizationally and financially from the structure of Moore Rewit Audyt limited liability company, all rights and obligations under the existing audit agreements have been transferred to Moore Polska Audyt limited liability company.

The Company's Supervisory Board adopted a resolution amending the resolution of 12th October 2020 on the statutory auditor appointment, authorized to audit the Company's financial statements for the years 2021-2022.

Considering the above, all rights and obligations under the existing audit agreements have been transferred to Moore Polska Audyt limited liability company, therefore Moore Polska Audyt limited liability company is the entity selected to carry out:

- audit of the separate financial statements for 2021 and 2022;

- audit of the consolidated financial statements for 2021 and 2022;

- review of the separate financial statements for the first half of 2021 and for the first half of 2022;

- review of the consolidated financial statements for the first half of 2021 and for the first half of 2022.

On 24th February 2022, the Company signed an annex to the existing agreement on auditing the financial statements for the fiscal years **2021** and **2022**, with changes in the entity authorized to audit the financial statements taken into account.

The aforementioned information was published in the current report No. 3/2022 on 24th February 2022.

2. On 19th May 2022 the Annual General Meeting of the Company adopted resolutions No. 23, 24, 25, 26, 27 – appointing the Supervisory Board for a new term of office starting from 19th May 2022 with composition as follows:

Wiesław Waszkielewicz – member of the Supervisory Board,

Edyta Głombek – member of the Supervisory Board,

Jakub Szymczak – member of the Supervisory Board ,

Łukasz Duda – member of the Supervisory Board.

The aforementioned resolutions entered into force upon adoption.

On the same day, the Supervisory Board constituted itself and in Resolution No. 1 of the Supervisory Board meeting of 19th May 2022, the following functions were assigned:

Wiesław Waszkielewicz – Chairman of the Supervisory Board,

Łukasz Duda – Deputy Chairman of the Supervisory Board,

Anna Gotz – Secretary of the Supervisory Board,

Edyta Głombek – member of the Supervisory Board,

Jakub Szymczak – member of the Supervisory Board.

The CVs of the Supervisory Board members are published by the Company on the corporate website www.patentus.eu in Investor Relations /Company/Company Authorities and Supervisory Board tab.

In accordance with the content of submitted declarations, the aforementioned persons do not conduct activities competitive to the activities carried out in the Company's enterprise, do not participate in a competitive company as a partner in a civil partnership, partnership or as a member of the capital company governing authority, and do not participate in any other competitive legal person as a member the governing authority.

In accordance with the content of submitted declarations, the aforementioned persons have not been entered into the Register of Insolvent Debtors maintained pursuant to the Act on the National Court Register.

Legal grounds: Pursuant to § 5 point 5 of the Minister of Finance Ordinance of 20th April 2018 on current and interim information provided by issuers of securities and conditions for recognition as equivalent information required by the law of a non-member state.

The aforementioned information was published in the current report No. 9/2022 on 19th May 2022.

3. On 19th May 2022 the Supervisory Board of PATENTUS S.A. appointed an Audit Committee from amongst its members. Pursuant to the Supervisory Board resolution, the following persons were appointed to the Audit Committee:

1. Ms. Edyta Głombek – Chairwoman of the Audit Committee;
2. Wiesław Waszkielewicz – Deputy Chairman of the Audit Committee;
3. Anna Gotz – Secretary of the Audit Committee.

Management Board also informs that the Audit Committee in the indicated composition meets the independence criteria and other requirements specified in Art. 129 sec. 1, 3, 5 and 6 of the Act on Statutory Auditors, Audit Firms and Public Supervision, i.e.:

1. At least one member of the audit committee has knowledge and skills in accounting or auditing of financial statements;
2. At least one member of the audit committee has knowledge and skills related to the industry;
3. Majority of the audit committee members, including its chairman / chairwoman, are independent from the company.

The aforementioned information was published in the current report No. 10/2022 on 19th May 2022.

4. On 19th May 2022, the Company's Supervisory Board adopted resolutions No. 3, 4, 5 – appointing the Management Board for a new 5-year term of office starting from 24th May 2022 with composition as follows:

Józef Duda – President of the Management Board;

Stanisław Duda – Vice President of the Management Board.

The aforementioned resolutions entered into force on 19th May 2022.

The composition of the Company's Management Board has not changed and the Company publishes CVs on the website www.patentus.eu in the For Investors/Company/Company Authorities and Supervisory Board tab.

In accordance with the content of declarations submitted, the aforementioned persons do not conduct activities competitive to the activities carried out in the Company's enterprise, do not participate in a competitive company as a partner in a civil partnership, partnership or as a member of the capital company governing authority, and do not participate in any other competitive legal person as a member of governing authority.

In accordance with to the content of declarations submitted the aforementioned persons have not been entered into the Register of Insolvent Debtors maintained pursuant to the Act on the National Court Register.

Legal basis: Pursuant to § 5 point 5 of the Minister of Finance Ordinance of 20th April 2018 on current and interim information provided by issuers of securities and conditions for recognition as equivalent information required by the laws of a non-member state.

The aforementioned information was published in the current report No. 11/2022 on 19th May 2022.

11. Information on organizational or equity connections of the PATENTUS S.A. Capital Group with other entities.

Until 18th February 2020, PATENTUS Capital Group included the subsidiary PATENTUS STREFA S.A. – the last consolidation of PATENTUS STREFA S.A. was published in the Report for the third quarter of 2016.

On 2nd January 2012, PATENTUS S.A. acquired 3 740 shares in the increased share capital of Przedsiębiorstwo Wielobranżowe "MONTEX" Spółka z o.o. with its registered office in Będzin; National Business Registry Number: 008390696, VATIN: 6250007727, NCR: 0000136535. The nominal value of the shares is PLN 500 / share, which gives the total nominal value of PLN 1 870 thousand. The entire amount was covered by cash contribution. Acquired shares represent 70.62% of the Przedsiębiorstwo Wielobranżowe "MONTEX" Sp. z o.o. share capital. The increase was entered into the National Court Register on 14th March 2012.

"MONTEX" Sp. z o.o. specializes in the construction of steel structures such as: flue gas and air ducts, expansion joints, containers, pressure vessels, pipeline elements (including segment elbows, tees, reducers and suspensions) and electrodes for the power industry.

Starting from 14th March 2012, the registered office of the subsidiary was changed to Świętochłowice.

On 3rd April 2012, the Extraordinary General Meeting of Shareholders of MONTEX Sp. z o.o. was conveyed, where, among others the name of the company was changed to Zakład Konstrukcji Spawanych MONTEX Sp. z o.o. On 19th April 2012, the District Court in Katowice entered the name change in the National Court Register.

On 28th May 2013, the Annual Meeting of Shareholders of Zakład Konstrukcji Spawanych Montex sp. z o.o. increased existing share capital of the Company to the amount of PLN 4 518 000.00, i.e. by the amount of PLN 1 870 thousand, by creating 3 740 new shares with nominal value of PLN 500 each. PATENTUS S.A. fully subscribed for the aforementioned shares and covered them with a cash contribution. On 1st August 2013, the District Court Katowice-East, 8th Commercial Division of the National Court Register, registered the share capital increase.

On 12th March 2021, the Extraordinary General Meeting of Shareholders of Zakład Konstrukcji Spawanych "MONTEX" Sp. z o.o. increased the existing share capital to the amount of PLN 4 818 000.00, i.e. by the amount of PLN 300 thousand, by creating 640 new shares with a nominal value of PLN 500 each. PATENTUS S.A. fully subscribed for the aforementioned shares and covered them with a non-cash contribution in the form of ownership of:

1. Electric-hydraulic bending machine for pipes and sections, type APK 81 by AKYAPAK, serial number: 81538 with a net value of PLN 41 294.65 (in words: forty-one thousand two hundred and ninety-four zlotys 65/100);
2. GEKA Ironworker, model: HYDARCROP 55A; serial number 21302; year of production 2007 with a net value of PLN 22 666.73 (in words: twenty two thousand six hundred and sixty-six zlotys 73/100);
3. AHK 20/30 3 hydraulic rolls plate bending machine by AKYAPAK, serial number: KY391-012 with a net value of PLN 244 590.67 (in words: two hundred and forty-four thousand five hundred and ninety zlotys 67/100);

with a total value of PLN 300 000.00 (in words: three hundred thousand zlotys).

On 14th September 2021 the Issuer was notified that the District Court for Katowice - Wschód in Katowice, 8th Commercial Division of the National Court Register, by a decision of 8th September 2021, made an entry regarding the amendment to the articles of incorporation in the scope of share capital increase of the subsidiary ZKS MONTEX sp. z o.o.. Registration entry regards the amendments adopted on 12th March 2021 by the Extraordinary Meeting of Shareholders of ZKS MONTEX sp. z o.o.. Share capital increase in ZKS MONTEX sp. z o.o. was made by the 640 new shares issuance, with a nominal value of PLN 500 per each share. Acquisition of shares in the increased share capital by the Issuer took place in exchange for a non-cash contribution in the form of:

1. Electric-hydraulic bending machine for pipes and sections, type APK 81 by AKYAPAK, serial number: 81538 with a net value of PLN 41 294.65 (in words: forty-one thousand two hundred and ninety-four zlotys 65/100);
2. GEKA Ironworker, model: HYDARCROP 55A; serial number 21302; year of production 2007 with a net value of PLN 22 666.73 (in words: twenty-two thousand six hundred sixty-six zlotys 73/100);
3. AHK 20/30 3 hydraulic rolls plate bending machine by AKYAPAK, serial number: KY391-012 with a net value of PLN 244 590.67 (in words: two hundred and forty-four thousand five hundred and ninety zlotys 14/100);

with a total value of PLN 300,000.00 (in words: three hundred thousand zlotys).

The Issuer informed about the Extraordinary General Meeting of Shareholders at Zakład Konstrukcji Spawanych MONTEX sp. z o.o., at which a resolution on share capital increase was adopted, in the quarterly report for the first quarter of 2021 and in the semi-annual report on the PATENTUS S.A. Capital Group performance.

The aforementioned information was published in the Current Report No. 13/2021 on 15th September 2021.

As at 31st December 2022, PATENTUS S.A. Capital Group consists of:

- Parent company PATENTUS S.A .
- Subsidiary Zakład Konstrukcji Spawanych MONTEX Sp. z o.o., in which the Parent Company holds 83.85% of the share capital.

12. Description of the main domestic and foreign investments (securities, financial instruments, intangible assets and investment property) including capital investments made outside its group of related entities and description of their financing methods.

Main investments in 2022

Specification	From 1st January 2022 to 31st December 2022	
	Financial expenses (in PLN thousand)	**Sources of funding (in PLN thousand)**
Land, including the right of perpetual usufruct	0	own resources
Buildings and structures	0	own resources
Machines and devices	197	own resources
Means of transport	0	own resources
Equipment	49	own resources
Intangible assets	5052	own resources
Investment in property	0	x
Total	5298	2 573 subsidies 2 725 own resources

Main investments in 2021

Specification	From 1st January 2021 to 31st December 2021	
	Financial expenses (in PLN thousand)	**Sources of funding (in PLN thousand)**
Land, including the right of perpetual usufruct	106	own resources
Buildings and structures	541	own resources
Machines and devices	10 635	10 371
Means of transport	169	own resources
Equipment	368	own resources
Intangible assets	40	own resources
Investment in property	0	x
Total	11 859	1 205 loan 10 654 own resources

The Company has not made any investments in securities, financial instruments and property, including capital investments made outside its group of related entities.

13. Information on significant transactions concluded by the Company or its subsidiary with related entities on terms other than market terms, along with transaction amounts and information specifying the nature of these transactions.

The Management Board declares that all transactions with related entities were conducted on the market term basis.

Information on transactions with related entities can be found in the financial statements - NOTE 26 (ITEM 4.26 OF THE CONSOLIDATED FINANCIAL STATEMENTS).

14. Information on credit and loan agreements concluded or terminated in the given fiscal year, providing at least their amount, type and interest rate, currency and maturity date.

Agreements concluded and annexed by the Parent Company in the fiscal year are presented in the table below. Detailed description of the loan agreements signed in 2022 is provided in point 10 of this report.

Specification of loans received or amendments to loan agreements as at 31st December 2022 by Parent Company PATENTUS S.A.:

No.	Entity/Person	Date of conclusion of the agreement / annex	Form of commitment / Agreement number	Loan amount according to agreement		Loan amount constituting the liability at period end 31st December 2022 in PLN thousand		Interest rate conditions	Repayment period	Collateral
				in thous.	currency	short-term	long-term			
1	Santander Bank Polska S.A. (former Deutsche Bank Polska S.A.)	2nd October 2012 with subsequent amendments***	Investment credit agreement no KIN/1219501**	7 592	PLN	675	2 634	WIBOR 1M + bank's margin	30th September 2027	a) irrevocable power of attorney to dispose by the Bank of all Borrower's current accounts maintained by the Bank; b) blank promissory note; c) mortgage for the bank's benefit up to the amount of PLN 11 387 589 established on the ownership title to the property located in Jankowice (Land and Mortgage Register no. KA1P / 00039796/5); d) assignment of rights for the Bank's benefit under the insurance policy; e) complete irrevocable blocking of auxiliary accounts; f) confirmed transfer of current and deferred receivables to the Bank from PARP; g) declaration of submission to enforcement
2	Santander Bank Polska S.A. (former Deutsche Bank Polska S.A.)	17th December 2012 with subsequent amendments***	Investment credit agreement no KIN/1228558	1 700	PLN	177	0	WIBOR 1M + bank's margin	2nd January 2023	a) irrevocable power of attorney to dispose by the Bank of all Borrower's current accounts maintained by the Bank; b) blank promissory note; c) a mortgage for the bank's benefit up to the amount of PLN 2.550.000 established on the ownership title to the property located in Jankowice (Land and Mortgage Register No. KA1P / 00077485/0); d) assignment of rights for the Bank's benefit under the insurance policy; e) declaration of submission to enforcement
3	ING Bank Śląski SA	22nd April 2015 with subsequent amendments	Multi-Product agreement 889/2015/0000771/00*	Limit PLN 2 500 Limit PLN 2 400 Limit PLN 2 300 Limit PLN 2 200		0	0	WIBOR 1M + bank's margin	30th December 2021 30th January 2022 27th February 2022 30th March 2022 * the limit reduces by PLN 100 thous, monthly final repayment date 30th November 2023	a) mortgage on the right of perpetual usufruct of property in Świętochłowice, Wojska Polskiego St. 68C up to the amount of PLN 10 500 thousand b) assignment of rights under the insurance policy of the aforementioned property c) blank promissory note, d) declaration of submission to enforcement up to the amount of PLN 7 050 thousand e) registered pledge on movable property (10 machines) and assignment of rights under insurance policies for pledged items.
4	Raiffeisen Bank	23rd December 2016 with subsequent amendments	Loan repayment agreement (STREFA)(agreement CRD/35678/11, CRD/45141/15, CRD/35677/11)	2 334	PLN	0	0	WIBOR 1M + bank's margin	30th November.2018 recognised in the statement in connection with the bank's lack of consent to release the collateral	a) contractual mortgage in the amount of PLN 2 751 000.00 on a land property located in Pszczyna for which the District Court in Pszczyna, 5th Land and Mortgage Register Department keeps a Land and Mortgage Register No. KA1P / 00040503/5, b) contractual mortgage in the amount of PLN 543 000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5th Land and Mortgage Registry Department keeps Land and Mortgage Register No. KA1P / 00040503/5, c) contractual mortgage in the amount of PLN 2 250 000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5th Land and Mortgage Registry Department keeps the Land and Mortgage Register No. KA1P / 00040503/5, d) contractual mortgage in the amount of PLN 543 000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5th Land and Mortgage Registry Department keeps the Land and Mortgage Register No. KA1P / 00040317/4 and KA1P / 00037544/0, e) contractual mortgage in the amount of PLN 2 250 000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5th Land and Mortgage Registry Department keeps the Land and Mortgage Register No. KA1P / 00040317/4 and KA1P / 00037544/0, f) contractual mortgage in the amount of PLN 2 751 000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5th Land and Mortgage Registry Department keeps the Land and Mortgage Register No. KA1P / 00040317/4 and KA1P / 00037544/0 Declaration of submission to enforcement pursuant to Art. 777 §1 point 5 of the Code of Civil Procedure to the amount of PLN 4 300 000,00

