

Polish Financial Supervision Authority**Current report****No. 13 / 2023**Report date: 22nd June 2023

Abbreviated issuer name:

PATENTUS S.A.

Subject:

Conclusion of an significant agreement with Polska Grupa Górnicza S.A..

Legal grounds:

Article 17 paragraph 1 MAR – confidential information.

Report content:

Management Board of PATENTUS S.A. ("Company", "Issuer", "Contractor") informs that on 21st June 2023 an information was received on PAT 23-025 Agreement conclusion between Polska Grupa Górnicza S.A KWK Piast – Ziemowit Branch (PGG, Ordering Party) and PATENTUS S.A.

Subject of the Agreement:

Delivery of a new, class 1100 longwall scraper conveyor along with a crusher – task no. 1. – agreement no. PAT.23-025.

Completion time:

Delivery up to 24 weeks from the date of Purchase Order delivery (via e-mail) to the Contractor. Delivery of the Purchase Order shall take place no later than 10 weeks from agreement conclusion date.

Total Agreement Value:

task no. 1 – agreement no. PAT.23-025 amounts to: PLN 36 500 000 net (in words: thirty-six million five hundred thousand zlotys 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: 1.5 million tons of transported output or 24 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,

5. chains for the longwall scraper conveyors – 12 months from the date of commissioning underground.

6. crusher's crushing drum bearings (with regards to longwall conveyors) – 1.5 million tons.

3) Warranty period for equipment subassemblies or components repaired or replaced under warranty (excluding subassemblies and components covered by detailed warranty as indicated in point 11.2) – 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, 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.

9) Deadline for removal of defects and faults that arose during the Subject of the Order delivery – up to 7 days from the delivery date.

10) Within the price for the Subject of the Order 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, (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 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.

11) Spare parts replaced under the warranty shall be covered by a new warranty providing the same terms as applicable to the Subject of the Order. Warranty period shall be extended by the time of warranty repairs performance.

Contractual penalties:

1. In the event of non-performance or improper performance of the Agreement, the Ordering Party may impose contractual penalties on the Contractor, calculated based on the net value of the task being subject to non-performance or improper performance of the Agreement, as specified in §3 – Price and Payment Terms, sec. 1.

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, in the scope of the task being subject to delivery, for each day of delay exceeding deadline indicated in § 5 up to 10th day inclusive,

3) in the amount of 0.2% of the net value of the not delivered Subject of the Order, in the scope of the task being subject to delivery, for each day of delay exceeding deadline indicated in § 5 over 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 in the scope of the task it concerns 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 imposed contractual penalties resulting from provisions in points 3) to 6) shall not exceed 10% of the net agreement value,

8) 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;

9) 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 – non-applicable,

10) for breach of the confidentiality obligation by the Contractor in the amount of 5% of the net Agreement value, for breach of the confidentiality obligation by the Ordering Party, the Contractor may impose contractual penalty on the Ordering Party 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 1 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 1 dm³ 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 impose contractual penalty in the amount of 5% of the net agreement value,

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 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).

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 referred to in § 20 of the Agreement, the Ordering Party is entitled to order a substitute performance.

5. Shall the Ordering Party order the delivery of the unperformed by the Contractor Subject of the Agreement (e.g. not delivered), or unperformed parts / components of the Subject of the Agreement with a third party (substitute performance) due to Subject of Agreement or unperformed parts / components non-delivery, the Contractor is obliged to reimburse the price difference and – as a result of the aforementioned – to impose the contractual penalty in the amount of 2% of the Subject of the Agreement net value on the Contractor.

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.

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7. 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.
8. Contractor may impose contractual penalty on the Ordering Party 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.
9. Total maximum value of contractual penalties attributable to the Ordering Party cannot exceed the agreement value indicated in § 3 sec. 1.
10. Deadline for payment of the accounting note issued for contractual penalties shall be set for 30 days from the accounting note issue date.
11. Ordering Party may deduct the accrued contractual penalties from the Contractor's remuneration.
12. Parties to the contract may, on general terms, claim damages exceeding the amount of contractual penalties.

PATENTUS SPÓŁKA AKCYJNA

(full issuer name)

PATENTUS S.A.

(abbreviated issuer name)

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(sector acc. to WNE classification)

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SIGNATURES OF THE COMPANY'S REPRESENTATIVES:

Date	Name and Surname	Position/Function	Signature
22 nd June 2023	Józef Duda	President of the Management Board