

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

**SEMI-ANNUAL REPORT ON
PATENTUS S. A. CAPITAL GROUP
PERFORMANCE
for the period from 1st January 2023
to 30th June 2023**

Pszczyna, 29th August 2023

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SEMI-ANNUAL REPORT ON PATENTUS S.A. CAPITAL GROUP PERFORMANCE for the period from 1st January 2023 to 30th June 2023

1. Principles of compiling the semi-annual condensed consolidated financial statements.

Consolidated financial statements of PATENTUS S.A. Capital Group ("Capital Group") for the semi-annual reporting period which ended on 30th June 2023, was prepared in accordance with the International Financial Reporting Standards ("IFRS") applicable to interim financial reporting, as approved by the European Union, International Accounting Standards and related interpretations published in the form of Regulations of the European Commission (in particular in accordance with IAS 34) and takes into account the provisions of the Ordinance of the Minister of Finance of 29th March 2018 on the disclosure of current and interim information by issuers of securities along with the conditions under which such information may be recognized as equivalent to the information required by the laws of a non-member state. In order to fully understand the financial situation and results of the Capital Group this report on performance should be read taking into account the information contained in the consolidated financial statements of the Capital Group prepared as at 30th June 2023 and the separate financial statements of PATENTUS S.A. prepared as at 30th June 2023. These reports will be available on the Parent Company's website at www.patentus.eu by the date consistent with the current report on the date of publication of the consolidated semi-annual report for the first half of 2023, i.e. on 30th August 2023. The content of the financial statements includes, inter alia, records in accordance with § 66 section 8 points 2-11 and § 69 sections 2-6 of the Ordinance of the Minister of Finance of 29th March 2018 on current and interim information published by issuers of securities and conditions under which such information may be recognized as equivalent to the information required by the laws of a non-member state. Consolidated 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".

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

2.1 Consolidated Balance Sheet:

Assets:

Assets data in PLN thousand	Note	Period end 30 th June 2023	Period end 31 st December 2022	Period end 30 th June 2022
I.Fixed assets		79 223	84 777	88 373
1.Intangible assets	1	5 314	5 289	5 968
2.Tangible fixed assets	2	71 366	75 564	78 668
3.Investment property	3	1 375	1 375	1 253
4.Deferred tax assets	17	720	1 170	396
5.Shares in other entities	3	0	0	0
6.Trade and other receivables	4	0	0	183
7.Long-term receivables from lease agreements	4	448	1 379	1 905
II.Current assets		85 935	60 904	60 001
1.Inventory	5	36 318	34 193	31 329
2.Trade and other receivables	4	17 556	11 664	24 678
3.Short-term receivables arising from lease agreements	4	1 753	1 703	2 058
4.Receivables due to current corporate income tax at period end	17	0	0	0
5.Cash and cash equivalents	6	30 308	13 344	1 936
Total assets		165 158	145 681	148 374

Liabilities:

Liabilities data in PLN thousand	Note	Period end 30 th June 2023	Period end 31 st December 2022	Period end 30 th June 2022
I. Equity (Ia+ Ib)	7	124 461	107 008	102 820
Ia. Equity (fund) attributable to the Parent Company's shareholders		123 693	106 266	102 147
1.Share capital	7	11 800	11 800	11 800
2. Supplementary capital arising from the sale of shares above their nominal value	7	6 448	6 448	6 448
3.Revaluation reserve	7	9 617	9 617	8 643
4.Retained earnings	7	95 828	78 401	75 256
Ib. Equity attributable to non-controlling interests	7	768	742	673
II.Total long-term liabilities		20 420	22 679	24 604
1. Credits and loans	8	8 025	10 309	12 278
2.Other long-term financial liabilities	9	22	12	23
3.Other long-term non-financial liabilities	9	4 955	4 761	5 599
4.Provisions – long-term liabilities	10	205	205	203
5.Deferred tax provisions	17	7 213	7 392	6 501
III. Total short-term liabilities		20 277	15 994	20 950
1. Credits and loans	8	4 340	4 878	5 165
2.Trade and other short-term financial liabilities	9	8 176	6 532	11 777
3.Other short-term non-financial liabilities	9	7 680	4 467	3 974
4. Liabilities due to current income tax	17	35	16	0
5.Provisions for short-term liabilities	10	46	101	34
Total liabilities		165 158	145 681	148 374

2.2 Consolidated Profit and Loss Statement:

Profit and Loss Statement data in PLN thousand	Note	6 months period from 1 st January 2023 to 30 th June 2023	3 months period from 1 st April 2023 to 30 th June 2023	6 months period from 1 st January 2022 to 30 th June 2022	3 months period from 1 st April 2022 to 30 th June 2022
I. Revenues from sales of products, services, goods, materials	11	80 817	55 101	39 496	32 859
II. Cost of products, services, goods and materials sold	12	(58 705)	(40 426)	(36 333)	(27 928)
III. Gross profit (loss) on sales		22 112	14 675	3 163	4 931
IV. Selling costs	12	(996)	(854)	(1 557)	(677)
V. General and administrative costs	12	(3 295)	(1 677)	(2 419)	(1 108)
VI. Other operating revenues	13	1 526	877	2 592	1 931
VII. Other operating expenses	14	(975)	(667)	(1 131)	(1 013)
VIII. Profit (loss) on operating activity		18 372	12 354	648	4 064
IX. Financial revenues	15	640	288	220	220
X. Financial expenses	16	(659)	(362)	(730)	(455)
XI. Pre-tax profit (loss)		18 353	12 280	138	3 829
XII. Income tax	17	(498)	(475)	271	(598)
XIII. Net profit (loss)		17 855	11 805	409	3 231
Additional information					
Net profit (loss) attributable to:					
Parent Company's shareholders		17 831	11 780	393	3 149
Non-controlling interests		24	25	16	82
Weighted average number of shares (in units)		29 500 000	29 500 000	29 500 000	29 500 000
Net profit (loss) per share attributable to the Parent Company's shareholders (in PLN)					
basic		0.61	0.40	0.01	0.11
diluted		0.61	0.40	0.01	0.11
Discontinued operations did not occur					