No	Entity/Person	Date of conclusion of the agreement/annex	Form of commitment/Agreement number	Loan amount according to agreement		Loan amount constituting the liability at period end 31st December 2022 in PLN thousand		Interest rate conditions	Repayment period	Collateral
				in thous	currency	short-term	long-term			
5	Towarzystwo Inwestycji Społeczno-Ekonomicznych SA Warszawa	12th October 2018	Loan agreement no 42178	1 000	PLN	164	241	fixed percentage	17th October 2025	a) blank promissory note, b) contractual mortgage in the amount of PLN 1 200 thousand on perpetual usufruct of land covered by plot no. 2648/128 with an area of 0.1105 ha and on a building constituting a separate property for which the District Court in Pszczyna, 5th Land and Mortgage Registry Department keeps the Land and Mortgage Register no KA1P / 00038751/1, c) assignment of rights from the insurance policy the aforementioned property not less than PLN 950 thousand d) transfer of ownership of UNION CWS 2500 table milling machine and HELLER MC 16 machining center with a value of not less than PLN 750 thousand for collateral e) assignment of rights under the insurance policy of the assigned fixed assets
6	PKO Leasing S.A.	26th April 2019	Loan agreement number 00622/EI/19	1 209	EUR	987	2 046	interest based on the loan balance	26th October 2025	a) blank promissory note with a promissory note declaration, b) registered pledge on the item financed with the loan, c) transfer of ownership agreement for collateral on the item financed with the loan, d) assignment of insurance policy rights
7	PKO Leasing S.A.	26th April 2019	Loan agreement number 00623/EI/19	126	EUR	65	88	interest based on the loan balance	26th July 2025	a) blank promissory note with a promissory note declaration, b) registered pledge on the item financed with the loan up to the amount of EUR 189 567, c) transfer of title agreement for collateral on the item financed with the loan, d) assignment of insurance policy rights up to the amount of EUR 180 000
8	PKO Leasing S.A.	10th September 2019	Loan agreement number 01810/EI/19	852	EUR	653	1 879	interest based on the loan balance	31st March 2027	a) blank promissory note with a promissory note declaration, b) registered pledge on the item financed with the loan, c) transfer of title agreement for collateral on the item financed with the loan, d) assignment of rights to the insurance policy, e) assignment of rights to the subsidy contract
9	PKO Leasing S.A.	9th November 2021	Loan agreement number 03570/PI/21	4 081	PLN	1 519	1 216	WIBOR 1M + bank's margin	30th November 2024	a) blank promissory note with promissory note declaration, b) registered pledge on machines: Gleason hobbing machine, Gleason profile grinder, Walter gear milling machine, Okuma turning and milling centre c) transfer of ownership agreement collateral for the aforementioned machines, d) assignment of insurance policy rights on the aforementioned machines
10	Siemens Finanse sp. z o.o.	9th February 2022	Loan agreement number 512849	134	PLN	22	0	interest 0%	10th February 2023	x
11	Agencja Rozwoju Regionalnego S.A.	30th May 2022	Investment agreement number 04/ARRBB/POIR/2022	3 100	PLN	564	2 490	xxx	20th May 2028	blank promissory note with a promissory note declaration, b) contractual mortgage on a developed property consisting of plots of land 2518/128 and 2793/128 located in Jankowice (Land and Mortgage Register KA1P/00044542/8) up to the amount of PLN 4 650 thousand c) assignment of rights from the insurance policy relating to the aforementioned property, d) declaration of submission to enforcement pursuant to Art. 777 par. 1 point 5 of the Code of Civil Procedure up to the payment amount of PLN 4 650 thousand.
Total liabilities arising from loans and credits as at 31st December 2022						**4 777**	**9 944**			

Finance lease agreements and Factoring agreements:

12	Kuke Finance S.A.	29th November 2017 with subsequent amendments	Factoring agreement no 0096/2017	Limit PLN 9 000		0	0	WIBOR 1M	Repayment date depends on the maturity date of the invoices submitted by the Factorer for processing by the Factor.	a) blank promissory note with a promissory note declaration, b) power of attorney to the bank account maintained by Santander Bank Polska SA,, Getin Noble Bank SA,, ING Bank Śląski SA, c) declaration of submission to enforcement,
13	Polski Fundusz Rozwoju SA Warszawa	4th May 2020	Financial Subsidy Agreement no 109000041009751SP	3 500	PLN	120	120	xxx	26th June 2023	According to the decision of 4th of June, 2021, 73% of the subsidy, i.e PLN 2 540, was redeemed. The remaining amount in of PLN 960 thousand to be repaid in accordance with the repayment schedule in 40 installments of PLN 40 thousand monthly until 26th of June, 2023

Specification of loans received or amendments to loan agreements as at 31st December 2021 by Parent Company PATENTUS S.A.:

No.	Entity/Person	Date of conclusion of the agreement / annex	Form of commitment / Agreement number	Loan amount according to agreement		Loan amount constituting the liability at period end 31st December 2021 in PLN thousand		Interest rate conditions	Repayment period	Collateral
				in thous.	currency	short-term	long-term			
1	Santander Bank Polska S.A. (former Deutsche Bank Polska S.A.)	2nd October 2012 with subsequent amendments***	Investment credit agreement no KIN/1219501**	7 592	PLN	675	2 634	WIBOR 1M + bank's margin	30th September 2027	a) irrevocable power of attorney to dispose by the Bank of all Borrower's current accounts maintained by the Bank; b) blank promissory note; c) mortgage for the bank's benefit up to the amount of PLN 11 387 589 established on the ownership title to the property located in Jankowice (Land and Mortgage Register no. KA1P / 00039796/5); d) assignment of rights for the Bank's benefit under the insurance policy; e) complete irrevocable blocking of auxiliary accounts; f) confirmed transfer of current and deferred receivables to the Bank from PARP; g) declaration of submission to enforcement
2	Santander Bank Polska S.A. (former Deutsche Bank Polska S.A.)	17th December 2012 with subsequent amendments***	Investment credit agreement no KIN/1228558	1 700	PLN	177	0	WIBOR 1M + bank's margin	2nd January 2023	a) irrevocable power of attorney to dispose by the Bank of all Borrower's current accounts maintained by the Bank; b) blank promissory note; c) a mortgage for the bank's benefit up to the amount of PLN 2.550.000 established on the ownership title to the property located in Jankowice (Land and Mortgage Register No. KA1P / 00077485/0); d) assignment of rights for the Bank's benefit under the insurance policy; e) declaration of submission to enforcement
3	ING Bank Śląski SA	22nd April 2015 with subsequent amendments	Multi-Product agreement 889/2015/0000771/00*	Limit PLN 2 500 Limit PLN 2 400 Limit PLN 2 300 Limit PLN 2 200		0	0	WIBOR 1M + bank's margin	30th December 2021 30th January 2022 27th February 2022 30th March 2022 * the limit reduces by PLN 100 thous, monthly final repayment date 30th November 2023	a) mortgage on the right of perpetual usufruct of property in Świętochłowice, Wojska Polskiego St. 68C up to the amount of PLN 10 500 thousand b) assignment of rights under the insurance policy of the aforementioned property c) blank promissory note, d) declaration of submission to enforcement up to the amount of PLN 7 050 thousand e) registered pledge on movable property (10 machines) and assignment of rights under insurance policies for pledged items.
4	Raiffeisen Bank	23rd December 2016 with subsequent amendments	Loan repayment agreement (STREFA)(agreement CRD/35678/11, CRD/45141/15, CRD/35677/11)	2 334	PLN	0	0	WIBOR 1M + bank's margin	30th November.2018 recognised in the statement in connection with the bank's lack of consent to release the collateral	a) contractual mortgage in the amount of PLN 2 751 000.00 on a land property located in Pszczyna for which the District Court in Pszczyna, 5th Land and Mortgage Register Department keeps a Land and Mortgage Register No. KA1P / 00040503/5, b) contractual mortgage in the amount of PLN 543 000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5th Land and Mortgage Registry Department keeps Land and Mortgage Register No. KA1P / 00040503/5, c) contractual mortgage in the amount of PLN 2 250 000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5th Land and Mortgage Registry Department keeps the Land and Mortgage Register No. KA1P / 00040503/5, d) contractual mortgage in the amount of PLN 543 000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5th Land and Mortgage Registry Department keeps the Land and Mortgage Register No. KA1P / 00040317/4 and KA1P / 00037544/0, e) contractual mortgage in the amount of PLN 2 250 000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5th Land and Mortgage Registry Department keeps the Land and Mortgage Register No. KA1P / 00040317/4 and KA1P / 00037544/0, f) contractual mortgage in the amount of PLN 2 751 000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5th Land and Mortgage Registry Department keeps the Land and Mortgage Register No. KA1P / 00040317/4 and KA1P / 00037544/0 Declaration of submission to enforcement pursuant to Art. 777 §1 point 5 of the Code of Civil Procedure to the amount of PLN 4 300 000,00

5	Towarzystwo Inwestycji Społeczno-Ekonomicznych SA Warszawa	12th October 2018	Loan agreement no 42178	1 000	PLN	158	390	fixed percentage	17th October 2025	a) blank promissory note, b) contractual mortgage in the amount of PLN 1 200 thousand on perpetual usufruct of land covered by plot no. 2648/128 with an area of 0.1105 ha and on a building constituting a separate property for which the District Court in Pszczyna, 5th Land and Mortgage Registry Department keeps the Land and Mortgage Register no KA1P / 00038751/1, c) assignment of rights from the insurance policy the aforementioned property not less than PLN 950 thousand d) transfer of ownership of the UNION CWS 2500 table milling machine and the HELLER MC 16 machining center with a value of not less than PLN 750 thousand for collateral e) assignment of rights under the insurance policy of the assigned fixed assets
6	PKO Leasing S.A.	26th April 2019	Loan agreement number 00622/EI/19	1 209	EUR	911	3 882	interest based on the loan balance	26th October 2025	a) blank promissory note with a promissory note declaration, b) registered pledge on the item financed with the loan, c) transfer of ownership agreement for collateral on the item financed with the loan, d) assignment of insurance policy rights
7	PKO Leasing S.A.	26th April 2019	Loan agreement number 00623/EI/19	126	EUR	62	147	interest based on the loan balance	26th July 2025	a) blank promissory note with a promissory note declaration, b) registered pledge on the item financed with the loan up to the amount of EUR 189 567, c) transfer of title agreement for collateral on the item financed with the loan, d) assignment of insurance policy rights up to the amount of EUR 180 000
8	PKO Leasing S.A.	10th September 2019	Loan agreement number 01810/EI/19	852	EUR	594	2 424	interest based on the loan balance	31st March 2027	a) blank promissory note with a promissory note declaration, b) registered pledge on the item financed with the loan, c) transfer of title agreement for collateral on the item financed with the loan, d) assignment of rights to the insurance policy, e) assignment of rights to the subsidy agreement
9	PKO Leasing S.A.	9th November 2021	Loan agreement number 03570/PI/21	4 081	PLN	1 528	2 449	WIBOR 1M + bank's margin	30th November 2024	a) blank promissory note with a promissory note declaration, b) registered pledge on machines Gleason hobbing machine, Gleason profile grinding machine, Welter gear milling machine, OKUMA turning and milling machining center c) transfer of ownership agreement for the aforementioned machines, d) assignment of rights to the insurance policy for the aforementioned machines.
Total liabilities arising from loans and credits as at 31st December 2021						**4 105**	**10 926**			

Lease agreements:

10	Kuke Finance S.A.	29th November 2017 with subsequent amendments	Factoring agreement no 0096/2017	Limit PLN 2 600		0	0	WIBOR 1M	31st December 2021	a) blank promissory note with a promissory note declaration, b) power of attorney to the bank account maintained by Santander Bank Polska SA,, Getin Noble Bank SA,, ING Bank Śląski SA, c) declaration of submission to enforcement,
11	Polski Fundusz Rozwoju SA Warszawa	4th May 2020	Financial Subsidy Agreement no 109000041009751SP	3 500	PLN	360	360	xxx	26th June 2023	According to the decision of 4th of June, 2021, 73% of the subsidy, ie PLN 2 540, was redeemed. The remaining amount in of PLN 960 thousand to be repaid in accordance with the repayment schedule in 40 installments of PLN 40 thousand monthly until 26th of June, 2023.
Total liabilities arising from credits and financial lease as at 31st December 2021						**4 465**	**11 286**			

Specification of loans received or amendments to loan agreements as at 31st December 2022 by Subsidiary ZKS Montex Sp. z o.o.:

No.	Entity/Person	Date of conclusion of the agreement / annex	Form of commitment / Agreement number	Loan amount according to agreement		Loan amount constituting the liability at period end 31st December 2021 in PLN thousand		Interest rate conditions	Repayment period	Notes	Collateral
				in thous.	currency	short-term	long-term				
1	ING BANK ŚLĄSKI S.A.	22nd April 2015	Revolving working capital loan agreement 889/2015/00000771/00	Limit PLN 500		260	0	Wibor 1M + bank's margin	30th November 2023		a) contractual mortgage up to the amount of PLN 10.500.000.00 on the right of perpetual usufruct of property in Świętochłowice b) assignment of rights under the property insurance policy c) declaration of submission to enforcement
2	POLSKI FUNDUSZ ROZWOJU S.A.	4th May 2020	Financial Subsidy Agreement 105000020060356SP	107	PLN	27	0	-	25th June 2023		-
Total liabilities arising from credit and loans as at 31st December 2022						287	0				

Specification of loans received or amendments to loan agreements as at 31st December 2021 by Subsidiary ZKS Montex Sp. z o.o.:

No.	Entity/Person	Date of conclusion of the agreement / annex	Form of commitment / Agreement number	Loan amount according to agreement		Loan amount constituting the liability at period end 31st December 2021 in PLN thousand		Interest rate conditions	Repayment period	Notes	Collateral
				in thous.	currency	short-term	long-term				
1	ING BANK ŚLĄSKI S.A.	22nd April 2015	Revolving working capital loan agreement 889/2015/00000771/00	Limit PLN 500		261	0	Wibor 1M + bank's margin	29th November 2021		a) contractual mortgage up to the amount of 10.500.000.00 PLN on the right of perpetual usufruct of property in Świętochłowice b) assignment of rights under the property insurance policy c) declaration of submission to enforcement
2	PFR SA	6th May 2020	Financial Subsidy Agreement 105000020060356SP	107	PLN	54	27	-	30th April 2023		-
Total liabilities arising from credit and loans as at 31st December 2021						**315**	**27**				

15. Information on loans granted in the given fiscal year, in particular loans granted to related entities, providing at least their amount, type and interest rate, currency and maturity date.

In the period covered by the report, either the Issuer or the subsidiary did not grant any loans.

16. Information on guarantees and warranty granted and received in the given fiscal year, with particular reference on sureties and guarantees granted within the PATENTUS S.A. Capital Group.

PATENTUS S.A. in the period of 2022, it did not grant guarantees for credit or loan or warranty jointly to one entity or its subsidiary, the value of which would constitute 10% of the Parent Company PATENTUS S.A equity. Information on guarantees for credit or loan granted in previous periods – was presented in properly published periodic reports. Total value of guarantees received is presented on the next page.

Total value of guarantees received at the end of each period is presented in the table below:

Specification / data in PLN thousand	**Period end 31st December 2022**	**Period end 31st December 2021**
Contingent receivables in relation to the Borrower, resulting from the collateral on a long-term loan granted by the Company - mortgage on property	0	0
Contingent receivables in relation to the Borrower, resulting from the collateral on a long-term loan granted by the Company - registered pledge on fixed assets	0	0
Total contingent receivables	**0**	**0**

Contingent liabilities are specified in the table, on the next page of this report.

Contingent liabilities resulting from the liabilities incurred by the Company is presented below:

Specification / data in PLN thousand	Period end 31st December 2022	Period end 31st December 2021
Promissory notes issued as collateral, including:	**38 623**	**47 860**
bank loans	18 552	23 792
lease liabilities	117	185
EU funds subsidies received	17 260	23 046
other (separate specification)	2 694	837
Collateral for bank loans, including:	**162 264**	**126 946**
Mortgage on property (fixed assets and investment property) as collateral for liabilities arising from bank loans	41 376	35 640
Registered pledge amount or transfer of title to fixed assets as collateral for liabilities arising from bank loans	35 441	25 300
Collateral on inventory	0	0
Assignment of rights arising from insurance policy	50 414	35 623
Assignment of future claim from BGK	0	0
Declaration of submission to enforcement	35 033	30 383
Total contingent liabilities	**200 887**	**174 806**

As part of its business activity, the Parent Company provides customers (buyers) with warranties related to the sale of products and services. The warranty is granted for the period of 12 to 36 months from the date of delivery, device commissioning or performed services. Maximum value of liabilities arising from warranties granted corresponds to the revenues value from the sale of products and services. Based on the costs of previous years analysis, the Parent Company's Management Board concluded that there is no risk of significant costs of warranty repairs in the future. In the opinion of the Parent Company's Management Board, there are no other factors and events that would indicate the need to create provisions for other reasons. On this basis, the Parent Company's Management Board withdrew from estimating potential liabilities arising from the conducted business activity.

The Parent Company purchases inventory from various suppliers. Some suppliers of materials and goods inventory secure their receivables on the sold inventory. According to the relevant annotations on the invoices, the sold stocks remain the supplier's property until the Company settles the liability.

Contingent liabilities include guarantees issued at the Parent Company's request constituting collateral for the due deposit and due performance of commercial contracts. In order to receive the guarantee, the Parent Company signed appropriate agreements with guarantors and provided them with blank promissory notes.

Table below presents the total amounts of guarantees issued at the Parent Company's request constituting collateral for the due deposit and due performance of commercial contracts as at 31st December 2022 and 31st December 2021, respectively.

Specification / data in PLN thousand	Period end 31st December 2022	Period end 31st December 2021
Total value of bid bonds granted by other entities at the request of the Company	2 510	272
Total value of the performance bonds granted by other entities at the request of the Company	0	0
Total value of payment guarantees provided by other entities at the request of the Company	0	0
Total value of the guarantees for proper removal of defects and faults granted by other entities at the request of the Company	84	465
Total value of the guarantees for proper removal of defects and faults granted by other entities at the request of the Company (guarantees valid at the end of the fiscal year) denominated in EUR converted into PLN	0	0
Total value of the corporate guarantee securing the repayment of liabilities by Patentus Strefa SA to RAIFFEISEN BANK POLSKA S.A. granted by the Parent Company	0	0
Total value of guarantees granted by Patentus S.A. securing the repayment of liabilities incurred by subsidiaries for the benefit of customers	0	0
Total value of issued guarantees and sureties	**2 594**	**737**

Detailed specification of the guarantees issued is presented below:

2022

a) total amount of bid bond guarantees granted at the request of the Company as at 31st December 2022 was PLN 2 510 000.00.

No.	Date of issuance	Guarantee issuer	Guarantee amount	Validity period	Title of commitments under the guarantee	Notes
1.	3rd August 2022	GENERALI T.U. S.A. Warszawa	42 000.00	1st November 2022	Bid bond guarantee	PO/01051548/2022
2.	12th September 2022	GENERALI T.U. S.A. Warszawa	4 000.00	11th November 2022	Bid bond guarantee	PO/01057000/2022
3.	29th September 2022	GENERALI T.U. S.A. Warszawa	5 000.00	28th November 2022	Bid bond guarantee	PO/01059706/2022
4.	31st August 2022	GENERALI T.U. S.A. Warszawa	120 000.00	28th November 2022	Bid bond guarantee	PO/01052778/2022
5.	20th September 2022	GENERALI T.U. S.A. Warszawa	310 000.00	18th December 2022	Bid bond guarantee	PO/01057596/2022
6.	23rd September 2022	GENERALI T.U. S.A. Warszawa	8 000.00	22nd December 2022	Bid bond guarantee	PO/01058346/2022
7.	27st September 2022	GENERALI T.U. S.A. Warszawa	630 000.00	25th December 2022	Bid bond guarantee	PO/01059407/2022
8.	4th October 2022	GENERALI T.U. S.A. Warszawa	200 000.00	1st January 2023	Bid bond guarantee	PO/01060332/2022
9.	5th October 2022	GENERALI T.U. S.A. Warszawa	5 000.00	3rd January 2022	Bid bond guarantee	PO/01060619/2022
10.	7th October 2022	GENERALI T.U. S.A. Warszawa	110 000.00	4th January 2022	Bid bond guarantee	PO/01060790/2022
11.	12th October 2022	GENERALI T.U. S.A. Warszawa	6 000.00	11th December 2022	Bid bond guarantee	PO/01062178/2022
12.	20th October 2022	GENERALI T.U. S.A. Warszawa	6 000.00	19th December 2022	Bid bond guarantee	PO/01063375/2022
13.	21st October 2022	GENERALI T.U. S.A. Warszawa	5 000.00	20th December 2022	Bid bond guarantee	PO/01063538/2022
14.	8th November 2022	ERGO HESTIA S.A.	160 000.00	5th February 2023	Bid bond guarantee	280000203555
15.	8th November 2022	GENERALI T.U. S.A. Warszawa	8 000.00	6th February 2023	Bid bond guarantee	PO/01065064/2022
16.	9th November 2022	ERGO HESTIA S.A.	330 000.00	6th February 2023	Bid bond guarantee	280000203565
17.	17th November 2022	GENERALI T.U. S.A. Warszawa	5 000.00	15th February 2023	Bid bond guarantee	PO/01067324/2022
18.	18th November 2022	GENERALI T.U. S.A. Warszawa	5 000.00	17th January 2023	Bid bond guarantee	PO/01067293/2022
19.	21st November 2022	GENERALI T.U. S.A. Warszawa	5 000.00	20th January 2023	Bid bond guarantee	PO/01067313/2022
20.	23rd November 2022	GENERALI T.U. S.A. Warszawa	6 000.00	22nd February 2023	Bid bond guarantee	PO/01068273/2022
21.	25th November 2022	GENERALI T.U. S.A. Warszawa	5 000.00	24th January 2023	Bid bond guarantee	PO/01068691/2022
22.	29th November 2022	GENERALI T.U. S.A. Warszawa	5 000.00	27th February 2022	Bid bond guarantee	PO/01069143/2022
23.	8th December 2022	GENERALI T.U. S.A. Warszawa	320 000.00	7th March 2023	Bid bond guarantee	PO/01069499/2022
24.	22nd December 2022	GENERALI T.U. S.A. Warszawa	6 000.00	20th February 2023	Bid bond guarantee	PO/0107302/2022
25.	28th December 2022	GENERALI T.U. S.A. Warszawa	200 000.00	27th March 2023	Bid bond guarantee	PO/01073513/2022
26.	29th December 2022	GENERALI T.U. S.A. Warszawa	4 000.00	28th February 2023	Bid bond guarantee	PO/01074124/2022
Total value of bid bond guarantees			**2 510 000.00**			

b) The performance bond at the request of the Company, valid as at 31st December 2022, amounted to PLN 0.

c) The proper removal of defects and faults guarantee, granted at the request of the Company as at 31st December 2022, amounted to PLN 84 127.58:

No.	Date of issuance	Guarantee issuer	Guarantee amount	Validity period	Title of commitments under the guarantee	Notes
1.	29th March 2019	ERGO HESTIA S.A.	28 250.64	15th February 2026	proper removal of defects and faults	280000162016
2.	5th April 2018	GENERALI T.U. S.A. Warszawa	11 818.34	15th September 2025	proper removal of defects and faults	PO/00811963/2018
3.	8th January 2020	GENERALI T.U. S.A. Warszawa	44 058.60	15th February 2027	proper removal of defects and faults	PO/00902345/2020
Total value of proper removal of defects and faults guarantees			**84 127.58**			

2021

a) total amount of bid bond guarantees granted at the request of the Company as at 31st December 2021 was PLN 271 800.00:

No.	Date of issuance	Guarantee issuer	Guarantee amount	Validity period	Title of commitments under the guarantee	Notes
1.	9th November 2021	GENERALI T.U. S.A. Warszawa	7 000.00	8th January 2022	Bid bond guarantee	PO/00105778/2021
2.	25th November 2021	GENERALI T.U. S.A. Warszawa	10 000.00	24th January 2022	Bid bond guarantee	PO/01007630/2021
3.	15 November 2021	GENERALI T.U. S.A. Warszawa	12 800.00	13th February 2022	Bid bond guarantee	PO/01006055/2021
4.	9th December 2021	GENERALI T.U. S.A. Warszawa	227 000.00	8th March 2022	Bid bond guarantee	PO/01009253/2021
5.	10th December 2021	GENERALI T.U. S.A. Warszawa	15 000.00	10th March 2022	Bid bond guarantee	PO/01009440/2021
Total value of bid bond guarantees			**271 800.00**			

b) The proper performance of agreement bond at the request of the Company, valid as at 31st December 2021 was PLN 0

c) The proper removal of defects and faults guarantee, granted at the request of the Company as at 31st December 2021, amounted to PLN 465 232.08:

No.	Date of issuance	Guarantee issuer	Guarantee amount	Validity period	Title of commitments under the guarantee	Notes
1.	30th November 2016	GENERALI T.U. S.A. Warszawa	122 450.00	30th November 2021	proper removal of defects and faults	PO/00715022/2016
2.	11th April 2017	GENERALI T.U. S.A. Warszawa	11 254.50	18th January 2022	proper removal of defects and faults	PO/00759657/2017
3.	22nd April 2017	GENERALI T.U. S.A. Warszawa	247 400.00	22nd May 2022	proper removal of defects and faults	PO/00669546/2015
4.	29th March 2019	ERGO HESTIA SA.	28 250.64	15th February 2026	proper removal of defects and faults	280000162016
5.	8th January 2020	GENERALI T.U. S.A. Warszawa	11 818.34	15th February 2027	proper removal of defects and faults	PO/00902341/2020
6.	8th January 2020	GENERALI T.U. S.A. Warszawa	44 058.60	15th February 2027	proper removal of defects and faults	PO/00902345/2020
Total value of proper removal of defects and faults guarantees			**465 232.08**			

17. Description of the main capital investments structure or principal investments made within the Issuer's Capital Group in the given fiscal year.

Did not occur.

18. In the case of securities issuance within PATENTUS S.A. Capital Group in the period covered by this report – description of the use of proceeds from issuance until the preparation of the report on performance.

In the period of 1st January 2022 – 31st December 2022 PATENTUS S.A. Capital Group's companies did not issue new series of securities.

19. Explanation of differences between the financial results disclosed in the annual report and previously published forecasts of the results for the given year.

In 2022 the Parent Company did not publish forecasts of financial results for the given year.

20. Assessment with its justification, regarding the financial resources management, with particular reference to the ability to fulfill contractual liabilities, and the identification of potential threats and actions which PATENTUS S.A. Capital Group has taken or intends to take to counteract these threats.

Pursuant to the multi-product agreement No. 889/2015/00000771/00 concluded with ING Bank Śląski S.A. the Parent Company could use the overdraft facility up to PLN 1 200 thousand and according to factoring agreement no. 0096/2017 concluded with Kuke Finance SA, the Parent Company could use the factoring overdraft facility up to PLN 9 000 thousand.

As at 31st December 2022, the Parent Company did not use the aforementioned overdraft limits, therefore it translates that it may additionally dispose the unused limit in the amount of PLN 10 200 thousand.

Subsidiary Montex Sp. z o.o. has the revolving credit facility agreement with ING Bank Śląski SA (agreement number 889/2015/00000771/00) with a limit of up to PLN 500 thousand, of which as at 31st December 2022, the Company used the loan in the amount of PLN 260 thousand, which translates that the amount of PLN 239 thousand is available to the Company.

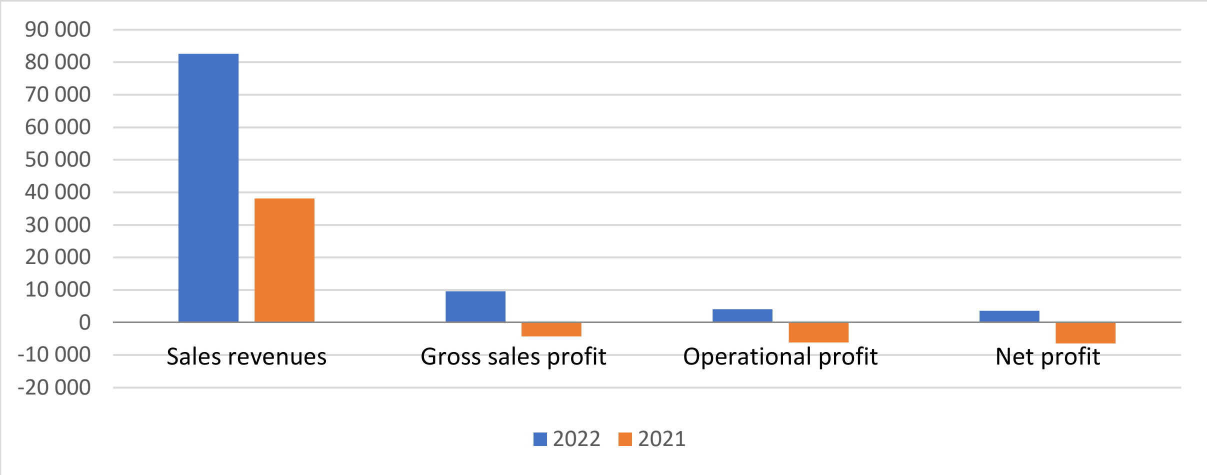
In total, the Parent Company and the Capital Group, apart from the cash disclosed in assets, may additionally dispose of PLN 10 440 thousand, which results from the unused balance of loans in current accounts and the unused limit of factoring agreements. Receivables and liabilities are presented in the table below:

Specification (data in PLN thousand)	as at 31st December 2022	as at 31st December 2021
Trade receivables	4 467	3 869
Trade liabilities	6 510	4 028

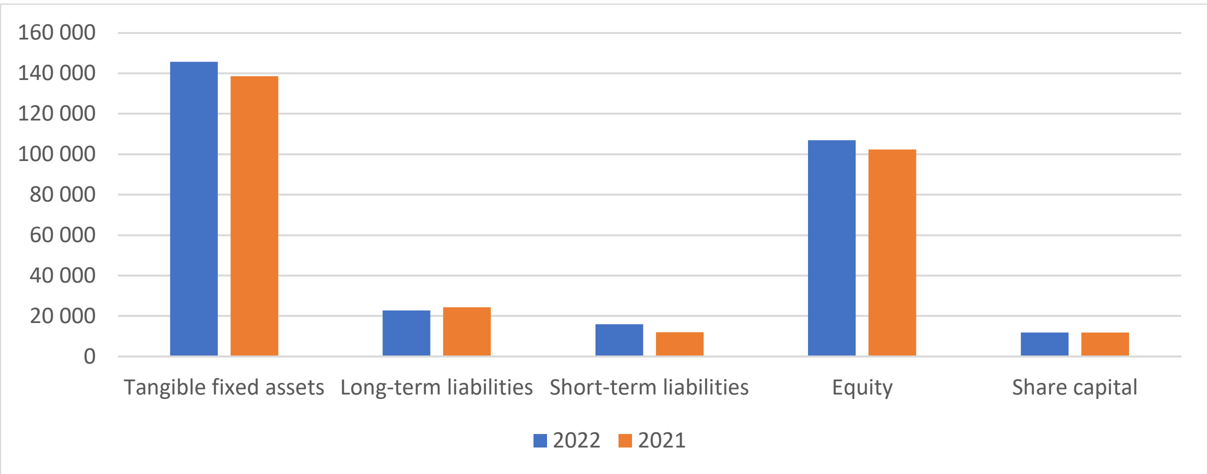
In the period from 1st January 2022 to 31st December 2022 an increase in trade receivables compared to the previous year can be observed. Receivables increased by 15.97%, i.e. by PLN 618 thousand compared to 2021. Liabilities increased by 61.62%, i.e. by PLN 2 482 thousand compared to the same period last year.

The Capital Group's basic financial data (in PLN thousand) are presented below.

Profit and Loss Statement item	**2022**	**2021**
Sales revenues	82 562	38 073
Gross sales profit	9 587	(4 303)
Operational profit	4 086	(6 165)
Net profit	3 624	(6 457)



Balance Sheet items	**2022**	**2021**
Total assets	145 681	138 627
Long-term liabilities	22 679	24 256
Short-term liabilities	15 994	11 961
Equity	107 008	102 410
Share capital	11 800	11 800



21. Assessment of implementation of investment plans possibility, including capital investments compared to the resources held, with reference to possible changes in the financing structure of this activity.

The implementation of investment plans, including capital investments, is not threatened. Investments are carried out on an ongoing basis based on funds obtained from the public issuance of shares, funds from EU subsidies, own funds and investment loans.

22. Assessment of factors and events of unusual nature, affecting the operating result for the fiscal year, with determination of the degree of influence of this factors and events of unusual nature on the achieved result.

At the time of this report publication, the Issuer is operating without major disruptions. However, taking into account rapid changes in the economic situation caused by the armed conflict in Ukraine along with the ongoing coronavirus pandemic alert status and energy crisis occurrence in Europe, it could be assumed, that those circumstances will have a significant impact on the Issuer's performance as well as on the financial result. The following risks related to the armed conflict in Ukraine should be indicated in particular as risks affecting the Company's current operations:

- risk of fluctuations related to prices and availability of steel provided by the Company's suppliers from the territory of Ukraine,

- risk of interest rates increase and the PLN exchange rate depreciation against the EUR as a result of economic turmoil caused by the armed conflict in Ukraine;

- risk related to unavailability or limited availability of employees as a result of the universal mobilization of men to the armed forces of Ukraine as ordered by Ukraine's governing authorities.

-risk related to sanctions imposed on Russia in connection with the armed conflict in Ukraine, which may result with restrictions related to export of certain goods from Russia, translating to substantial impact on the availability and prices of goods (e.g. steel) necessary for the Issuer's operations.

As at the date this report publication, the Company does not plan to significantly reduce or discontinue its operations with regards to the situation in Ukraine.

The Company will disclose all information of relevant importance regarding the situation in Ukraine impact on its business, in line with the transparency obligations under Regulation 596/2014 on market abuse (MAR).

The current energy crisis in Europe may affect the Company's future financial results, but we do not anticipate it to affect the Company's going concern. In order to protect the Company against rising electricity prices, the Company's Management Board decided to install photovoltaic panels and replace the lighting installation with an energy-saving one.

Factors that, apart from the COVID-19 pandemic, could have had an impact on the result of the Issuer's operations include, in particular:

- decrease in orders from the mining industry,

- significant changes related to the implementation of already signed agreements and difficulties in obtaining new orders,
- limiting or suspending the execution of service orders,
- increase in the prices of some production materials and parts,
- the occurrence of risk related to significant fluctuations in exchange rates; before the pandemic, it was one of the significant risks in the conduct of business by the Issuer. Currently, this risk has increased in strength.

23. Specification of external and internal factors significant for the PATENTUS S.A. Capital Group development and the description of operations development prospects at least until the end of the fiscal year following the fiscal year for which the consolidated financial statements included in the consolidated annual report were prepered, with reference to the elements of the market strategy developed by them.

Management Board of PATENTUS S.A. identifies the following factors significant for the Capital Group development :

1. External factors
- changes in prices of mainly production materials,
- changes in legal regulations, tax law,
- changes in currency exchange rates,
- inflation
- increased competition on the domestic market,
- the boom in the mining industry,
- timely payment of receivables from contractors, mainly from coal companies,
- possible termination of cooperation with selected key suppliers and recipients.

2. Internal factors
- complexity of production processes,
- quality of delivered devices, timely performance of services in relation to possible complaints,
- possibility of temporary loss of financial liquidity (collectability of receivables, payment of liabilities),
- assessment of the creditworthiness of recipients,
- loss of qualified staff,
- the effects of possible failures, production stoppages, property damage,
- quantity and quality of bids submitted by the company in public tenders,
- the company's assets (mainly production assets) are encumbered with a mortgage, registered pledge,
- use of EU subsidies in planned investments,
- loss of financial liquidity.