2.3 Consolidated Statement of Comprehensive Income:

Statement of Comprehensive Income data in PLN thousand	Note	6 months period from 1 st January 2023 to 30 th June 2023	3 months period from 1 st April 2023 to 30 th June 2023	6 months period from 1 st January 2022 to 30 th June 2022	3 months period from 1 st April 2022 to 30 th June 2022
Net profit (loss)		17 855	11 805	409	3 231
Other comprehensive income, including:		0	0	0	0
Effects of revaluation to fair value of tangible fixed assets		0	0	0	0
Deferred income tax provisions settled with equity	17	0	0	0	0
Total comprehensive income		17 855	11 805	409	3 231
Additional information:					
Total comprehensive income attributable to :					
Parent Company's shareholders		17 831	11 780	393	3 149
Non-controlling interests		24	25	16	82

2.4 Consolidated Statement of Changes in Equity:

Statement of Changes in Equity data in PLN thousand	Note	Equity attributable to shareholders of the Parent Company					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 2023		11 800	6 448	9 617	78 400	106 266	742	107 008
Capital increase through new shares issuance		0	0	0		0	0	0
Net surplus from the sales of shares above their nominal value		0	0	0	0	0	0	0
Disclosure of events occurred after the balance sheet date						0	0	0
Total comprehensive income		0	0	0	17 428	17 428	26	17 454
Data as at 30th June 2023		11 800	6 448	9 617	95 828	123 693	768	124 461
Data as at 1st January 2022		11 800	6 448	8 643	74 862	101 753	657	102 410
Capital increase through 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
Disclosure of events occurred after the balance sheet date		0	0	0	0	0	0	0
Total comprehensive income		0	0	974	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 2022		11 800	6 448	8 643	74 863	101 755	657	102 410
Capital increase through new shares issuance		0	0	0		0	0	0
Net surplus from the sales of shares above their nominal value		0	0	0	0	0	0	0
Disclosure of events occurred after the balance sheet date						0	0	0
Total comprehensive income		0	0	0	393	393	16	409
Data as at 31st June 2022		11 800	6 448	8 643	75 256	102 147	673	102 820

2.5 Consolidated Cash Flow Statements:

Cash Flow Statement (indirect method) data in PLN thousand	Note	6 months period from 1 st January 2023 to 30 th June 2023	3 months period from 1 st April 2023 to 30 th June 2023	6 months period from 1 st January 2022 to 30 th June 2022	3 months period from 1 st April 2022 to 30 th June 2022
Operating activity					
Net profit (loss)		17 831	11 780	393	1 623
Profit (loss) attributable to minority shareholders		24	25	16	0
Total adjustments		261	14 286	(4 389)	(5 003)
Amortisation and depreciation		4 647	2 238	4 364	2 140
Exchange gains (losses)		320	313	(127)	(127)
Interest and profit sharing (dividend)		492	276	128	(59)
Profit (loss) on investment activity		(13)	(17)	(11)	(11)
Change in provisions on liabilities and deferred income tax provisions		(252)	(464)	(446)	400
Change in inventory		(2 125)	8 826	(1 307)	1 931
Change in trade receivables and other receivables excluding advances transferred for the fixed assets acquisition		(6 767)	7 516	(14 646)	(8 483)
Change in liabilities excluding credits, loans and provisions		3 399	(4 744)	7 481	(1 098)
Change in deferred income tax assets		450	323	175	304
Other adjustments		0	0	0	0
Change in accruals (excluding deferred tax)		0	0	0	0
Current income tax paid (adjusted with the balance of settlements from previous period)		19	19	0	0
Net cash flows from operating activity		18 116	26 091	(3 980)	(3 380)
Investment activity					
Disposal of intangible assets and tangible fixed assets		100	24	0	0
Acquisition of intangible assets and tangible fixed assets		(938)	(457)	24	161
Transferred advances for intangible assets and tangible fixed assets acquisition		0	0	0	0
Disposal of investment property		0	0	0	0
Acquisition of financial assets – certificates		0	0	0	0
Acquisition of shares and stocks		0	0	0	0
Disposal of financial assets		0	0	0	0
Repayment of granted loans		0	0	0	0
Received interest on loans granted		0	0	0	0
Received interest on loans granted to subsidiaries		0	0	0	0
Other inflows from financial assets		0	0	0	0
Net cash flows from investment activity		(838)	(433)	24	161
Financial activity					
Net inflows from issuance of shares		0	0	0	0
Received credits and loans		0	15	3 561	2 240
Repayment of credits and loans		(2 700)	(1 562)	(1 971)	(1 073)
Other financial inflows (+) or financial outflows (-)		0	516	1 643	1 132
Payment of liabilities arising from finance lease agreements		2 897	(3 038)	(17)	(7)
Payment of receivables arising from finance lease agreements		(19)	(9)	0	0
Interest paid		(492)	(276)	(128)	59
Net cash flows from financial activity		(314)	(4 354)	3 088	2 351
Total net change in cash		16 964	21 304	(868)	(868)
Change in cash due to exchange differences		0	0	0	0
Balance sheet change in cash and cash equivalents		16 964	21 304	(868)	(868)
Cash and cash equivalents opening balance		13 344	9 004	2 804	2 804
Closing balance of cash and cash equivalents		30 308	30 308	1 936	1 936
including cash and cash equivalents of limited disposability		0	0	0	0