The Parent Company’s Management Board and the Subsidiaries’ Management Boards shall make every effort and shall endeavor to sign annexes to loan agreements in order to extend the possibility of using overdraft facilities for the next 12 months.

Business development prospects are presented in point 4 of this report.

24. Changes in the basic principles of PATENTUS S.A. Capital Group management.

In 2022, the basic principles of the PATENTUS S.A. Capital Group management did not change.

25. All agreements concluded between the PATENTUS S.A. Capital Group's companies of and managing personnel, providing for compensation in the event of their resignation or dismissal from the position held without valid reason, or when their dismissal or discharge results from the Company's or its subsidiaries merger by acquisition.

a) PATENTUS S.A.

Persons of managing personnel are employed on the basis of an appointment to perform a specific function and are not entitled to any compensation in the event of resignation or dismissal from the position held. The remuneration they are entitled to is adequate to their function, they are not entitled to a cash equivalent for the leave.

b) ZAKŁAD KONSTRUKCJI SPAWANYCH MONTEX SP. Z O.O.

Persons of managing personnel are employed on the basis of an employment contract and are not entitled to any compensation in the event of resignation or dismissal from their position. They are entitled only to remuneration for the work performed (Labor Code, Section Three, Chapter Ia Art. 80) and a cash equivalent for the leave (Labor Code, Section Seven, Chapter 171 §1).

26. Remuneration, bonuses or benefits value, including those resulting from incentive or bonus programs based on the capital of PATENTUS S.A. Capital Group's companies including programs based on bonds with priority rights, convertible bonds, subscription warrants (in cash, in kind or in any other form), payments due or potentially due, separately for each of the persons managing and supervising the PATENTUS S.A. Capital Group's companies, regardless of whether or not they were appropriately charged to costs or resulted from profit distribution.

Remuneration of the Members of the Management Board of PATENTUS S.A.:

Remuneration of members of the Management Board:

From 1st June 2019 on the basis of the Minutes of the Supervisory Board meeting of 27th May 2019 employment relationship and rules of remunerating Members of the Management Board were changed. The Management Board is currently employed on an appointment basis. By Resolution No. 1 of PATENTUS S.A. Supervisory Board meeting of 27th May 2019 the lump sum remuneration was determined and approved:

- Józef Duda President of the Management Board – PLN 40 thousand gross;
- Stanisław Duda Vice President of the Management Board – PLN 40 thousand gross.

Remuneration of the Members of the Management Board is in accordance with the adopted Remuneration Policy.

Gross remuneration of the Company's Management Board Members in 2022.

Management Board Members	Position / Function	Type of remuneration	Period from 1st January 2022 to 31st December 2022	Period from 1st January 2021 to 31st December 2021
Duda Józef	President of the Management Board – shareholder	remuneration from employment	0	0
		remuneration for performance of function	441	521
		Bonuses and rewards for performance of function	0	35
Duda Stanisław	Vice President of the Management Board	remuneration from employment	0	0
		remuneration for performance of function	441	521
		Bonuses and rewards for performance of function	0	0

Remuneration of members of the Supervisory Board:

On 19th May 2022 by Resolution No. 28, the PATENTUS S.A Annual General Meeting established the remuneration of PATENTUS S.A Supervisory Board Members in the form of the lump sum in the amount of PLN 2 500 PLN gross per month, starting from 1st June 2022. Remuneration will be paid by the 10th day of the following month. The resolution came into force on the day it was adopted.

Gross remuneration of Supervisory Board Members in 2022.

Supervisory Board Data in PLN thousand	Position / Function	Type of benefit	Period from 1st January 2022 to 31st December 2022	Period from 1st January 2021 to 31st December 2021
Niemiec Bartłomiej	Chairman of Supervisory Board till 4th of November 2019	remuneration for serving as Supervisory Board member	0	0
		other benefits	0	0
Waszkielewicz Wiesław	Chairman of Supervisory Board from 5th of November 2019	remuneration for serving as Supervisory Board member	23	16
		other benefits	0	0
Gotz Anna	member of the Supervisory Board	remuneration for serving as Supervisory Board member	23	16
		other benefits	0	0
		remuneration from the employment – assistant in the sales department	95	84
Duda Łukasz	member of the Supervisory Board	remuneration for serving as Supervisory Board member	23	16
		remuneration from the employment	93	71
Szymczak Jakub	member of the Supervisory Board	remuneration for serving as Supervisory Board member	24	16
Edyta Głombek	member of the Supervisory Board	remuneration for serving as Supervisory Board member	24	16
Total remuneration for serving as Supervisory Board member			**117**	**80**
Total remuneration under the employment contract			**188**	**155**

There are no bonus programs in the Company and no special severance payments is planned in case of dismissal of the Management Board and Supervisory Board of members – additional information in point 24 of this report.

Information on benefits for Key Management Personnel and the Supervisory Board is included in the financial statements – NOTE 27 (ITEM 4.27 OF THE FINANCIAL STATEMENTS).

Remuneration of members of ZKS MONTEX Sp. z o.o.:

On 12th December 2018, the Supervisory Board of ZKS Montex Sp. z o.o. adopted a resolution to appoint Mr. Sławomir Ćwieląg to the position of the President of the Management Board for a one-person term of 5 years. This resolution entered into force on 14th December 2018.

- Sławomir Ćwieląg - President of the Management Board for serving as the President of the Management Board – PLN 7 000 gross for Management Board meetings; from employment contract – PLN 6 000 gross.

Gross remuneration of the Company's Management Board Members in 2021

Key Management Personnel Data in PLN thousand	Position / Function	Type of benefit	Period from 1st January 2022 to 31st December 2022	Period from 1st January 2021 to 31st December 2021
Sławomir Ćwieląg	President of the Management Board	remuneration for performance of function	84	84
		remuneration from employment	72	72
		Annual bonus 4% from net profit	0	0
Total remuneration for the Management Board			156	156
Total other employee benefits for the Management Board				

Remuneration of ZKS MONTEX Sp. z o.o. Supervisory Board members:

Key Management Personnel Data in PLN thousand	Position / Function	Type of benefit	Period from 1st January 2022 to 31st December 2022	Period from 1st January 2021 to 31st December 2021
Łukasz Duda	Chairman of Supervisory Board	remuneration for serving as Supervisory Board member	19	12
Jakub Szymczak	member of the Supervisory Board	remuneration for serving as Supervisory Board member	19	12
Tomasz Duda	member of the Supervisory Board	remuneration for serving as Supervisory Board member	19	12
Total remuneration for serving as Supervisory Board member			**57**	**36**
Total remuneration under the employment contract			**0**	**0**

The Supervisory Board of Zakład Konstrukcji Spawanych Montex Sp. z o.o. composition as of 31st December 2022 is as follows: Łukasz Duda, Jakub Szymczak, Tomasz Duda.

Pursuant to § 14 point 1 of the Articles of Association – the Supervisory Board consists of three to four members appointed and dismissed by the Shareholders' Meeting for a joint term of office lasting 5 (five) years, except for the first term of office lasting 2 (two) years.

There are no bonus programs in the Company and no special severance payments in the event of dismissal of members of the Management Board and Supervisory Board - additional information in point 24 of this report.

27. Information on any liabilities arising from pensions and similar benefits for former managers, supervisors or former members of administrative bodies and on liabilities incurred in connection with these pensions, indicating the total amount for each category of authority; if the relevant information is presented in financial statements – the obligation is fulfilled by indicating the place of its inclusion in the financial statements.

PATENTUS S.A. Capital Group does not have any obligations arising from pensions and similar benefits for former members of administrative bodies and obligations incurred in connection with these pensions.

28. Specification of the total number and nominal value of all shares (stocks) of the Parent Company as well as stocks and shares in entities related to the Parent Company, owned by persons managing and supervising PATENTUS S.A. (for each person separately).

The Company's Management Board:

As at 31st December 2022 the Company's Management Board holds the following number of PATENTUS S.A. shares:

Józef Duda acting as the President of the PATENTUS S.A. Management Board holds in total 4 325 175 of the Company's shares constituting 14.66% of the share capital and entitling to 16.12% votes at the General Meeting of the Company.

The Company's Supervisory Board:

As at 31st December 2022, the Company's Supervisory Board Members do not hold any shares of PATENTUS S.A.

29. Information on agreements known to the Parent Company (including those concluded after the balance sheet date) as a result of which there may be changes in proportions of shares held by the existing shareholders in the future.

Management Board of PATENTUS S.A. has no information about agreements as a result of which there may be future changes in the proportions of shares held by the existing shareholders and bondholders.

30. Significant events affecting the PATENTUS S.A. Capital Group performance after the end of the fiscal year till the consolidated financial statements approval date.

Significant events in Parent Company PATENTUS S.A.:

1. On 3rd January 2023 an information was received, on signed agreements numbered 402201142; 402201143; 402201146 concluded between Polska Grupa Górnicza S.A. (PGG) and PATENTUS S.A.:

Subject of the Agreement:
Delivery of a new longwall scraper conveyor with a longwall crusher – Task no.1 – agreement no. 4022201142.
Delivery of a new face scraper conveyor – Task no. 2 – agreement no. 402201143.
Delivery of a new PZP–PT mobile tail piece – Task no. 5 – agreement no. 402201146.

- ✓ Completion time:

Delivery **up to 20 weeks** from the date of Purchase Order delivery (via e-mail) to the Contractor. Delivery of Purchase Order shall not be later than 4 weeks form the agreement conclusion date.

- ✓ Agreements total net value:

task no. 1 – agreement no. 402201142: PLN 22 480 000.00 (in words: twenty-two million four hundred and eighty thousand zloty 00/100) + VAT;
task no. 2 – agreement no. 402201143: PLN 9 100 000.00 (in words: nine million one hundred thousand zloty 00/100) + VAT;
task no. 5 – agreement no. 402201146: PLN 600 000.00 (in words: six hundred thousand zloty 00/100) + VAT.

- ✓ Warranty:

1) General warranty period for the Subject of the Order stands at min. 24 months from the Final Acceptance Protocol date, but no longer than the offered warranty period extended by 6 months from the date of the Completeness of Delivery Protocol to the Ordering Party's warehouse, excluding components for which a detailed warranty period was granted, as determined below.

2)Detailed warranty period:

1	PZS drive units hulls and trough haulage	> 3 million tons of transported output or > 36 months from the date of commissioning underground, whichever occurs first
2	PZS attached troughs and chain drums	> 2 million tons of transported output or > 24 months from the date of commissioning underground, whichever occurs first
3	PZS drive units hulls and trough haulage	> 2 million tons of transported output or > 24 months from the date of commissioning underground, whichever occurs first
4	PZS attached troughs and chain drums	> 2 million tons of transported output or > 24 months from the date of commissioning underground, whichever occurs first
5	PZP chain drums	> 1 million tons of transported output or > 24 months from the date of commissioning underground, whichever occurs first
6	gearboxes and clutches	> 24 months from the date of commissioning underground
7	drive units, motors and other electrical devices	> 24 months from the date of commissioning underground
8	chains for the longwall scraper conveyor and face scraper conveyor	> 12 months from the date of commissioning underground
9	crusher drum bearings (regards face conveyors)	> 1.5 million tons of transported output or > 24 months from the date of commissioning underground, whichever occurs first
10	longwall crusher hull, longwall crusher routing components	> 2 million tons of transported output or > 24 months from the date of commissioning underground, whichever occurs first

11	longwall crusher dedicated shaft with bearings	> 1.5 million tons of transported output or > 18 months from the date of commissioning underground, whichever occurs first
12	longwall crusher beaters	> 12 months from the date of commissioning underground

3) Warranty period for equipment subassemblies or components repaired under warranty (excluding subassemblies and components covered by detailed warranty, indicated in point 10.2) – min. 12 months from the date of repair service performance, but not less than the general warranty period.

4) Detailed warranty period does not affect the duration of general warranty period.

5) Consumables, i.e. fuses, oils, lubricants, are not covered by the warranty.

6) Warranty for fast-wearing components with reduced service life, i.e. ejectors and ejector plates, excessive load protection, replaceable slides, coupling inserts, O-rings and seals – 12 months from the Final Acceptance Protocol date, but not longer than 24 months from the date of the Protocol Completeness of delivery to the Ordering Party's warehouse.

7) Warranty granted cannot be conditioned by the contamination of the transported output.

8) Throughout the warranty period, the Ordering Party shall, at Contractor's each request, provide data on the quantity of transported output, yet not as often as once a quarter.

- ✓ Deadline for removal of defects and faults that arose during the Subject of the Order delivery – up to 7 days from the delivery date.
- ✓ As part of the price for the Subject of the Agreement execution, the Contractor shall provide:

1) Throughout the warranty period, 24-hour warranty service on all days of the week with a full range of spare parts,

2) arrival of the service team within a period not longer than 8 hours from the moment of such a necessity notification by the Ordering Party (the notification should be made by phone at the number 32 210 1100 or in writing and sent via e-mail to the e-mail address: dh@patentus.pl service@patentus.pl. Duration of the repair shall be specified by the Parties in the failure report, and shall not exceed 24 hours from the notification of the service team. Replacement of components extends their warranty period beyond the Subject of the Agreement general warranty. The time limit for failures removal may be extended with the consent of the Ordering Party,

3) delivery of spare parts necessary to remove failures, the necessity for replacement of which was detected throughout the failure removal within a mutually agreed time, but not longer than 8 hours from the moment of detection the necessity for replacement.

- ✓ Contractual penalties:

1) for withdrawal from the agreement by one of the Parties for reasons attributable to the Contractor in the amount of 20% of the net value of the unperformed part of the agreement in the scope of the task the withdrawal concerns,

2) in the amount of 0.1% of the net value of the not delivered on time Subject of the Order for each day of delay beyond the determined in § 5 deadline up to 10th day inclusive,

3) in the amount of 0.2% of the net value of the not delivered Subject of the Order for each day of delay exceeding 10 days beyond the date of completion determined in § 5,

4) in the amount of 0.01% of the Subject of the Agreement net value for the warranty technical service reporting at the registered office of the Ordering Party for repair within the period exceeding 4 hours from the notification for each hour of delay;

5) in the amount of 0.1% of the Subject of the Agreement net value for each hour of failure, to be removed under warranty obligations, after exceeding 36 hours of total downtime in a given month as a result of this type of failure,

6) in the amount of 0.2% of the Subject of the Agreement net value for inability to remove the reported failure within 8 hours from the Contractor's technical service team notification, for each started day of delay.

7) the value of the charged contractual penalties cannot exceed 10% of the net agreement value,

8) in the event of detection that the works are conducted at the mining plant premises by the Contractor's employees unable to communicate in Polish in speech and writing to a degree that determines communication - in the amount of PLN 200 for each detected case,

9) for the delay in documents submission which, in accordance with the SOPZ, are to be submitted by the Contractor in the amount of PLN 100 each day of delay,

10) for breach of the confidentiality obligation by the Contractor in the amount of 5% of the net agreement value,

11) in the event of detection of Contractor's employees at the stage of coming to work or during the performance of works:

a) state after alcohol usage; (the state after alcohol usage occurs when the breath alcohol content equals or leads to the presence of 0.1 mg to 0.25 mg of alcohol in l dm3 corresponding to the blood alcohol concentration from 0.2‰ to 0.5‰ of alcohol);

b) state of intoxication, (the state of intoxication occurs when the breath alcohol content equals or leads to the presence of above 0.25 mg of alcohol in 1dm3 corresponding to the blood alcohol concentration above 0,5‰)

c) state under the influence of drugs or other substances, the impact of which on the employee's body prevents the proper performance of employee duties; (further other substances),

d) using / consuming alcohol, drugs or other aforementioned substances during the performance of works or in the workplace;

e) bringing alcohol, drugs or other aforementioned substances to the workplace,

-in the amount of PLN 1 000.00 for each disclosed case

12) for breach of the confidentiality obligation by the Ordering Party a contractual penalty in the amount of 5% of the net agreement value may be charged by the Contractor,

-In the event of the disclosure of the Contractor's employee/s seizure of the Ordering Party's property or property belonging to companies based on the Ordering Party's premises, the Contractor shall fully cover the losses resulting from the seizure, and will pay the Ordering Party a fine of PLN 1 000.00 (one thousand zlotys 00/100)) for each disclosed case.

-Ordering Party may charge contractual penalties in the event of difficulties in the commencement or conduction or completion of the Audit, due to reasons attributable to the Contractor:

1) after the ineffective expiry of the deadline specified in the Ordering Party's request to enable the commencement or conduction or completion of the Audit - in the amount of 0.1% of the net value mentioned in § 3 item 1), for each started day in which it was impossible to properly commence, conduct or complete the Audit.

2) in the event of repeated difficulties in the commencement or conduction or completion of the Audit due to reasons attributable to the Contractor, the Ordering Party is entitled to charge contractual penalties without prior notification in the amount specified in point 1).

-Shall the Contractor fail to deliver the Subject of the Agreement, Subject of the Agreement shall be incomplete, or Contractor shall evade the performance of the warranty services referred to in § 20 of the Agreement, the Ordering Party is entitled to order a substitute performance.

- Shall the Ordering Party order the delivery of the unperformed by the Contractor Subject of the Agreement (e.g. not delivered), or shall the Ordering Party order the delivery of unperformed parts / components of the delivered Subject of the Order, the Contractor is obliged to reimburse the equivalent of the undelivered Subject of Agreement or the equivalent of unperformed Subject of the Agreement parts / components and – as a result of the aforementioned – to charge the Contractor a contractual penalty in the amount of 2% of the Subject of the Agreement net value, or 10% of the unperformed parts / components value respectively.