2.6 Selected financial data

Selected financial data from Profit and Loss Statement items and Cash Flow Statement items	in PLN thousand				in EUR thousand			
	6 months period from 1 st January 2023 to 30 th June 2023	3 months period from 1 st April 2023 to 30 th June 2023	6 months period from 1 st January 2022 to 30 th June 2022	3 months period from 1 st April 2022 to 30 th June 2022	6 months period from 1 st January 2023 to 30 th June 2023	3 months period from 1 st April 2023 to 30 th June 2023	6 months period from 1 st January 2022 to 30 th June 2022	3 months period from 1 st April 2022 to 30 th June 2022
I.Net revenue from sales	80 817	55 100	39 496	32 859	17 463	12 132	8 519	7 072
II.Profit (loss) on operating activity	18 372	12 354	648	4 064	3 970	2 720	140	875
III.Pre-tax profit (loss)	18 353	12 280	138	3 829	3 966	2 704	30	824
IV.Net profit (loss)	17 855	11 805	409	3 231	3 858	2 599	88	695
V.Net profit (loss) attributable to the Parent Company's shareholders	17 831	11 780	393	3 149	3 853	2 594	85	678
VI.Net profit (loss) attributable to non-controlling interests	24	25	16	82	5	6	3	18
VII.Total comprehensive income	17 855	11 805	409	3 231	3 858	2 599	88	695
VIII.Total comprehensive income attributable to the Parent Company's shareholders	17 831	11 780	393	3 149	3 853	2 594	85	678
IX.Total comprehensive income attributable to non-controlling interests	24	25	16	82	5	6	3	18
X. Weighted average number of shares in units	29 500 000	29 500 000	29 500 000	29 500 000	29 500 000	29 500 000	29 500 000	29 500 000
XI. Book value per share (in PLN / EUR)	4.19	3.60	3.46	0.94	0.91	1.00	0.77	1.00
VIII. Net profit (loss) per share and diluted net profit (loss) per share attributable to the Parent Company's shareholders of (in PLN / EUR)	0.61	0.40	0.01	0.11	0.13	0.09	0.02	0.00
XIII. Net cash flows from operating activity	18 116	26 091	(3 980)	(3 380)	3 914	5 745	(858)	(727)
XIV. Net cash flows from investing activity	(838)	(433)	24	161	(181)	(95)	5	35
XV. Net cash flows from financial activity	(314)	(4 354)	3 088	2 351	(68)	(959)	666	506
XVI.Total net cash flow	16 964	21 304	(868)	(868)	3 666	4 691	(187)	(187)
EUR exchange rate used to convert Profit and Loss statement items and Cash Flow Statement items					4.6280	4.5419	4.6362	4.6466

Selected financial data from Balance Sheet items	in PLN thousand			in EUR thousand		
	Period end 30 th June 2023	Period end 31 st December 2022	Period end 30 th June 2022	Period end 30 th June 2023	Period end 31 st December 2022	Period end 30 th June 2022
XVII.Fixed assets	79 223	84 777	88 373	17 802	18 077	18 881
XVIII.Current assets	85 935	60 904	60 001	19 310	12 986	12 819
XIX.Total assets	165 158	145 681	148 374	37 112	31 063	31 700
XX.Long-term liabilities	20 420	22 679	24 604	4 588	4 836	5 257
XXI.Short-term liabilities	20 277	15 994	20 950	4 556	3 410	4 476
XXII. Equity	124 461	107 008	102 820	27 967	22 817	21 967
XXIII. Equity attributable to Parent Company's shareholders	123 693	106 266	102 147	27 794	22 658	21 823
XXIV. Share capital	11 800	11 800	11 800	2 652	2 516	2 521
XXV. Equity attributable to non-controlling interests	768	742	673	173	158	144
EUR exchange rate used to convert Balance Sheet items				4.4503	4.6899	4.6806

Exchange rates table:

Period	Average EUR exchange rate for the period	Lowest EUR exchange rate for the period	Highest EUR exchange rate for the period	EUR exchange rate on the last day of period
column 1	column 2	column 3	column 4	column 5
from 1 st January 2023	4.6280	4.4286	4.7895	4.4503
to 30 th June 2023				
from 1 st April 2023	4.5419	4.4286	4.6902	4.4503
to 30 th June 2023				
from 1 st January 2022	4.6876	4.4879	4.9647	4.6899
to 31 st December 2022				
from 1 st January 2022	4.6362	4.4879	4.9647	4.6806
to 30 th June 2022				
from 1 st April 2022	4.6466	4.5756	4.7096	4.6806
to 30 th June 2022				

In the first half of 2023, we can observe an increase in assets and liabilities by 11.31% compared to the first half of the previous year. In comparison to the end of the first half of 2022, fixed assets decreased by PLN 9 150 thousand, which accounted for 10.35%, while current assets increased by 43.22%. In liabilities, an increase is noted in the equity group by PLN 21 641 thousand in relation to the value of equity as at 30th June 2022, which represented an increase by 21.05%. Decrease can be observed in long-term liabilities compared to the first half of 2022, i.e. by PLN 4 184 thousand, which was a decrease by 17.00%, short-term liabilities decreased by PLN 673 thousand, which was a decrease by 3.21%.

In the analyzed half of 2023, revenues from the sale of products, services, goods and materials increased by 104.62% and amounted to PLN 80 817 thousand, while the corresponding costs increased by 61.57% compared to the corresponding period of the previous year. As a result, the gross profit on sales disclosed the amount of PLN 22 112 thousand. The net profit at the end of the first half of 2023 amounted to PLN 17 855 thousand.

As at the publishing date of this report, the Issuer operates without major disruptions, however, with respect to the changes in the economic situation caused by the armed conflict in Ukraine along with the energy crisis affecting Europe, it can, or even should be assumed that it will have a significant impact on the Issuer's operations as well as on the financial result. The pandemic has resulted in a progressive slowdown in the economy, both nationally and internationally. The factors that may have influenced the company's financial result are presented below.

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

- 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 shall 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).

Energy crisis in Europe may affect the Company's future financial results, but we do not expect 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, aside from the armed conflict in Ukraine, could have had a significant impact on the result of the Issuer's operations, are in particular:

- decrease in orders from the mining industry,
- significant changes related to the implementation of already signed contracts and difficulties in new orders acquisition,
- limitations or suspensions of service orders execution,
- prices increase of some production materials, as well as parts,
- occurrence of the risk related to significant fluctuations in exchange rates; prior to the pandemic it was one of the significant risks in the Issuer's business activity. Currently, this risk has burgeoned.

3. Description of basic hazards and risks related to the remaining months of the fiscal year.

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 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.

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

- 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 shall 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)

Risk of impact of the COVID-19 epidemic on the Issuer's operations.

As of 1st July 2023, the state of pandemic threat was lifted, therefore the risk associated with the COVID-19 pandemic has significantly decreased. However, the Issuer shall monitor the situation related to the further potential impact of Covid-19 on the issuer's operations. Currently, operations associated with Covid-19 are conducted without major disruptions.

The Issuer shall disclose all information of relevant importance regarding the Covid-19 impact on its establishment, in line with the transparency obligations under Regulation 596/2014 on market abuse (MAR).

Risk of losing qualified employees

In the performance of the Parent Company, employees' qualifications are one of the highest values. PATENTUS S.A. employs qualified engineering, economic and financial staff, which constitute a key group of employees. The company cooperates with PPHU Mirpol Mirośław Kobiór with its registered office in Pszczyna, a private company with qualified production staff providing work services using machines and devices of the Parent Company, under the supervision of engineering staff and based on patents, solutions and documentation of PATENTUS S.A. In the opinion of the Management Board, there is a slight risk of ending the cooperation lasting several years. Termination of the contract could cause periodic production difficulties however, in this case, PATENTUS S.A. will strive to take over most of the employees of the contractor for which it is a significant recipient of services. Subsidiaries also base their performance on the experience, qualifications and skills of the staff. Possible loss of qualified staff, related to high competition among employers, and thus employee rotation, may affect the proper course of the production process and the Company's position on the market. In order to minimize this risk, the Management Boards of the Companies try to maintain the remuneration at a competitive level, which may result in an increase in employment costs.

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. Capital Group 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 financial liquidity ratios of the Capital Group 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 the revenues of the PATENTUS S.A. Capital Group comes from the implementation of won public tenders, in which the price offered has the primary impact on the final result. Currently, the companies of the PATENTUS S.A. Capital Group calculate price offers at a level ensuring a fair margin, which may not always be the case in the future. An additional element 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 signing contracts or, in extreme cases, to the cancellation of the tender.

Exchange rate risk

There is a risk of unfavorable conditions for the PATENTUS S.A. Capital Group 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 Parent Company's Management Board) on the Capital Group's results, 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 important for loans taken in foreign currencies.

Derivative transactions are presented in the Consolidated Financial Statements in Note 30 and in Note 20.

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 and inventories. In the event of the Capital Group 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 Capital Group's financial. The Capital Group settles its liabilities regularly and at present such risk is non-existent.

Risk resulting from EU subsidies obtained for the purchase of new machinery and equipment

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 return part or all of the subsidy with interest. The maximum amount to be reimbursed is approximately PLN 17 260 thousand (excluding interest).

Risk of dependence on significant customers and suppliers

The amount of the Company's revenues depends to a large extent on the current economic situation in the hard coal industry in Poland. Over 83% of the Company's revenues in the audited period of 2023 and over 59% in the corresponding period of 2022 were generated for such recipients as Jastrzębska Spółka Węglowa S.A., PG Silesia Sp. z o.o., PGE Górnictwo i Energetyka Konwencjonalna S.A., JZR Sp. z o.o., Polska Grupa Górnicza S.A.. The remaining sales were carried out, among others, for such recipients as Ungarex S.C., Becker-Warkop Sp. z o.o., TIM INVEST, SBM Mineral Processing GmbH and J.D Austria GmbH. The value of revenues for the aforementioned customers in 2023 was almost 16%, and in 2022 over 44% in relation to total sales. Deterioration of the financial situation of main clients in this industry may result in the deterioration of the 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 Company. The Management Board's aim, that has been realized in recent years, is to diversify the sources of revenues, 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. To further reduce the risk of becoming dependent on major customers, the Company is looking for customers from outside the mining industry.

The risk of applying tax law and changes in legal regulations.

Polish tax system is characterized by instability. Tax regulations tend change very often, many times to the detriment of taxpayers. Changes in tax law may also result from the need 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 regulations, but also on their interpretations by superior court and court rulings. Such interpretations also subject to changes, are replaced by others, or contradict each other. To some extent, this also applies to judicial decisions.

This results in uncertainty as to the method of application of the law by tax authorities or its automatic application in accordance with interpretations held at the moment, which may not correspond to various, often complex facts occurring in economic transactions. Additional ambiguity of many provisions that make up the Polish tax system contributes to increasing this risk. On the one hand, this raises doubts as to the proper application of the provisions, 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 which 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 associated to the often insufficient level of knowledge about EU regulations, which is due to the fact that they are relatively new to the Polish legal system. This may result in the adoption of an interpretation of Polish law that is inconsistent with the regulations in force in the European Union. There are also numerous changes in other areas of law, that may also affect the Capital Group. The introduced legal changes may potentially pose a risk related to interpretation problems, lack of judicial practice, unfavorable interpretations adopted by courts or public administration bodies. In order to protect the Company against possible penal fiscal consequences, on 24th March 2023, the Issuer concluded an insurance policy: Fiscal and Tax Protection Insurance with the Colonnade Insurance S.A. valid from 25th March 2023 to 24th March 2024.