- Shall the Ordering Party subcontract the warranty services performance, which the Contractor refuses to perform to a third party (substitute performance), the Contractor is obliged to reimburse the value of subcontracted services.

- Reimbursement amounts referred to in sec. 5 and 6 shall be determined on the basis of an agreement with the entity which was instructed to deliver the unperformed parts or perform warranty services, respectively.

- Contractor may charge the Ordering Party a contractual penalty for withdrawal from the agreement by one of the parties for reasons attributable to the Ordering Party in the amount of 20% of the net value of the unperformed part of the agreement in the scope of the task to which the withdrawal relates.

- Total maximum value of contractual penalties attributable to the Ordering Party shall not exceed the agreement value.

- Payment deadline for the accounting note issued as contractual penalties shall be set for 30 days from the accounting note issuing date.

- The Ordering Party may deduct the accrued contractual penalties from the Contractor's remuneration.
- The parties to the agreement may claim damages in excess of the contractual penalties on general terms.

The aforementioned information was published in the current report 2/2023 on 3rd January 2023.

2. Throughout the period from 8th March 2022 to 5th January 2023, as part of cooperation with Polska Grupa Górnicza S.A. with its registered office in Katowice ("Ordering Party", "PGG"), concluded agreements with PGG and received purchase orders from PGG for the total net amount of PLN 15 152 610.19.

The agreement of the highest value is agreement No. 482201860 ("Agreement"), and the parties adopted as the date of its conclusion – the date of the last signature, i.e. 5th January 2023.

- ✓ Subject of the Agreement: Delivery of a new longwall scraper conveyor and face scraper conveyor, crusher, shifting equipment, control system, loudspeaker communication and interlocks, along with a monitoring and visualization system for the longwall complex dedicated for the M-6 longwall in deck 501/3 for PGG S.A. Branch of KWK ROW Ruch Jankowice within the scope of task no. 2, i.e. Delivery of a new longwall scraper conveyor for KWK ROW Ruch Jankowice – dedicated for the M-6 longwall in deck 501/3 and execution of standard troughs and inspection troughs according to PGG's own documentation.
- ✓ Completion time of the Purchase Order covered by the Agreement – up to 24 weeks from the date of Purchase Order delivery to the Contractor.
- ✓ Total Agreement Net Value: PLN 8 830 000.00
- ✓ Warranty:

a) General warranty period for the Subject of the Order stands at min. 24 months from the Final Acceptance Protocol date, but no longer than the offered warranty period extended by 6 months from the date of the Completeness of Delivery Protocol to the Ordering Party's warehouse, excluding components for which a detailed warranty period was granted, as determined below.

b) Detailed warranty period:

1	PZS drive units hulls and trough haulage	> 3 million tons of transported output or > 36 months from the date of commissioning underground, whichever occurs first.
2	PZS attached troughs and chain drums	> 2 million tons of transported output or > 24 months from the date of commissioning underground, whichever occurs first.
3	PZS drive units hulls and trough haulage	> 2 million tons of transported output or > 24 months from the date of commissioning underground, whichever occurs first.
4	PZS attached troughs and chain drums	> 2 million tons of transported output or > 24 months from the date of commissioning underground, whichever occurs first.

5	PZP chain drums	> 1 million tons of transported output or > 24 months from the date of commissioning underground, whichever occurs first.
6	gearboxes and clutches	> 24 months from the date of commissioning underground.
7	drive units, motors and other electrical devices	> 24 months from the date of commissioning underground.
8	chains for the longwall scraper conveyor and face scraper conveyor	> 12 months from the date of commissioning underground.
9	crusher drum bearings (regards face conveyors)	> 1.5 million tons of transported output or > 24 months from the date of commissioning underground, whichever occurs first.
10	longwall crusher hull, longwall crusher routing components	> 2 million tons of transported output or > 24 months from the date of commissioning underground, whichever occurs first.
11	longwall crusher dedicated shaft with bearings	> 1.5 million tons of transported output or > 18 months from the date of commissioning underground, whichever occurs first.
12	longwall crusher beaters	> 12 months from the date of commissioning underground.

c) Warranty period for equipment subassemblies or components repaired under warranty (excluding subassemblies and components covered by detailed warranty) – min. 12 months from the date of repair service performance, but not less than the general warranty period.

d) Detailed warranty period does not affect the duration of general warranty period.

e) Consumables, i.e. fuses, crusher drive belts, oils, lubricants and light bulbs are not covered by the warranty.

f) Warranty for fast-wearing components with reduced service life, i.e. ejectors and ejector plates, excessive load protection, replaceable slides, coupling inserts, O-rings and seals – 12 months from the Final Acceptance Protocol date, but not longer than 24 months from the date of the Protocol Completeness of delivery to the Ordering Party's warehouse.

- ✓ Contractual penalties:

1) for withdrawal from the Agreement by one of the Parties for reasons attributable to the Contractor in the amount of 20% of the net value of the unperformed part of the agreement in the scope of the task the withdrawal concerns,

2) for withdrawal from the Agreement by one of the Parties in the case of the subject of Agreement non-delivery in the amount equal to the cost of a replacement item acquisition by the Ordering Party and 2% of the net agreement value;

3) in the amount of 0.1% of the net value of the not delivered on time part of the Subject of the Order for each day of delay,

4) in the amount of 0.2% of the net value of the not delivered part of the Subject of the Order for each day of delay,

5) in the amount of 0.01% of the net agreement value for the warranty technical service reporting at the registered office of the Ordering Party for repair within the period exceeding 8 hours from the notification for each hour of delay;

6) in the amount of 0.1% of the net agreement value for each hour of failure, to be removed under warranty obligations, after exceeding 36 hours of total downtime in a given month as a result of this type of failure,

7) in the amount of 0.2% of the net agreement value for inability to remove the reported failure within 24 hours from the Contractor's technical service team notification, for each started day of delay.

8) the value of the charged contractual penalties pursuant to provided provisions cannot exceed 10% of the net agreement value,

9) in the event of detection that the works are conducted at the mining plant premises by the Contractor's employees unable to communicate in Polish in speech and writing to a degree that determines communication – in the amount of PLN 200 for each case,

10) for the delay in documents submission which, in accordance with the SOPZ, are to be submitted by the Contractor in the amount of PLN 100 each day of delay,

11) for breach of the confidentiality obligation by the Contractor in the amount of 5% of the net agreement value,

12) in the event of detection of Contractor's employees at the stage of coming to work or during the performance of works:

a) state after alcohol usage; (the state after alcohol usage occurs when the breath alcohol content equals or leads to the presence of 0.1 mg to 0.25 mg of alcohol in l dm3 corresponding to the blood alcohol concentration from 0.2‰ to 0.5‰ of alcohol);

b) state of intoxication, (the state of intoxication occurs when the breath alcohol content equals or leads to the presence of above 0.25 mg of alcohol in 1dm3 corresponding to the blood alcohol concentration above 0,5‰)

c) state under the influence of drugs or other substances, the impact of which on the employee's body prevents the proper performance of employee duties; (further other substances),

d) using / consuming alcohol, drugs or other aforementioned substances during the performance of works or in the workplace;

e) bringing alcohol, drugs or other aforementioned substances to the workplace,

-in the amount of PLN 1 000.00 for each disclosed case

2. In the event of the disclosure of the Contractor's employee/s seizure of the Ordering Party's property or property belonging to companies based on the Ordering Party's premises, the Contractor shall fully cover the losses resulting from the seizure, and will pay the Ordering Party a fine of PLN 1 000.00 (one thousand zlotys 00/100)) for each disclosed case.

3. Ordering Party may charge contractual penalties in the event of difficulties in the commencement or conduction or completion of the Audit, due to reasons attributable to the Contractor:

1) after the ineffective expiry of the deadline specified in the Ordering Party's request to enable the commencement or conduction or completion of the Audit - in the amount of 0.1% of the net value for each started day in which it was impossible to properly commence, conduct or complete the Audit.

2) in the event of repeated difficulties in the commencement or conduction or completion of the Audit due to reasons attributable to the Contractor the Ordering Party is entitled to charge contractual penalties without prior notification in the amount specified in point 1).

4. Shall the Contractor fail to deliver the Subject of the Agreement, Subject of the Agreement shall be incomplete, or Contractor shall evade the performance of the warranty services, the Ordering Party is entitled to order a substitute performance.
5. Shall the Ordering Party order the delivery of unperformed parts / components of the Subject of the Order (e.g. not delivered) with a third party (substitute performance), the Contractor is obliged to reimburse the price difference and - as a result of the aforementioned – to charge the Contractor a contractual penalty in the amount of 2% of the net agreement value.
6. Shall the Ordering Party subcontract the warranty services performance, which the Contractor refuses to perform to a third party (substitute performance), the Contractor is obliged to reimburse the value of subcontracted services.
7. Reimbursement amounts referred to, shall be determined on the basis of an agreement with the entity which was instructed to deliver the unperformed parts or perform warranty services, respectively.
8. In the event of a withdrawal from the Agreement from reasons attributable to one Party, the second Party is entitled to a contractual penalty in the amount of 20% of the net agreement value.
9. Total maximum value of contractual penalties attributable to the Ordering Party cannot not exceed the agreement value.

The aforementioned information was published in the current report 3/2023 on 5th January 2023.

3. <u>Throughout the period from 31st January 2022 to 9th February 2023 – total value of turnover between PATENTUS S.A. and P.P.H.U. "Mirpol" Mirosław Kobiór with its registered office in Pszczyna amounted to net PLN 10 578 511.62.</u>

Cooperation between the parties is based on the Cooperation Agreement concluded for an indefinite period on 2nd January 2007 ("Cooperation Agreement"), in the scope of mining machinery and equipment production, execution of steel structures of halls and other facilities, machining services and any other works ordered by PATENTUS S.A.. The terms of the agreement do not differ from those commonly applied in commercial transactions of such type. Under the Cooperation Agreement, the invoice issued with the highest value was FV 02/08/2022 of 31st August 2022 for the net amount of PLN 2 173 380.00. The invoice concerned the performance of conveyor components and crushers.

The aforementioned information was published in the current report 4/2023 on 9th February 2023.

4. On 14th February 2023 an information was received on PAT 23.007-26 Agreement conclusion between Polska Grupa Górnicza S.A KWK Piast – Ziemowit Branch (PGG, Ordering Party) and PATENTUS S.A.

1. Subject of the Agreement:

Delivery of a new longwall scraper conveyor, for longwall 504 on deck 215 for PGG S.A. KWK Piast-Ziemowit Ruch Ziemowit Branch – task no. 2.

- ✓ Completion time:

2. Delivery up to 20 weeks from the date of Purchase Order delivery (via e-mail) to the Contractor. Handover of the Subject of the Order will take place no later than 10 weeks from agreement conclusion date.

- ✓ Total Agreement Value: PLN 9 150 000.00 + VAT
- ✓ Warranty:

1) General warranty period for the Subject of the Order stands at min. 24 months from the Final Acceptance Protocol date, but no longer than the offered warranty period extended by 6 months from the date of the Completeness of Delivery Protocol to the Ordering Party's warehouse, excluding components for which a detailed warranty period was granted, as determined below.

2) Detailed warranty period:

1	PZS drive units hulls and trough haulage	> 1.5 million tons of transported output or > 18 months from the date of commissioning underground, whichever occurs first.
2	PZS attached troughs and chain drums	> 1 million tons of transported output or > 18 months from the date of commissioning underground, whichever occurs first.
3	gearboxes and clutches	> 24 months from the date of commissioning underground.
4	drive units, motors and other electrical devices	> 24 months from the date of commissioning underground, whichever occurs first.
5	chains for the longwall scraper conveyors	> 12 months from the date of commissioning underground.

3) Warranty period for equipment subassemblies or components repaired or replaced under warranty (excluding subassemblies and components covered by detailed warranty) – min. 12 months from the date of repair service performance, but not less than the general warranty period.

4) Detailed warranty period does not affect the duration of general warranty period.

5) Consumables, i.e. fuses, oils, lubricants, crusher drive belts and light bulbs are not covered by the warranty.

6) Warranty for fast-wearing components with reduced service life, i.e. ejectors and ejector plates, excessive load protection, replaceable slides, coupling inserts, O-rings and seals – 12 months from the Final Acceptance Protocol date, but not longer than 24 months from the date of the Protocol Completeness of delivery to the Ordering Party's warehouse.

7) Granted warranty cannot be conditioned by the contamination of the transported output.

8) Throughout the warranty period, the Ordering Party shall, at Contractor's each request, provide data on the quantity of transported output, yet not as often as once a quarter.

- ✓ Deadline for removal of defects and faults that arose during the Subject of the Order delivery – up to 7 days from the delivery date.
- ✓ Within the price for the Subject of the Agreement execution, the Contractor provides:

1) throughout the warranty period, 24-hour warranty service on all days of the week with a full scope of spare parts,

2) arrival of the technical service team within no more than 8 hours from the moment of notification by the Ordering Party,

3) delivery of spare parts necessary to remove failures, the necessity of replacement of which was detected throughout those failures removal, within a mutually agreed period, but not longer than 8 hours from the moment of the necessity of replacement detection.

- ✓ Contractual penalties:

1) for withdrawal from the agreement by one of the Parties for reasons attributable to the Contractor in the amount of 20% of the net value of the unperformed part of the agreement in the scope of the task the withdrawal concerns,

2) in the amount of 0.1% of the net value of the not delivered on time Subject of the order for each day of delay up to 10th day inclusive,

3) in the amount of 0.2% of the net value of the not delivered on time part of the Subject of the Order for each day of delay exceeding 10 days,

4) in the amount of 0.01% of the net agreement value in the scope of the task it concerns for the warranty technical service reporting at the registered office of the Ordering Party for repair within the period exceeding 8 hours from the notification for each hour of delay;

5) in the amount of 0.1% of the net agreement value for each hour of failure, to be removed under warranty obligations, after exceeding 36 hours of total downtime in a given month as a result of this type of failure,

6) in the amount of 0.2% of the net agreement value in the scope of the task it concerns for inability to remove the reported failure within 24 hours from the Contractor's technical service team notification, for each started day of delay.

7) the value of the charged contractual penalties cannot exceed 10% of the net agreement value,

8) for breach of the confidentiality obligation by the Contractor in the amount of 5% of the net agreement value,

11) in the event of detection of Contractor's employees at the stage of coming to work or during the performance of works:

a) state after alcohol usage; (the state after alcohol usage occurs when the breath alcohol content equals or leads to the presence of 0.1 mg to 0.25 mg of alcohol in l dm3 corresponding to the blood alcohol concentration from 0.2‰ to 0.5‰ of alcohol);

b) state of intoxication, (the state of intoxication occurs when the breath alcohol content equals or leads to the presence of above 0.25 mg of alcohol in 1dm3 corresponding to the blood alcohol concentration above 0,5‰)

c) state under the influence of drugs or other substances, the impact of which on the employee's body prevents the proper performance of employee duties; (further other substances),

d) using/consuming alcohol, drugs or other aforementioned substances during the performance of works or in the workplace;

e) bringing alcohol, drugs or other aforementioned substances to the workplace,

- in the amount of PLN 1 000.00 for each disclosed case;

12) for breach of the confidentiality obligation by the Ordering Party the Contractor may charge a contractual penalty in the amount of 5% of the net agreement value,

- In the event of the disclosure of the Contractor's employee/s seizure of the Ordering Party's property or property belonging to companies based on the Ordering Party's premises, the Contractor shall fully cover the losses resulting from the seizure, and will pay the Ordering Party a fine of PLN 1 000.00 (one thousand zlotys 00/100)) for each disclosed case.

- Contractor may charge the Ordering Party a contractual penalty for withdrawal from the agreement by one of the parties for reasons attributable to the Ordering Party in the amount of 20% of the net value of the unperformed part of the agreement in the scope of the task to which the withdrawal relates.

- Total maximum value of contractual penalties attributable to the Ordering Party cannot exceed the agreement value.

- Deadline for payment of the accounting note issued for contractual penalties shall be set for 30 days from the accounting note issue date.

- The Ordering Party may deduct the accrued contractual penalties from the Contractor's remuneration.

- Parties to the contract may, on general terms, claim damages exceeding the amount of contractual penalties.

The aforementioned information was published in the current report 5/2023 on 15th February 2023.

5. On 18th January 2023, a confirmation of settlement was received by the Issuer, regarding the investment loan no. KN/1228558 of 17th December 2021 concluded with Santander Bank Polska S.A. with its registered office in Warsaw. In connection with the full repayment of the liability incurred by PATENTUS S.A., the collateral established, consisting of: a blank promissory note along with a promissory note declaration; a power of attorney to dispose of the Borrower's current account; a contractual mortgage of up to PLN 2 550 000. 00 established on the ownership right to the property located in Jankowice, entered in the Land and Mortgage Register under L&MR no. KA1P/00077485/0 maintained by the District Court in Pszczyna, 5th Division of Land and Mortgage Registers; the Borrower's statement on submission to enforcement; assignment of rights from the property insurance policy.

On 6th February 2023, the Issuer was informed that on 25th January 2023 the District Court in Pszczyna, 5th Division of Land and Mortgage Registers deleted the contractual mortgage up to the amount of PLN 2 550 000.00 on the right of perpetual usufruct to the land of the property located in Jankowice entered in the Land and Mortgage register under L&MR No.

KA1P/00077485/0, maintained by the District Court in Pszczyna, 5th Division of Land and Mortgage Registers. The perpetual usufructuary of the property is the Issuer.