Credit risk

Creditworthiness of customers with whom transactions of physical sale of products are concluded is subject to verification procedures. Receivables are subject to continuous monitoring. Credit risk arising from trade receivables is high, and therefore is limited by number of significant recipients of products, services and goods. According to the data as at 30th June 2022, as presented in Note 18, the sum of the balances of trade receivables disclosed in the balance sheet assets for mining industry counterparties constitutes 38% of the total balance of trade receivables disclosed in the balance sheet assets. As at 30th June 2023, the receivables concentration ratio was over 84%. The aforementioned analysis indicates on the Parent Company's credit risk. Specification of receivables according to overdue periods and the amount of write-downs on entitlements is presented in Note 4. In the opinion of the Capital Group, the maximum risk of non-payment of receivables is equal to write-downs on trade receivables created for individual balance sheet days.

Liquidity risk

The Capital Group is exposed to the risk of losing financial liquidity, understood as the ability to settle liabilities within the given deadlines. Financing business activities with the use of external sources (credits, loans, trade credit) increases the risk of losing liquidity in the future. The Capital Group must have constant access to financial markets, therefore it is exposed to the risk of inability to obtain new financing or refinancing its debt. This risk depends mainly on market conditions, assessment of creditworthiness and the degree of concentration. Due to the high creditworthiness of the Parent Company, in the opinion of the Management Board – there is no risk of losing access to financing.

One of the liquidity risk measures is the degree of matching cash flows (inflows and outflows) in the period up to 3 months, in the period from 4 to 12 months, in the period from 1 to 5 years and over 5 years. The inflows include the balance of trade receivables and the balance of receivables arising from lease agreements, which were increased by the balance of cash in bank accounts and the available balance of unused bank overdraft. The outflows include the value of liabilities arising from credits, loans and lease agreements, which were increased by interest due in the period and the value of other financial liabilities.

Another liquidity risk measure, monitored by the Parent Company, is the analysis of the level of equity. 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 Capital Group assumes maintaining the Equity-to-Assets ratio at a level not lower than 0.6. As at 30th June 2023, the ratio is 0.75.

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 Capital Group assumes to maintain the Debt/EBITDA ratio on a level not exceeding 2.7. As at 30th June 2023, the ratio is 0.27.

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

At present, the subsidiary Zakład Konstrukcji Spawanych MONTEX sp. z o.o. („ZKS MONTEX Sp. z o.o.”) bases its activity 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 Management Board of the Subsidiary will strive to conclude long-term contracts allowing to determine the planned turnover for given year as well as the types of products delivered.

Management Board of the Subsidiary 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 contracts. 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.

Subsidiary ZKS MONTEX Sp. z o.o. bases its activity to a large extent on the use of productive 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 contracts, which would have a negative impact on sales level. The Company has insured productive assets and real estate.

ZKS MONTEX Sp. z o.o. has not yet developed any financial reserves. Current investment activities are mostly based on external financing sources, such as obtaining new loans. Payment delays have a significant impact on 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 these increases in its prices, however, large and sudden increases in the prices of materials may have a negative impact on the Company's financial results in the short term.

Subsidiary continues to shape the structure of its suppliers, also relying in their choices on PATENTUS' experience in the group of steel products (sheets 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.

Additional information on the risk analysis is presented in note 20 to the Consolidated Financial Statements.

Note 18 to the Consolidated Financial Statements presents information on the risk of concentration of commercial transactions.

4. Brief description of significant achievements and failures of the Capital Group during the reporting period, together with the list of most important events that affected them.

Loan agreements or annexes to the loan agreements that were concluded in the first half of 2023 are described below. All loan agreements are described in Note 8 of the Consolidated Financial Statements.

4.1 Loan agreements of the Parent Company:

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:

- ✓ KUKA 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 KUKA 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 KUKA 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 KUKA has the right to raise any allegations against it that affect the limitation or exclusion of insurance liability that KUKA 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. ("KUKA") and the Factoring Agreement No. 0096/2017 concluded with KUKA Finance S.A. ("Factor") reading as follows:

- ✓ KUKA 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;
- ✓ Factor, as the insured, is entitled to demand from KUKA 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 KUKA 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 KUKA 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 no. 2020/01/PRO/FV/00003 and no. 2020/01/PRO/FV/00005 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 till 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 the Company received 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"). 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.

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

On 5th May 2023 the Company received a signed copy of Annex No. 16 of 4th May 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"). Pursuant to the aforementioned Annex, following amendments were introduced to the Factoring Agreement by the Parties:

- * Limit granted to the Company amounts to PLN 10 100 000.00;

The aforementioned information was published in the current report No. 11/2023 on 5th May 2023.

2) On 22nd March 2023, the Company received a signed copy of Annex No. 10 dated 20th March 2023 to the Investment Loan Agreement No. KIN/1219501 of 2nd October 2012 ("Loan Agreement") concluded between Patentus S.A. with its registered office in Pszczyna and Santander Bank Polska S.A. with its registered office in Warsaw ("Bank").

The most significant amendments to the Loan Agreement resulting from the aforementioned Annex are as follows:

- the average monthly inflows to all current accounts maintained by the Bank, regardless of the loan currency, shall be a level not lower than PLN 1,200,000.00, the settlement period shall be 3 consecutive full calendar months starting from the date of Service Commencement;
- Non-compliance penalty: an increase in the base margin to 0.50%.

4.2 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.

4.3 Commercial agreements of the Parent Company:

Due to the number of commercial transactions concluded with key recipients and suppliers, the agreements concluded in the first half of 2023 by the Parent Company, which meet the materiality criterion, i.e. 10% of PATENTUS S.A.'s equity, are presented below.

1) On 3rd January 2023 an information was received by the Issuer, 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

✓ 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 from 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 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 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 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 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) 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.

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 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 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 24th April 2023, an information was received by the Issuer on the PAT 016.23-02 agreement conclusion between Polska Grupa Górnicza S.A., the branch KWK ROW Ruch Marcel, and the Consortium of companies: PATENTUS S.A. (Consortium leader) and Przedsiębiorstwo Kompletacji i Montażu Systemów Automatyki Carboautomatyka S.A. with its registered office in Tychy (Consortium Participant):

- ✓ Subject of the agreement:
 - Delivery of the PT-3 belt conveyor, route/drive units + assembly and commissioning for PGG S.A. KWK ROW Ruch Marcel – task no. 2.
- ✓ Completion date:
 - Delivery **within 30 weeks** from the order submission date.
- ✓ Total Net Agreement Value concluded by the Ordering Party with the aforementioned Consortium of Companies: PLN 18 440 000.00 (in words: eighteen million four hundred forty thousand Polish zlotys).
- ✓ Warranty:
 1. The Contractor provides a warranty for the subject of the order for a period of 36 months from the date of deliveries completion to the Ordering Party's warehouse – for each task separately, with the following exclusions:

- the warranty period for electric motors, clutches, gearboxes, rollers, brake systems, hydraulic units, scrapers, and glued belt joints stands at minimum of **24 months** from the subject of the order commissioning date (in the case where the manufacturer of the product used provides a longer warranty period, the Manufacturer's warranty applies).
 - the warranty period for glued belt joints stands at minimum of **12 months**.
2. The Contractor of task no. 2 provides a warranty for the subject of the order standing at period of **36 months** from the signing date of the defect-free final protocol after the completion of assembly and commissioning of the conveyor, but not longer than 42 months from the date of completion of deliveries to the Ordering Party's warehouse.
 3. The Contractor guarantees that the subject of the order:
 - 1) complies with all specified specifications, requirements, and adequately meets the requirements specified by the Ordering Party. The Contractor guarantees the high quality of the subject of agreement, confirmed by quality certificates, validating compliance of the workmanship with the documentation.
 - 2) is appropriate for the specific purposes planned by the Ordering Party,
 - 3) is consistent with the legal provisions, standards and requirements of state authorities in force in the Republic of Poland
 - 4) The Contractor guarantees that all components and subassemblies of the delivered subject of agreement are factory new, meaning they have not been repaired, regenerated, or utilized, and that all steel structure elements are anti-corrosion protected, and the delivered subject of agreement bears appropriate markings in accordance with the requirements of legal acts.
 4. Acceptance or receipt of the subject of the order in no way relieves the Contractor from liability for defects or other shortcomings in meeting the requirements specified by the Ordering Party.
 5. Unless both the agreement and warranty document provide otherwise, the warranty quality liability covers both defects arising from reasons that existed in the subject of the order at the time of acceptance or receipt as well as any other physical defects that arise or are discovered before the warranty period expiration.
 6. Provided that the Contractor, after being requested to rectify defects under the warranty, fails to fulfill the obligations arising from the warranty, the Ordering Party shall be entitled to rectify the defects at the expense and risk of the Contractor, while retaining other rights arising from the T&Cs, the contract and the warranty.
 7. In the event of standpoint differences regarding the recognition of a complaint, the Ordering Party may commission an independent expert appointed by the Ordering Party to conduct an examination.
 8. Provided that examination results confirm defects in the subject of the order, the examination costs shall be borne by the Contractor. The amount of examination costs will be determined each time by an independent expert.

9. The subject of the order replaced under the warranty shall be subject to a new warranty on the terms specified in the agreement.
10. The warranty does not exclude the Ordering Party's rights under the statutory warranty for physical or legal defects in the subject of the order.
11. The declaration of warranty granting as set forth above shall be considered equivalent to the issuance of a warranty document. If the Contractor provides a separate warranty document, the terms and rights specified therein shall not be contradictory or less favourable to the Ordering Party than the terms and rights arising from Agreement provisions and the applicable regulations of Polish law.
12. The warranty period granted by the Contractor to the Ordering Party for the bearings of the drive drums, discharge drum, the belt storage drum and return drum is 80,000 revolutions.
13. The warranty granted is not conditional on contamination of the transported output.
14. The Contractor undertakes to provide the supply of spare parts and warranty services within the scope of the granted warranty on all days of the week throughout the warranty period with 24-hour availability.
15. Throughout the warranty period of up to **12 months**, all inspections resulting from the provisions of the Operation and Maintenance Manual/Instruction Manual (excluding daily/weekly inspections) and applicable legal regulations will be performed free of charge, along with the materials needed for their execution.
16. All fast-wearing and consumable materials (subject to replacement as a result of the Operation and Maintenance Manual provisions) within a period of up to **12 months** are calculated in the price of the task.
17. The Contractor will undertake warranty service actions within 8 hours from the telephone notification, and the defect will be rectified within 12 hours from the moment of telephone notification of the defect confirmed by fax, provided that the period of transport of the Contractor's personnel, spare parts, tools, and materials necessary for defect rectification shall not be included in the defect rectification period.
18. The Contractor guarantees the supply of spare parts and components within a period of at least 10 years from the date of equipment commissioning.
19. Repairs, refurbishments of subcomponents, and deliveries of spare parts after the warranty period expiration or performed outside the warranty period will be secured by the Contractor against payment resulting from a separate Service agreement.
20. The duration of defect rectification will be specified in the service report protocol signed by the representative of the Ordering Party and the Contractor, and their duration will extend the warranty period.
21. The contractor guarantees high quality of the subject of the contract, confirmed by quality certificates validating compliance of the workmanship with the documentation.
22. The Contractor will provide warranty service in accordance with the applicable regulations of Polska Grupa Górnicza S.A. mines, by employees with the appropriate

experience and qualifications for the scope of work, familiar with the technical documentation machinery repairs in underground conditions and with the obligations arising from Art. 77 and the provisions of Art. 74 of the "Geological and Mining Law".