6. On 13th March, 2023 a signed copy of Annex No. 15 of 13th March, 2023 to the Factoring Agreement no. 0096/2017 of 29th November, 2017 ("Factoring Agreement") concluded between the Issuer as a Factorer and KUKE Finance Spółka Akcyjna with its registered office in Warsaw ("Factor") was received. Pursuant to the aforementioned Annex, following amendments were introduced to the Factoring Agreement by the Parties:

- Limit granted to the Company amounts to PLN 9 800 000.00;
- Minimum operating commission in the amount of PLN 100,000 (in words: one hundred thousand zlotys) shall be payable to the Factor as of the Factoring Agreement entry into force date and on each anniversary of the Agreement's entry into force. The difference between the Minimum Operating Commission for the year of the Agreement's entry into force and the sum of the Operating Commissions collected in the given year is payable by the Customer on each anniversary of the Agreement's entry into force, but no later than on the day of the Factoring Agreement expiry date;
- pursuant to this Factoring Agreement the Factorer shall pay the Factor an operating commission equal to 0.55% of each Purchased Receivable value.

The Factoring Agreement was described in the current report No. 18/2017 of 18th December 2017.

The aforementioned information was published in the current report No. 6/2023 on 13th March 2023.

Significant events in Subsidiary ZKS MONTEX Sp. z o.o.:

Political and economic situation in Ukraine has led to significant imbalance in world markets. This condition had and still has relevant influence on the domestic economy. As at the time of this report preparation, the Company operates without major disruptions, however, with regards to changes in the economic situation induced by the ongoing war in Ukraine, it can or even should be assumed that it shall have a remarkable impact on the Company's operations. Armed conflict in Ukraine resulted in a progressive economy slowdown, both domestically and worldwide, as well as an increase in fuel and raw material prices, along with potential problems with their availability, especially in the scope of finished products, such as steel products, sheets, etc., which are subject to prefabrication.

31. Information on major achievements in research and development.

The Parent Company presents a list of applications to the Patent Office.

Title	Notes
Housing of mechanical devices, especially gearboxes, with a cooled internal apparatus chamber	invention contract
Method of electronic systems cooling in mechanical devices, especially in gearboxes	invention contract

Gearbox cooling method and system	invention
Gearbox with a cooled internal apparatus chamber	invention
Gearbox housing	community industrial design
Pump drive unit	industrial design
Temperature stabilization unit for the cooling medium of mining equipment	invention
Hydraulic tensioning system	community industrial design
Hydraulic device for tensioning the chain of the scraper conveyor	invention
Closed cooling system for mining equipment	industrial design
Testing stand for the driving stars of scraper conveyors	industrial design
Method of increasing the wear resistance of chain drums, especially in scraper conveyors dedicated for mining	invention
Elements of the mining scraper conveyor (linear through, torsion through, scraper)	industrial design
NANO4GEARSH Trademark	Trademark

32. Information on the control system of employee share schemes.

PATENTUS S.A. Capital Group's companies do not have employee share scheme.

33. Information on agreements concluded with entity authorized to audit consolidated financial statements.

The Company's Supervisory Board by the resolution of 12th October 2020 on the statutory auditor appointment, following the recommendation of PATENTUS S.A. Supervisory Board's Audit Committee, which is free from the third parties influence, the agreement shall not contain clauses prohibited by the art. 66 sec. 5a resulting from Act of 29th September 1994 on accounting, acting pursuant to § 16 sec. 3 pt.8 of the Company's Articles of Association, selected the statutory auditor, i.e. REWIT Księgowi i Biegli Rewidenci sp. Z o.o. with its registered office in Gdańsk, Branch of REWIT Południe sp. z o.o. with its registered office in Bielsko-Biała to conduct:

- audit of the separate financial statements for 2021 and 2022;
- audit of the consolidated financial statements for 2021 and 2022;
- review of the separate financial statements for the first half of 2021 and for the first half of 2022;
- review of the consolidated financial statements for the first half of 2021 and for the first half of 2022.

Selection was made taking into account that the aforementioned entity has 25 years of experience and 2,500 audited financial statements of entities from various industries and branches of the economy. In addition, the entity provides services to entities listed on the Warsaw Stock Exchange, which is one of the important factors while choosing this auditing company.

The selected entity's offer included: preparation of opinion on the correctness and reliability of separate financial statements and the Capital Group's consolidated financial statements; the report on the audit of the financial statements, prepared in accordance with the requirements of the Act of 29th September 1994 on the accounting, professional auditing standards issued by the National Council of Statutory Auditors and the International Standards on Auditing; detailed presentation and discussion with the Company's Management or representatives on the audit results and conclusions resulting therefrom.

Selection of the entity authorized to audit financial statements was made in accordance with the applicable regulations and professional standards.

Detailed period for which the agreement with the statutory auditor is to be concluded shall be agreed on with the selected entity.

The Company has not used the services of REWIT Księgowi i Biegli Rewidenci Sp. z o.o. with its registered office in Gdańsk, branch: REWIT Południe Sp. z o.o. with its registered office in Bielsko-Biała.

The aforementioned information was published in current report No. 28/2020 on 19th October 2020.

On 24th February 2022, a signed Minutes of the Company's Supervisory Board Meeting was received along with the resolution of 23rd February 2022 on amendment of the resolution on the statutory auditor appointment.

Due to the fact that the Company on 15th February 2022 was notified that on 3rd January 2022 a proceeding was completed, as a result of which Moore Rewit Audyt limited liability company with its registered office in Gdańsk (80-137) at Starodworska St. No. 1 (previous name: REWIT Księgowi i Biegli Rewidenci limited liability company), as the statutory auditor selected by the Supervisory Board for the years 2021-2022, brought an organized part of the enterprise ("OPoE") to Moore Polska Audyt limited liability company with its registered office in Warsaw (00- 613), at Tytusa Chałubińskiego St. No. 8, consisting a group of tangible and intangible assets separated organizationally and financially from the structure of Moore Rewit Audyt limited liability company, all rights and obligations under the existing audit agreements have been transferred to Moore Polska Audyt limited liability company. The Company's Supervisory Board adopted a resolution amending the resolution of 12th October 2020 on the statutory auditor appointment, authorized to audit the Company's financial statements for the years 2021-2022.

Considering the above, all rights and obligations under the existing audit agreements have been transferred to Moore Polska Audyt limited liability company, therefore Moore Polska Audyt limited liability company is the entity selected to conduct:

- audit of the separate financial statements for 2021 and 2022;

- audit of the consolidated financial statements for 2021 and 2022;

- review of the separate financial statements for the first half of 2021 and for the first half of 2022;

- review of the consolidated financial statements for the first half of 2021 and for the first half of 2022.

On 24th February 2022, the Company signed an annex to the existing agreement on auditing the financial statements for the fiscal years 2021 and 2022, with changes in the entity authorized to audit the financial statements taken into account.

The aforementioned information was published in current report No. 3/2022 on 24th February 2022.

Information on agreements with the statutory auditor is included in the financial statements - ITEM 4.30 OF THE FINANCIAL STATEMENT.

REPORT ON THE CORPORATE GOVERNANCE PRINCIPLES APPLICATION 2022

1. Indication of the corporate governance principles set to which the Company is subject to and the place where the text of these principles is publicly available.

The Company applies the corporate governance principles contained in the "Best Practices of WSE Listed Companies" document adopted by the Supervisory Board of the Warsaw Stock Exchange. The text of the set of principles is available on http://corp-gov.gpw.pl/ website.

2. Information on extent to which the Company departed from the provisions of the indicated set of corporate governance principles with explanation of reasons for that divergence.

Management Board of PATENTUS S.A. with its registered office in Pszczyna indicates below the principles of Best Practice for WSE Listed Companies:

1. DISCLOSURE POLICY, INVESTOR COMMUNICATIONS

1.1. Companies maintain efficient communications with capital market participants and provide fair information about matters that concern them. For that purpose, companies use diverse tools and forms of communication, including in particular the corporate website where they publish all information relevant for investors.

The Company adheres to the principle.

1.2. Companies make available their financial results compiled in periodic reports as soon as possible after the end of each reporting period; should that not be feasible for substantial reasons, companies publish at least preliminary financial estimates as soon as possible.

The Company adheres to the principle.

1.3. Companies integrate ESG factors (E – environment; S – social responsibility; G – governance) in their business strategy, including in particular:

1.3.1. environmental factors, including measures and risks relating to climate change and sustainable development;

1.3.2. social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialogue with local communities, customer relations.

The Company does not adhere to the principle owing to the Issuer not meeting two of the three criteria – the average annual employment – over 250 employees, and a net turnover of more than 170 million, resulting from Directive 2014/95/ EU of the European Parliament and the Council of 22nd October 2014 on non-financial information reporting.

1.4. To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial, ESG information concerning the strategy should among others:

1.4.1. explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;

1.4.2. present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.

The Company does not adhere to the principle owing to the Issuer not meeting two of the three criteria – the average annual employment – over 250 employees, and a net turnover of more than 170 million, resulting from Directive 2014/95/EU of the European Parliament and the Council of 22nd October 2014 on non-financial information reporting.

1.5. Companies disclose at least on an annual basis the amounts expensed by the company and its group in support of culture, sports, charities, the media, social organizations, trade unions, etc. If the company or its group pay such expenses in the reporting year, the disclosure presents a list of such expenses.

The Company does not adhere to the principle owing to the Issuer and PATENTUS S.A. Capital Group does not incur any expenses resulting from culture, sports, charities, media, social organizations, trade unions, etc. support, and does not provide information on the summary of these expenses.

1.6. Companies participating in the WIG20, mWIG40 or sWIG80 index hold on a quarterly basis and other companies hold at least on annual basis a meeting with investors to which they invite in particular shareholders, analysts, industry experts and the media. At such meetings, the management board of the company presents and comments on the strategy and its implementation, the financial results of the company and its group, and the key events impacting the business activity of the company and its group, their results and outlook. At such meetings, the management board of the company publicly provides answers and explanations to questions raised.

The Company adheres to the principle.

1.7. If an investor requests any information about a company, the company replies immediately and in any case no later than within 14 days.

The Company adheres to the principle.

2. MANAGEMENT BOARD, SUPERVISORY BOARD

2.1. Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.

The Company does not adhere to the principle owing to the Issuer not meeting two of the three criteria – the average annual employment – over 250 employees, and a net turnover of more than 170 million, resulting from Directive 2014/95/EU of the European Parliament and the Council of 22nd October 2014 on non-financial information reporting.

2.2. Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of established diversity policy referred to in principle 2.1.

The Company does not adhere to the principle owing to the Issuer not meeting two of the three criteria – the average annual employment – over 250 employees, and a net turnover of more than 170 million, resulting from Directive 2014/95/EU of the European Parliament and the Council of 22nd October 2014 on non-financial information reporting.

2.3. At least two members of the supervisory board meet the criteria of being independent referred to in the Act of 11th May 2017 on Auditors, Audit Firms and Public Supervision, and have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company.

The Company adheres to the principle.

2.4. The supervisory board and the management board vote in an open ballot unless otherwise required by law.

The Company adheres to the principle.

2.5. Members of the supervisory board and members of the management board who vote against a resolution may have their dissenting vote recorded in the minutes.

The Company adheres to the principle.

2.6. Functions on the management board of a company are the main area of the professional activity of the management board members. Management board members should not engage in additional professional activities if the time devoted to such activities prevents their proper performance in the company.

The Company adheres to the principle.

2.7. A company's management board members may sit on corporate bodies of companies other than members of its group subject to approval of the supervisory board.

The Company adheres to the principle.

2.8. Supervisory board members should be able to devote the time necessary to perform their duties.

The Company adheres to the principle.

2.9. The chair of the supervisory board should not combine his function with that of chair of the audit committee of the supervisory board.

The Company adheres to the principle.

2.10. Company allocates administrative and financial resources necessary to ensure efficient functioning of the supervisory board in a manner adequate to their size and financial standing.

The Company adheres to the principle.

2.11. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following:

2.11.1. information about the members of the supervisory board and its committees, including indication of those supervisory board members who fulfil the criteria of being independent referred to in the Act of 11th May 2017 on Auditors, Audit Firms and Public Supervision and those supervisory members who have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company, and information about the members of the supervisory board in the context of diversity;

The Company adheres to the principle.

2.11.2. summary of the activity of the supervisory board and its committees;

The Company adheres to the principle.

2.11.3. assessment of the company's standing on a consolidated basis, including assessment of the internal control, risk management and compliance systems and the internal audit function, and information about measures taken by the supervisory board to perform such assessment; such assessment should cover all significant controls, in particular reporting and operational controls;

The Company adheres to the principle.

2.11.4. assessment of the company's compliance with the corporate governance principles and the manner of compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities, and information about measures taken by the supervisory board to perform such assessment;

The Company adheres to the principle.

2.11.5. assessment of the rationality of expenses referred to in principle 1.5.;

The Company does not adhere to the principle owing to the Issuer and PATENTUS S.A. Capital Group does not incur any expenses resulting from culture, sports, charities, media, social organizations, trade unions, etc. support, and does not provide information on the summary of these expenses.

2.11.6. information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.

The Company does not adhere to the principle owing to the Issuer not meeting two of the three criteria – the average annual employment – over 250 employees, and a net turnover of more than 170 million, resulting from Directive 2014/95/EU of the European Parliament and the Council of 22nd October 2014 on non-financial information reporting.

3. INTERNAL SYSTEMS AND FUNCTIONS

3.1. Listed companies maintain efficient internet control, risk management and compliance systems and an efficient internal audit function adequate to the size of the company and the type and scale of its activity; the management board is responsible for their further functioning.

The Company adheres to the principle.

3.2. Companies' organization includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to the size of the company or the type of its activity.

The Company adheres to the principle.

3.3. Company participating in the WIG20, mWIG40 or sWIG80 index appoint an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such person should be appointed.

The Company adheres to the principle.

3.4. The remuneration of persons responsible for risk and compliance management and the head of internal audit should depend on the performance of delegated tasks rather than short-term results of the company.

The Company adheres to the principle.

3.5. Persons responsible for risk and compliance management report directly to the president or other member of the managements board.

The Company does not adhere the principle as pursuant to the Company's Articles of Association, the Supervisory Board operates an audit committee whose members are appointed by the Supervisory Board from among its members. The Supervisory Board duties include: examination of the financial reporting process; examination of the internal control systems, internal audit and risk management effectiveness; examination of the financial audit activities performance along with the independence of the statutory auditor and the entity authorized to audit financial statements.

3.6. The head of internal audit reports organizationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory performs the functions of the audit committee.

The Company does not adhere the principle as pursuant to the Company's Articles of Association , the Supervisory Board operates an audit committee whose members are appointed by the Supervisory Board from among its members. The Supervisory Board is appointed in accordance with par. 21 of the Company's Articles of Association by the General Meeting of Shareholders.

3.7. Principles 3.4. to 3.6. apply also to members of the company's group which are material to its activity if they appoint persons to perform such tasks.

The Company does not adhere the principle owing to, the Company's group entities are supervised by the Supervisory Board appointed by a resolution of the Shareholders' Meeting.

3.8. The person responsible for internal audit or the management board if such function is not performed separately in the company reports to the supervisory board at least once per year with their assessment of the efficiency of the systems and functions referred to in principle 3.1. and tables a relevant report.

The Company adheres to the principle.

3.9. The supervisory board monitors the efficiency of the systems and functions referred to in principle 3.1. among others on the basis of reports provided periodically by the persons responsible for the functions and the company's management board, and makes annual assessment of the efficiency of such systems and functions referred to in principle 3.1., which however does not release the supervisory board from the annual assessment of the efficiency of such systems and functions.

The Company adheres to the principle.

3.10. Company participating in WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the audit committee.

The Company adheres to the principle.

4. GENERAL MEETING, SHAREHOLDER RELATIONS

4.1. Companies should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in position to provide the technical infrastructure necessary for such general meeting to proceed.

The Company does not adhere the principle owing to, relatively high costs that the Company would have to incur in connection with the use of electronic communication means, especially since such costs incurrence would not be adequate to the average and rather low attendance of Shareholders at General Meetings. Lack of expectations of the Shareholders as to the conduct of the General Meeting with the use of electronic means of communication. (e-meeting).

4.2. Companies set the place and date and the form of a general meeting so as to enable the participation of the highest possible number of shareholders. For that purpose, companies strive to ensure that the cancellation of a general meeting, change in its date or break in its proceedings take place only if justified and do not prevent or limit the exercising of the shareholders' rights to participate in the general meeting.

The Company adheres to the principle.

4.3. Companies provide a public real-life broadcast of the general meeting.

The Company does not adhere the principle owing to, relatively high costs that the Company would have to incur in connection with the use of electronic communication means, especially since such costs incurrence would not be adequate to the average and rather low attendance of Shareholders at General Meetings.

4.4. Presence of representatives of the media is allowed at general meetings.

The Company adheres to the principle.

4.5. If the management board becomes aware a general meeting being convened pursuant to Article 399 § 2 – 4 of the Commercial Companies Code, the management board immediately takes steps which it is required to take in order to organize and conduct the general meeting. The foregoing applies also where a general meeting is convened under authority granted by the registration court according to Article 400 § 3 of the Commercial Companies Code.

The Company adheres to the principle.

4.6. To help shareholders participating in a general meeting to vote on resolutions with adequate understanding, draft resolutions of the general meeting concerning matters and decisions other than points of order should contain a justification, unless it follows from documentation tabled to general meeting. If a matter is put on the agenda of the general meeting at the request of a shareholder or shareholders, the management board requests presentation of the justification of the proposed resolution, unless previously presented by such shareholder or shareholders.

The Company adheres to the principle.