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, 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 (other than indicated in point 2) below) 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 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,
 - 4) 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,
 - 5) 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 12 hours from the notification for each hour of delay;
 - 6) 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,
 - 7) 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.
 - 8) in the amount of **0.5%** of the net Agreement value in the event of obtaining the result of an endurance test of single vulcanized joint (applies to PT-3 - task no. 2) performed in an Accredited Laboratory with a test result below 70% of the normal tape endurance, additionally the cost of the test shall be transferred to the Contractor,
 - 9) the value of imposed contractual penalties resulting from provisions in points 3) to 7) shall not exceed **10%** of the net agreement value,
 - 10) in the event of detection that the works are conducted 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;

- 11) 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,
- 12) for breach of the confidentiality obligation by the Contractor in the amount of **5%** of the net Agreement value,
- 13) 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 1 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; (further 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 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 mentioned in § 11, 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 § 6 and § 7 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.
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. One party may impose contractual penalty on other party for withdrawal from the agreement for reasons attributable to the party in the amount of 20% of the net agreement value as indicated in § 3 sect.1).
9. Total maximum value of contractual penalties attributable to the Ordering Party cannot exceed the agreement value as 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 agreement may, on general terms, claim damages exceeding the amount of contractual penalties.

- 6) 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

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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** of transported output or **24 months** from the date of commissioning underground, whichever occurs first.
- 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:
 - ✓ throughout the warranty period, **24-hour** warranty service on all days of the week with a full scope of spare parts,
 - ✓ 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,

- ✓ 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:
 - 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 1 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; (further 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 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.
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.

The aforementioned information was published in Current Report no. 13/2023 of 22nd June 2023.

- 7) On 21st June 2023 an information was received on PAT 23-026 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. 2. – agreement no. PAT.23-026.
- ✓ 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. 2 – agreement no. PAT.23-026 amounts to: PLN 11 000 000 net (in words: eleven million 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: **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: **1.0 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,
 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 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

- 11) Party, the Contractor may impose contractual penalty on the Ordering Party 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 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 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 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.
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.

The aforementioned information was published in Current Report no. 14/2023 of 22nd June 2023.

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

In the first half of 2023, the Company concluded commercial agreements that significantly influenced the financial results for the period from January 2023 to June 2023 and will affect the following periods results. The adopted level of significance - total orders from one contractor in the reporting period above PLN 30 thousand:

- 1) **PATENTUS** – order of 9th January 2023, execution of valve assembly components:
 - net order amount – PLN 259 812.00;
 - execution date – 31st January 2023.
- 2) **WINDEX Holding Sp. z o.o.** – order of 5th January 2023, execution traverse winch elements:
 - net order amount – PLN 70 000.00;
 - execution date – 29th March 2023.
- 3) **PATENTUS S.A.** – orders for the period from 10th January 2023 to 31st March 2023, execution of tubes:
 - net order amount – PLN 188 787.00;
 - execution date – 31st March 2023.

- 4) **ETM GMBH** – order of 10th January 2023, execution of electrodes and transport stands:
 - net order amount – EUR 12 480.00;
 - execution date – 1st April 2023.
- 5) **ARTECH Sp. z o.o.** – orders for the period from 18th January 2023 to 31st March 2023, execution of tubes rolling:
 - net order amount – PLN 28 920.00;
 - execution date – 25th March 2023.
- 6) **MONTAN STAL Sp. z o.o.** – order of 27th January 2023, execution of traverse bottom body structure:
 - net order amount – PLN 376 500.00;
 - execution date – 30th June 2023.
- 7) **PATENTUS S.A.** – order of 22nd February 2023, execution of connectors elements:
 - net order amount – PLN 445 062.00;
 - execution date – 31st May 2023.
- 8) **PATENTUS S.A.** – order of 14th February 2023, execution of valve assembly components:
 - net order amount – PLN 283 172.00;
 - execution date – 31st March 2023.
- 9) **BOILER GROUP Sp. z o.o.** – order of 17th March 2023, execution air duct with frame support:
 - net order amount – PLN 34 135.00;
 - execution date – 1st September 2023.
- 10) **PATENTUS S.A.** – order of 21st April 2023 for the execution of valve assembly components:
 - net order amount – PLN 268 110.00;
 - execution date – 25th May 2023.
- 11) **COACTUM Inżynieria i Zarządzanie Energią Łukasz Mucha** – order of 27th April 2023 for the execution of pipe tray rack:
 - net order amount – PLN 159 400,00;
 - execution date – 16th June 2023.
- 12) **WINDEX Holding Sp. z o.o.** – order of 28th April 2023 for the execution of hook-and-magnet traverse elements:
 - net order amount – PLN 97 230.00;
 - execution date – 31st July 2023.

13) **PATENTUS S.A.** – order of 15th May 2023 for the execution of route elements:

- net order amount – PLN 983 094.00;
- execution date – 21st July 2023.