4.7. The supervisory board issues opinions on draft resolutions put by the management board on the agenda of the general meeting.

The Company adheres to the principle.

4.8. Draft resolutions of the general meeting on matters put on the agenda of the general meeting should be tabled by shareholders no later than three days before the general meeting.

The Company adheres to the principle.

4.9. If the general meeting is to appoint members of the supervisory board or members of the supervisory board for a new term of office:

4.9.1. candidates for members of the supervisory board should be nominated with a notice necessary for shareholders present at the general meeting to make an informed decision and in any case no later than three days before the general meeting; the names of candidates and all related documents should be immediately published on the company's website;

The Company adheres to the principle.

4.9.2. candidates for members of the supervisory board make a declaration concerning fulfilment of the requirements for members of the audit committee referred to in the Act of 11th May 2017 on Auditors, Audit Firms and Public Supervision and having actual and material relations with any shareholder who hold at least 5% of the total vote in the company.

The Company does n because adhere the principle as pursuant to the Company's Articles of Association, the Supervisory Board is appointed in accordance with par. 21 by the General Meeting of Shareholders. The main aspect in the Supervisory Board appointment is taking into account qualifications and professional experience of its future members. Therefore, there are no grounds to limit the freedom in electing members of the company's Supervisory Board. The Supervisory Board Chairman and Deputy meet the independence criteria.

4.10. Any exercise of the rights of shareholders or the way in which they exercise their rights must not hinder the proper functioning of the governing bodies of the company.

The Company adheres to the principle.

4.11. Members of the management board and members of the supervisory board participate in a general meeting, at the location of the meeting or via means of bilateral real-time electronic communication, as necessary to speak on matters discussed by the general meeting and answer questions asked at the general meeting. The management board presents to participants of an annual general meeting the financial results of the company and other relevant information, including non-financial information, contained in the financial statements to be approved by the general meeting. The management board presents key events of the last financial year, compares presented data with previous years, and presents the degree of implementation of the plans for the last year.

The Company adheres to the principle.

4.12. Resolutions of the general meeting concerning an issue of shares with subscription rights should specify the issue price or the mechanism of setting the price or authorize the competent body to set the price prior to subscription right record date within timeframe necessary for investors to make decisions.

The Company adheres to the principle.

4.13. Resolutions concerning a new issue of shares with the exclusion of subscription rights which grant pre-emptive rights for new issue of shares to selected shareholders or other entities may pass subject at least to the following three criteria:

a) the company has a rational, economically justified need to urgently raise capital or the share issue is related to rational, economically justified transactions, among others such as merger with or take-over of another company, or the shares are to be taken up under an incentive scheme established by the company;

b) the persons granted the pre-emptive right are to be selected according to objective general criteria;

c) the purchase price of the shares is in a rational relation with the current share price of the company or is to be determined in book-building on the market.

The Company adheres to the principle.

4.14. Company should strive to distribute their profits by paying out dividends. Company may retain all their earnings subject to any of the following criteria:

a) the earnings are minimal and consequently the dividend would be immaterial in relation to the value of the shares;

b) the company reports uncovered losses from previous years and the earnings are used to reduce such losses;

c) the company can demonstrate that investment of the earnings will generate tangible benefits for the shareholders;

d) the company generates insufficient cash flows to pay out dividends;

e) a dividend payment would substantially increase the risk to covenants under the company's binding credit facilities or terms of bond issue;

f) retention of the company's earnings follows recommendations of the authority which supervises the company by virtue of its business activity.

The Company does not adhere the principle as no action has yet been taken on the dividend payment manner – regarding the payment date and amount. If the company makes such decisions, it will be disclosed to the public.

5. CONFLICT OF INTEREST, RELATED PARTY TRANSACTIONS

5.1. Members of the management board and members of the supervisory board notify the management board or the supervisory board, respectively, of any conflict of interest which has risen or may arise, and refrain from discussions on the issue which may give rise to such a conflict of interest in their case.

The Company adheres to the principle.

5.2. Where a member of the management board or a member of supervisory board concludes that a decision of the management board or the supervisory board, respectively, is in conflict with the interest of the company, he or she should request that the minutes of the management board or supervisory board meeting show his or her dissenting opinion.

The Company adheres to the principle.

5.3. No shareholder should have preference over other shareholders in related party transactions. The foregoing also concerns transactions concluded by the company's shareholders with members of the company's group.

The Company adheres to the principle.

5.4. Company may buy back their own shares only in a procedure which respects the rights of all shareholders.

The company does not adhere the principle. The Issuer does not acquire its own shares.

5.5. If a transaction concluded by a company with its related party requires the consent of the supervisory board, before giving its consent the supervisory board assesses whether to ask a prior opinion of a third party which can provide valuation of the transaction and review its economic impact.

The Company adheres to the principle.

5.6. If a related party transaction requires the consent of the general meeting, the supervisory board issues an opinion on the rationale of such transaction. In that case, the supervisory board assesses whether to ask a prior opinion of a third party referred ti in principle 5.5.

The company does not adhere the principle as pursuant to par. 16 sec. 3 pt. 12 of the Articles of Association, the Supervisory Board gives the Management Board its consent to conduct transactions with a related entity.

5.7. If a decision concerning the company's significant transaction with a related party is made by the general meeting, the company should give all shareholders access to information necessary to assess the impact of the transaction on the interest of the company before the decision is made, including an opinion of the supervisory board referred to in principle 5.6.

The company does not adhere the principle as pursuant to par. 16 sec. 3 pt. 12 of the Articles of Association, the Supervisory Board gives the Management Board its consent to conduct transactions with a related entity.

6. REMUNERATION

6.1. The remuneration of members of the management board and members of the supervisory board and key managers should be sufficient to attract, retain and motivate persons with skills necessary for proper management and supervision of the company. The level of remuneration should be adequate to the tasks and responsibilities delegated to individuals and their resulting accountability.

The Company adheres to the principle.

6.2. Incentive schemes should be constructed in a way necessary among others to tie the level of remuneration of members of the company's management board and key managers to the actual long-term standing of the company measured by its financial and non-financial results as well as long-term shareholder value creation, sustainable development and the company's stability.

The Company does not adhere the principle owing to it does not have incentive programs. The Supervisory Board arranges the remuneration criteria for the Management Board members, while the Management Board arranges remuneration rules for key managers in accordance with the company's regulations. The remuneration of the Management Board and the Supervisory Board members is determined in accordance with the Remuneration Policy approved by the Company's General Meeting – unified text of 29th June 2020.

6.3. If company's incentive schemes include a stock option programme for managers, the implementation of the stock option programme should depend on the beneficiaries' achievement, over a period of at least three years, of pre-defined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such programme was approved.

The Company does not adhere the principle owing to, it does not provide any management stock options program.

6.4. A the supervisory board performs its responsibilities on a continuous basis, the remuneration of the supervisory board cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account additional workload on the committee.

The Company adheres to the principle.

6.5. The level of remuneration of supervisory board members should no depend on the company's short-term results.

The Company adheres to the principle.

The Company's Management Board declares that, the principles set out in the "Best Practices of WSE Listed Companies" are adhered to with the aforementioned exceptions.

3. Description of main features of the internal control and risk management systems in relation to the process of preparing financial statements.

In order to ensure the correctness, reliability and compliance of financial statements with the applicable regulations and generating high-quality financial data, the Company uses elements of internal control and risk management systems.

The Company's Management Board is responsible for the internal control system and its effectiveness.

The internal control system is based on:

1. Accounting Policy.
2. Integrated IT System.
3. ISO 9001: 2015 Quality Management System.

The Company continuously applies accounting principles in line with the International Financial Reporting Standards (IFRS) for the presentation of financial data in financial statements. The authority overseeing the Company's financial reporting process and cooperating with the independent auditor is the Company's Chief Accountant. The financial department headed by the Chief Accountant is responsible for the preparation of the Company's financial statements. The Management Board analyzes the received financial data on an ongoing basis, which, after approval, are presented in the financial statements. In the process of preparing the Company's financial statements, one of the basic elements of control is the verification of the financial statements by an independent statutory auditor. His tasks include the basic audit of the annual report and issuing an independent opinion on the financial statements. Additionally, the statutory auditor prepares a report on the review of the semi-annual condensed financial statements. As part of the risk management process in relation to the process of preparing financial statements, the Company uses elements of internal control exercised by the Management Board. The Supervisory Board selects the independent statutory auditor.

The Commercial Companies Code indicates that the Supervisory Board exercises permanent supervision over the Company's operations in all areas of its operations. The specific duties of the Supervisory Board include the assessment and approval of the annual financial statements and the Management Board report on the Company's performance in terms of their compliance with the books and documents as well as with the actual state of affairs.

The audit of the financial statements is treated as an additional assessment of the internal control system. The Company confirms that the purpose of the audit is to issue an opinion on credibility and fairness of the financial statements, not the process of their preparation. It should be assumed that, that the auditor's opinion and report on the audit of the financial statements are a reflection of the applied risk control and management procedures in the process of preparing financial statements.

Moreover, pursuant to Art. 4a of the Act of 29th September 1994. on accounting, it is the obligation of the Supervisory Board to ensure that the financial statements and the report on the Company's performance meet the legal requirements. The Supervisory Board performs this obligation using the competences resulting from the provisions of commercial law and the Company's Articles of Association.

Based on the Act of 7th May 2009 on statutory auditors and their self-government (...)The Supervisory Board duties include: examination of the financial reporting process; examination of the internal control systems, internal audit and risk management effectiveness; examination of the financial audit activities performance along with the independence of the statutory auditor and the entity authorized to audit financial statements, recommendation to the Supervisory Board of the entity authorized to audit the Company's financial statements (Audit Committee when the Supervisory Board consists of more than five members).

PATENTUS S.A. uses an integrated IT system of ERP class, which supports conducting commercial and production activities as well as keeping accounts. This software provides support for most areas of the company's operations. The system includes modules for servicing the following departments: sales, purchases, warehouse management, financial and accounting, control and production management. The electronic flow of documentation works integrally with the system. To support the HR and payroll department, separate software is used, to a certain extent integrated with the ERP system.

The integrated system ensures better data integrity, once entered data can be easily used in various modules. It facilitates the supervision of activities carried out in the system, provides centralized access control. It automates specific activities, influencing the flow of information and documentation.

With regard to the activities of the financial and accounting department, the implemented system requires correct data entry on the part of users. It enables automatic informing users about specific activities, confirming, describing, approving documents or activities. It allows to create tasks for a specific user or group of users. Ensures that the accounting department supervises the documentation, which is located in other departments, and is important from the accounting point of view. It exercises the supervision of the Management Board over important tasks and documents. It contains a number of control and final reports and summaries supporting stock exchange reporting. The aforementioned activities are to guarantee the timeliness and completeness of the data entered into the system, which is extremely important in the process of preparing reports. This enables a better analysis of the processes taking place in the enterprise and has a positive effect on the possibility of more effective planning of the Company's development strategy.

In connection with the capital group establishment and in order to improve matters related with consolidated reports, a module is currently being implemented to automate the activities necessary to create consolidated reports for a capital group.

In addition to dedicated modules for individual departments of PATENTUS S.A. it also has a system for storing documentation in electronic form. The security of the collected data is of great importance. For this reason, a number of measures have been taken to increase data security. This mainly applies to data access within the enterprise, external access, and in the event of data destruction or loss. As part of this, solutions have been introduced in the company, which include security related to data access control, appropriate security related to network infrastructure, and a system for backup copies of key data.

In order to improve and accelerate the proper functioning of the system and enable more effective data analysis – the Management Board of the Company implements additional regulations to be applied by the employees of the Company, including: "Detailed guidelines – cost invoices" or "Data storage and use, data backup. Information on the prohibition of using and possessing illegal versions of programs and content infringing the copyrights of other companies, institutions or persons – PATENTUS S.A." In addition, the Company has introduced the rules of confidential information circulation, which systematize, inter alia, the process of preparation and circulation of financial information and the process of providing information necessary to perform the aforementioned works. In addition, it defines the scope of tasks of individual persons in the preparation of individual parts of periodic reports and their disclosure to the public.

An important element of risk management for the Company is the use of solutions that eliminate the risk, and so:

- for calculating provisions for retirement and disability benefits – using the services of an independent actuary,
- for the valuation of financial instruments – using the bank's valuation,
- for the calculation of the provision for bonuses for employees and management – the use of calculations in accordance with the adopted remuneration regulations,
- for the valuation of property - the principle of obtaining a valuation from property appraisers has been adopted,
- for the elimination of market risk – the entrepreneur's liability insurance.

Other provisions are created in accordance with applicable regulations. In addition, the Company permanently cooperates with several specialized consulting companies.

AT PATENTUS S.A. (since 2000) a Quality Management System has been established, documented, implemented and maintained; and constantly improves its effectiveness, in accordance with the requirements of EN ISO 9001.

Quality Management System at PATENTUS S.A. includes activities related to the design, production, production service, renovation of mining machinery and equipment and the production of welded steel structures, as well as trade in metallurgical products, welding equipment, protective clothing and office supplies.

As part of the above:

- processes necessary for the Quality Management System have been identified;
- risks and opportunities are considered:
- the sequence of processes and the interaction of these processes have been defined;
- the criteria and methods needed to ensure that both the operation and control of these processes are effective have been determined;
- the resources and information necessary to support the action and monitor these processes are available;
- monitoring, measurement and analysis of these processes are carried out and
- measures necessary to achieve the planned results and continuous improvement of these processes are implemented,
- Welding is treated as a process that requires complete documentation of the control loop (planning, execution, control).

The processes related to the implementation of the product or service, as the main processes of the QA system, cover activities from the moment of recognizing the expectations and defining the customer's requirements to their satisfaction and are in accordance with the requirements of PN-EN ISO 9001: 2015 standards and the established Quality Policy.

Documentation of the Quality Management System is available in paper and electronic form and includes:

- documented statements regarding the Quality Policy and quality objectives;
- legal regulations, standards, drawings, construction documentation, technological documentation, technical conditions, specifications, instruction sheets, workplace instructions and other documents related to effective planning, conducting and control of processes;

- Quality Book;
- Identified processes included in the Quality Book;
- Procedures,
- Instructions,
- Records,

In September 2021 The Issuer underwent another supervision audit, in accordance with the requirements of the standard – ISO 9001: 2015, which ended with a positive result.

4. Indication of shareholders holding, directly or indirectly, significant blocks of shares with indication of the number of shares held by those shareholders, their percentage share in the share capital, the resulting number of votes and their percentage share in the total number of votes at the General Meeting.

According to the information obtained by the Company, the Company's shareholders, other than members of the management and supervisory authorities, holding directly or indirectly significant blocks of shares are: Małgorzata Duda – Chief Financial Officer., Commercial Proxy, Małgorzata Duda (née Wiktor) – Commercial Proxy.

Shareholder	Function held in the Company	Total number of shares held / Total number of votes held	Share in the share capital / Share in the total number of votes at the General Meeting (%)
Józef Duda	President of the Management Board	4.325.175 / 7.679.350	14,66% / 16,12%
Henryk Gotz	Shareholder	2.962.500 / 5.650.000	10,04% / 11,86%
Urszula Gotz	Member of the Supervisory Board	4.829.150 / 8.183.300	16,37% / 17,18%
Małgorzata Duda	Chief Financial Officer., Commercial Proxy	7.804.675 / 13.846.350	26,46% / 29,07%
Małgorzata Duda (nee Wiktor)	Commercial Proxy	3.619.300 / 6.306.800	12,27% / 13,24%
Total:		23.540.800 / 41.665.800	79,80% / 87,47%

5. Indication of persons holding securities with special control rights, together with description of those rights.

The Company has issued preference registered shares as to voting rights in the following series:

- in SERIES A, 2 VOTES PER SHARE (5 000 000 shares in total, i.e. 10 000 000 votes),
- in SERIES B, 2 VOTES PER SHARE (7 500 000 shares in total, i.e. 15 000 000 votes),
- in SERIES C 2 VOTES PER SHARE (5 625 000 shares in total, i.e. 11 250 000 votes).

Other series of ordinary bearer shares (shares are not privileged):

- ORDINARY BEARER SHARES - in SERIES D, 5 250 000 shares in total, i.e. 5 250 000 votes
- ORDINARY BEARER SHARES - in SERIES E, 3 125 000 shares in total, i.e. 3 125 000 votes
- ORDINARY BEARER SHARES - in SERIES F, 3 000 000 shares in total, i.e. 3 000 000 votes.

Shareholders holding preferred registered shares as to voting rights in SERIES A, B, C:

Shareholder	Function held in the Company	Total number of series A, B, C shares / Total number of series A, B, C votes	Share in the share capital / Share in the total number of votes at the General Meeting (%)
Józef Duda	President of the Management Board	3.354.175 / 6.708.350	11,37% / 14,086%
Henryk Gotz	Shareholder	2.687.500 / 5.375.000	9,11% / 11,286%
Urszula Gotz	Member of the Supervisory Board	3.354.150 / 6.708.300	11,37% / 14,086%
Małgorzata Duda	Chief Financial Officer., Commercial Proxy	6.041.675 / 12.083.350	20,48% / 25,372%
Małgorzata Duda (z domu Wiktor)	Commercial Proxy	2.687.500 / 5.375.000	9,11% / 11,286%
Total:		18.125.000 / 36.250.000	61,44% / 76,12%

6. Indication of any restrictions on the exercise of voting rights, such as restrictions on the exercise of voting rights by holders of certain proportion or number of votes, time restrictions on the exercise of voting rights or provisions according to which, with the cooperation of the Company, equity rights related to securities are separated from ownership of securities.

There are no provisions regarding the restrictions on the exercise of voting rights in the Company's Articles of Association. The right to vote from shares on which a pledge or usufruct has been established, registered on securities accounts with a brokerage house or a bank maintaining securities accounts, is vested in the shareholder.

7. Indication of any restrictions relating to the transfer of ownership of the Company’s securities.

There are no provisions in the Company's Articles of Association regarding the restrictions on the transfer of ownership of the Company's securities. In the case of the sale of registered shares, the pre-emptive right is vested in the shareholders holding privileged registered shares as to voting rights.

8. Description of the principles concerning the appointment and dismissal of managing personnel and their rights, in particular the right to decide of shares issue or buyout.

Pursuant to § 16 item 3 point 1 of the Company's Articles of Association, the Management Board is appointed by the Supervisory Board, while the Supervisory Board, pursuant to §21 item 1 point 1 of the Articles of Association, is elected by the General Meeting.

On 19th May 2022 the Company’s Supervisory Board adopted resolutions No. 3, 4, 5 - appointing the Management Board for a new 5-year term of office starting from 19th May 2022 composed of:

Józef Duda – President of the Management Board

Stanisław Duda – Vice President of the Management Board.

The aforementioned resolutions entered into force on 24th May 2022.

The aforementioned information was published in the current report 11/2017 on 19th May 2022.

The right to decide on the issue or buy back of shares lies within the competence of the General Meeting. The Company's Management Board is not authorized to make decisions on the issue or buy back of shares.

9. Description of principals for amending the Company's Articles of Association.

Amendments to the Company's Articles of Association are made in accordance with generally applicable provisions of law. Amendments to the Company's Articles of Association fall within the competence of the General Meeting.

10. Manner of operation of the General Meeting and its fundamental powers as well as a description of the shareholders' rights and the manner of their exercise, in particular the principles stemming from General Meeting regulations, if such regulations have been adopted, unless the information in this respect results directly from the provisions of law.

The Annual General Meeting proceeds according to the rules set out in the provisions of the Commercial Companies Code along with the provisions of the Articles of Association and the Regulations of the General Meeting.

The competences of the General Meeting, apart from matters specified in legal regulations and in the provisions of the Company's Articles of Association, include:

1) appointment and dismissal of members of the Supervisory Board;
2) determining the number of members of the Supervisory Board;
3) approval of the Regulations of the Supervisory Board;
4) establishing the principles of remunerating members of the Supervisory Board;
5) determining the amount of remuneration for delegated members of the Supervisory Board for permanent individual supervision;
6) adopting the Regulations of the General Meeting;
7) creation and liquidation as well as the manner of using reserve capitals.

The purchase and sale of property, perpetual usufruct or a share in the aforementioned rights to property does not require the consent of the General Meeting.

General Meetings may be ordinary or extraordinary.

The Ordinary General Meeting is convened by the Company's Management Board and should be held within six months after the end of each fiscal year.

If the Management Board fails to convene the Annual General Meeting on time, the Supervisory Board is entitled to do so.

The Extraordinary General Meeting is convened by:

- the Company's Management Board on its own initiative or upon a written request of the Supervisory Board;

- the Supervisory Board, if it deems it advisable;
- Shareholders representing at least half of the share capital or at least half of the total votes in the Company.

Shareholder or shareholders representing at least 1/20 of the share capital may request that the Extraordinary General Meeting be convened. The request to convene the Extraordinary General Meeting should be submitted to the Management Board in writing or in electronic form. If the Extraordinary General Meeting is not convened within two weeks from the date of submission of the request to the Management Board, the registry court may authorize the shareholders submitting the request to convene the Extraordinary General Meeting. Shareholder or shareholders representing at least 1/20 of the share capital may request that certain matters be placed on the agenda of the next General Meeting. The request should be submitted to the Management Board no later than 21 days before the scheduled date of the meeting. The request should include justification or draft resolution regarding the proposed item on the agenda. The request may be submitted in an electronic form.

The General Meeting is convened by announcement. The announcement should include the date, time and place of the General Meeting as well as a detailed agenda. In the case of an intended amendment to the Articles of Association, the provisions applicable so far as well as the content of the proposed amendments should be referred to. If it is justified by the significant scope of the intended amendments, the announcement may contain a draft of a new unified text of the Articles of Association along with a list of new or amended provisions of the Articles of Association.

General Meetings are convened through the announcement made on the Company's website and in the manner specified for providing current information in accordance with the provisions on public offering and the conditions for introducing financial instruments to the organized trading system and on public limited companies. Detailed information that should be included in the announcement on the General Meeting of a public limited company is specified in Art. 4022^{2} CCC.

The announcement should be made at least twenty-six days before the date of the General Meeting.

General Meetings are held at the Company's registered office, in Pszczyna, in Tychy or in Warsaw.

The General Meeting is valid regardless of the number of shares represented at it, unless the Articles of Association or the law provide otherwise. Resolutions of the General Meeting are adopted by an absolute majority of votes cast, unless the law or the Articles of Association provide for stricter conditions for adopting resolutions.

Removing from the agenda or abandoning the consideration of the item on the agenda at the request of shareholders requires the adoption of a resolution of the General Meeting, with the prior consent of all shareholders who submitted such a request, supported by 75% (seventy-five percent) of the votes of the General Meeting.

Only persons who are shareholders of the company sixteen days prior the date of the General Meeting (the date of registering participation in the Meeting) have the right to participate in the General Meeting of a public limited company. The day of participation registry in the General Meeting is the same for persons entitled under bearer shares and registered shares.

At the request of the person authorized under the dematerialized bearer shares of the Company, submitted not earlier than after the announcement of the convening of the General Meeting and not later than on the first working day after the date of registration of participation in the Meeting, the entity maintaining the securities account issues a registered certificate of the right to participate in the General Meeting.

At the request of the person authorized under the dematerialized bearer shares, the content of the certificate should indicate some or all shares registered on his securities account.

The regulations on trading in financial instruments may indicate other documents equivalent to the certificate, provided that the entity issuing such documents has been indicated to the entity keeping the securities deposit for the Company.

The list of persons authorized under the bearer's shares to participate in the General Meeting is determined by the Company on the basis of the shares deposited with the company and the list prepared by the entity maintaining the securities deposit in accordance with the regulations on trading in financial instruments.

The entity maintaining the securities deposit prepares a list on the basis of lists submitted not later than twelve days before the date of the General Meeting by authorized entities in accordance with the provisions on trading in financial instruments. The basis for drawing up the lists provided to the entity keeping the securities deposit are the issued certificates of the right to participate at the General Meeting of the Company.

The entity maintaining the securities deposit makes the list available to the Company by means of electronic communication no later than one week before the date of the General Meeting. If, for technical reasons, the list cannot be made available in this way, the entity keeping the securities deposit issues it in the form of a written document no later than six days before the date of the General Meeting; the issue takes place at the seat of the entity's governing body. A shareholder of the Company may transfer shares in the period between the date of registering participation in the General Meeting and the date of closing the General Meeting.

The Management Board and Supervisory Board members have the right to participate in the General Meeting.

The list of shareholders entitled to participate in the General Meeting, signed by the Management Board, containing the surnames and forenames or company (names) of the entitled persons, their place of residence (headquarter), number, type and numbers of shares and the number of votes they are entitled to, should be displayed at the premises of the Management Board by three business days before the General Meeting is held. A natural person may provide an address for service instead of the place of residence. A shareholder may view the list of shareholders in the premises of the Management Board and request a copy of the list, reimbursing the costs of its preparation. If the voting right attached to a share is vested in a pledgee or usufructuary, this circumstance is marked on the list of shareholders at the request of the entitled person.

Shareholder of the Company may request that the list of shareholders be sent to him free of charge by e-mail, providing the address to which the list should be sent. Shareholder has the right to demand copies of motions on matters included in the agenda within one week prior the General Meeting.

Shareholder may participate in the General Meeting and exercise the voting right in person or through a proxy. A power of attorney to participate in the General Meeting and exercise voting rights must be granted in writing or in electronic form. Granting a power of attorney in an electronic form does not require a secure electronic signature verified with a valid qualified certificate.

Voting is open. Secret voting is ordered during elections and on motions for dismissal of members of the Company's governing authorities or liquidators, or for holding them liable, as well as in personal matters or at the request of at least one from persons entitled to participate in the General Meeting. The persons objecting to the resolution are allowed to briefly justify their objection.

11. The composition and changes in it over the last fiscal year, and description of the operations of the management, supervisory or administrative authorities of the Company and their committees.

Management:

Management Board of PATENTUS S.A. acts upon the provisions of:

a) Commercial Companies Code,
b) Articles of Association of PATENTUS S.A.,
c) Regulations of the Management Board approved by the Supervisory Board.

As at 31st December 2022, the Management Board of PATENTUS S.A. operated in a 2-person composition:

Mr. Józef Duda - President of the Management Board,
Mr. Stanisław Duda - Vice President of the Management Board.

Pursuant to § 9 of the Articles of Association, the Company's Management Board consists of 1 (one) to 5 (five) members, appointed and dismissed by the Supervisory Board, which also determines the function that the appointed person will perform in the Management Board.

The joint term of office of the Management Board is five years. Pursuant to Art. 369 § 4 of the Commercial Companies Code, the mandate of a Management Board Member shall expire no later than on the date of the General Meeting approving the financial statements for the last full fiscal year of performing the function of a Management Board Member. The mandate of a Management Board Member also expires as a result of death, resignation or dismissal of a Management Board Member from the Management Board (Art. 369 § 5 of the Commercial Companies Code). The mandate of the Management Board member appointed for a joint term of office before the end of the given Management Board term of office shall expire simultaneously with the expiry of the mandates of the Management Board remaining members.

Term of office of the present members of the Management Board:

Name and Surname	Position / Function	Beginning of the term of office	End of term of office
Józef Duda	President of the Management Board	24th May 2022	24th May 2027
Stanisław Duda	Vice President of the Management Board	24th May 2022	24th May 2027

The mandates of the Management Board members will expire on the date of approval of the financial statements for the financial year 2027 by the General Meeting.

Supervisory Board:

Supervisory Board of PATENTUS S.A. acts upon the provisions of:

a) Commercial Companies Code,
b) Articles of Association of PATENTUS S.A.,
c) Regulations of the Supervisory Board approved by the General Meeting.

As at 31st December 2022, the Supervisory Board of PATENTUS S.A. operated in a 5-person composition:

Mr. Wiesław Waszkielewicz - Chairman of the Supervisory Board,
Mr. Łukasz Duda - Deputy Chairman of the Supervisory Board,
Mr. Jakub Szymczak - Member of the Supervisory Board,
Ms Anna Gotz - Member of the Supervisory Board,
Mrs. Edyta Głombek - Member of the Supervisory Board.

Pursuant to § 13 of the Company's Articles of Association, the Supervisory Board consists of 5 (five) to 7 (seven) members appointed and dismissed by the General Meeting. The joint term of office of the Supervisory Board is five years. Pursuant to Art. 369 § 4 in connection with Art. 386 § 2 of the Commercial Companies Code, the mandate of a Supervisory Board Member shall expire no later than on the date of the General Meeting approving the financial statements for the last full fiscal year of performing the function of a Supervisory Board Member. The mandate of a Supervisory Board member also expires as a result of death, resignation or dismissal of a Supervisory Board member from the Supervisory Board. Pursuant to Art. 369 § 3 in connection with Art. 386 § 2 of the Commercial Companies Code, the mandate of a Supervisory Board Member appointed for a joint term of office before the end of the given term of office shall expire simultaneously with the expiry of mandates of the remaining Supervisory Board members.

Term of office of the present Members of the Supervisory Board:

Name and Surname	Position / Function	Beginning of the term of office	End of term of office
Wiesław Waszkielewicz	Chairman of the Supervisory Board	19th May 2022	19th May 2027
Łukasz Duda	Deputy Chairman of the Supervisory Board	19th May 2022	19th May 2027

Anna Gotz	Member of the Supervisory Board	19th May 2022	19th May 2027
Edyta Głombek	Member of the Supervisory Board	19th May 2022	19th May 2027
Jakub Szymczak	Member of the Supervisory Board	19th May 2022	19th May 2027

The mandates of the Supervisory Board members, in accordance with the provisions of the Articles of Association, will expire on the date of approval of the financial statements for the fiscal year 2027 by the General Meeting.

Operating Committees

There is no remuneration committee in the Supervisory Board. In accordance with the Company's Articles of Association – the Audit Committee functions in the Supervisory Board. However, when the Supervisory Board consists of no more than five members, the tasks of the Audit Committee are entrusted to the entire Supervisory Board.

12. With regard to the Audit Committee or, respectively, the Supervisory Board or other supervisory or controlling authority, in case of performance of the duties of the Audit Committee by this authority, indication of:

– ***persons who meet the statutory independence criteria:***

- Wiesław Waszkielewicz – Deputy Chairman of the Audit Committee, meets the independence criterion.

– ***persons with knowledge and skills in the field of accounting or auditing of financial statements, with indication how the knowledge was acquired:***

- Ms. Edyta Głombek Chairwoman of the Audit Committee, has knowledge of accounting or Balance Sheet auditing and meets the independence criterion.

– ***persons with knowledge and skills in the industry in which the Issuer operates, indicating how the knowledge was acquired:***

- Ms. Anna Gotz – Secretary of the Audit Committee, has knowledge about the industry through her position in the Company as an employee.

– ***whether the Issuer was provided with allowed non-audit services by the audit firm auditing its financial statements and whether the independence of the audit firm was assessed and consented to the provision of these services – no other non-audit services were provided to the Issuer***

No other non-audit services were provided to the issuer by the audit firm.

- ***the main assumptions of the policy of selecting an audit authority to conduct the audit and the policy of providing by the audit authority conducting the audit, by entities related to this audit authority and by a member of the audit authority's network of permitted non-audit services,***

Acting pursuant to the provisions of Art. 130 sec. 1 point 5 of the Act of 11th May on Statutory Auditors, Audit Firms and Public Supervision, the Audit Committee and Supervisory Board of PATETNUS S.A. adopted on the basis of Resolution No. 2 of 19th October 2017 "Policy and procedures for selecting an audit firm".

– ***whether the recommendation regarding the selection of the audit authority to conduct the audit met the applicable conditions, and if the selection of the audit authority did not concern the extension of the agreement for the audit of the financial statements - whether the recommendation was drawn up as a result of the selection procedure organized by the Issuer that meets the applicable criteria***

The Audit Committee of the Supervisory Board of PATETNUS S.A. on the basis of point 4 subsection 4.2.1 of the Regulations of the PATENTUS S.A. Audit Committee and § 16 points 1 and 2 Procedures for the selection of an audit authority, on 5th October 2018 at the meeting of the Audit Committee of the Supervisory Board of PATENTUS S.A. by Resolution No. 2 recommended an auditing authority to the Supervisory Board of PATETNUS S.A.

- ***the number of meetings of the Audit Committee or meetings of the Supervisory Board or other supervisory or controlling body devoted to the performance of the duties of the Audit Committee***

Two meetings of the Audit Committee were held in 2022 (the Audit Committee was appointed at the meeting of the Supervisory Board on 19th May 2022, by Resolution No. 1 on the Audit Committee appointment) and four meetings of the Supervisory Board.

– ***in the case of the performance of the duties of the audit committee by the supervisory board or other supervisory or controlling body - which of the statutory conditions giving the possibility of exercising this possibility have been met, including the provision of relevant data.***

- Pursuant to the Act of 11th May 2017 on statutory auditors (...) The Supervisory Board duties include: examination of the financial reporting process; examination of the internal control systems, internal audit and risk management effectiveness; examination of the financial audit activities performance along with the independence of the statutory auditor and the entity authorized to audit financial statements., recommendation to the Supervisory Board of the entity authorized to audit the Company's financial statements (Audit Committee when the Supervisory Board consists of more than five members).

13. In the case of an issuer which in the fiscal year for which the financial statements are prepared and in the year preceding this year exceeds at least two of the following three amounts: a) PLN 85,000,000 - for the total assets of the balance sheet at the end of the fiscal year; b) PLN 170,000,000 – regarding the net sales revenues for the fiscal year; c) 250 people – regarding the average annual employment converted into full time equivalents - - description of the diversity policy applied to the administrative, management and supervisory bodies of the issuer in relation to aspects such as, for example, age, gender or education and professional experience, the objectives of this diversity policy, the manner of its implementation and effects in the given reporting period; if the issuer does not follow such a policy, it shall explain the decision in its declaration

PATENTUS S.A. in the fiscal year, exceeds PLN 85 000 000 of the total assets of the balance sheet at the end of the fiscal year, but does not exceed the net sales revenues of PLN 170 000 000 and does not employ 250 people converted into full time jobs. Therefore, this point does not apply.

STATEMENT OF THE MANAGEMENT BOARD

The Management Board composed of:

Mr. Józef Duda - President of the Management Board

Mr. Stanisław Duda - Vice President of the Management Board,

made the following statements:

1. to the best of their knowledge, the annual consolidated financial statements for the period from 1st January 2022 to 31st December 2022 and comparable data for the previous fiscal year were prepared in accordance with the applicable accounting principles and reflect truthfully, fairly and clearly the property and financial situation of PATENTUS SA Capital Group and its financial result.

2. the annual report on PATENTUS S.A. Capital Group performance contains a true picture of the development and achievements as well as the situation of PATENTUS S.A. Capital Group, including a description of the basic threats and risks.

Józef Duda – President of the Management Board	
Stanisław Duda – Vice President of the Management Board	

Pszczyna, 20th March 2022