4.5 Other significant events in the PATENTUS S.A. Capital Group.

- 1) On 24th April 2023 an information was received by the Issuer on the Minister of Development and Technology decision No. 212/DRI/2023 on the amendment of the support decision No. 66/2020 of 15th January 2020 (hereinafter referred to as the "Decision") issued by the management of Katowicka Special Economic Zone S.A. for the implementation of a new investment within the meaning of Art. 21 section 1 of the Act of 10th May 2018 on support for new investments (Journal of Laws of 2023, item 74). The Decision was issued for a definite period of 10 years from the date of its issuance. The amendment to the decision concerns the extension of the scope of products manufactured or services specified in the Decision by adding codes according to PKWiU to the already existing code number 28.9. Additionally added codes are 25.1, 25.6, 25.9 and 28.15. The extension of the Decision corresponds to the business activity actually performed by the Company and in the opinion of the authority issuing the Decision, adding the aforementioned codes to the main matter of economic activity specified in the Decision is justified. Other provisions of the aforementioned decision remain unchanged.

The aforementioned Decision 66/2020 of 16th January 2020 was published in the current report no. 3/2020 on 3rd February 2020.

The aforementioned information was published in the current report 10/2023 on 24th April 2023.

- 2) On 15th May 2023, a signed protocol of the Company's Supervisory Board was received along with the resolution of 10th May 2023 on the statutory auditor appointment. The Supervisory Board, acting pursuant to § 16 sec. 3 point 8 of the Company's Articles of Association, based on Supervisory Board's Audit Committee's recommendation, decided to continue the agreement with the audit firm, i.e. MOORE Polska Audyt sp. z o.o. with its registered office in Warsaw, as the entity authorized to conduct:
 - audit of the separate financial statements for 2023 and 2024;
 - audit of the consolidated financial statements for 2023 and 2024;
 - review of the separate financial statements for the first half of 2023 and for the first half of 2024;
 - review of the consolidated financial statements for the first half of 2023 and for the first half of 2024.

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

The aforementioned information was published in the current report 12/2023 on 15th May 2023.

- 3) On 26th June 26 2023, the final installment of the Financial subsidy received from the Polish Development Fund S.A. based on the Financial Subsidy Agreement No. 109000041009751SP dated 2nd May 2020, regarding the Financial Shield 1.0, was repaid. Decision on granting the Financial Subsidy was published in the current report No. 14/2020 of 6th May 2020.

Decision on exemption from the repayment obligation of the financial subsidy from the Polish Development Fund S.A. and its partial repayment was published in current report No. 5/2021 of 10th June 2021.

The aforementioned information was published in the Current Report no. 15/2023 on 27th June 2023.

5. Description of factors and events, in particular of unusual nature, having a significant impact on the financial results achieved.

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

1. 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. Martech measuring arm for the amount of PLN 86 thousand.
11. Martech diameters measuring device for the amount of PLN 72 thousand.

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.

2. 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 titled "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.

6. Indication of the events that occurred after the date on which the report was drawn up, not included in this report, and that could significantly affect the future financial results of the issuer and its subsidiary.

After 30th June 2023, the following events occurred at the Parent Company:

- 1) Throughout the period from 9th February 2023 to 20th July 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 12 394 169.97. 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 01/05/2023 of 31st May 2023 for the net amount of PLN 4 510 710.00. The invoice concerned the performance of conveyor components, crushers and gearboxes.

The aforementioned information was published in the Current Report no. 16/2023 on 20th July 2023.

- 2) on 21st June 2023 an information was received on Agreement no. 042300376 (PAT.23-033) along with an annex conclusion with its conclusion date stated at 28th July 2023, between Jastrzębska Spółka Węglowa S.A. 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:** delivery to JSW S.A. KWK "Pniówek" of three new belt conveyors with a belt width of 1400 (mm). Two belt conveyors of the PPT – 1400 type, with a belt width of 1400 (mm) and a length of 500 (m), along with the associated equipment and necessary auxiliary equipment, and one belt conveyor of the PPT – 1400 type, with a belt width of 1400 (mm) and a length of 1000 (m), along with the associated equipment and necessary auxiliary equipment.

2. **Remuneration (according to the annex):** The Ordering Party undertakes to collect the devices being subject to the agreement and pay the Contractor a total price of PLN 66 830 000.00 net, established in the public procurement procedure with reference number 28/P/23. Two belt conveyors with a width of 1400 (mm) and a length of 500 (m), along with PPT – 1400 equipment – unit price PLN 18 305 000.00 net, one belt conveyor with a width of 1400 (mm) and a length of 1000 (m), along with PPT – 1400 equipment – unit price PLN 22 897 400.00 net. Necessary auxiliary equipment for three conveyors – PLN 7 169 000.00 net; supervision of assembly and initial commissioning of the conveyor with equipment – PLN 153 600.00 net.

3. **Delivery completion date:** Belt conveyors with a belt width of 1400 (mm) and a length of 500 (m), along with PPT – 1400 equipment, within 20 weeks from the agreement conclusion date, belt conveyor with a belt width of 1400 (mm) and a length of 1000 (m), along with PPT – 1400 equipment, within 22 weeks from the agreement conclusion date. Necessary auxiliary equipment dedicated for conveyors being subject to delivery, within 20 weeks from the agreement conclusion date.

4.Warranty:

- a) for conveyor components: 36 months;
- b) for conveyor belt: 36 months;
- c) for galvanization: 60 months;
- d) for rollers: 36 months;
- e) for electrical equipment: 36 months;

Under the warranty, the Contractor shall initiate repairs, fault or defect (malfunction) removal within 8 hours upon receiving the fault or defect notification.

Under the warranty the Contractor shall provide delivery of parts, elements, components, assemblies, tools, or specialized instruments to the facility within 12 hours upon notification.

Under the warranty, the Contractor is obliged to perform equipment repairs (malfunction removal) within 24 hours of delivery by the Ordering Party of elements, parts, subassemblies, assemblies from the plant surface to the repair location.

5. Contractual penalties:

- In the event of the Contractor's delay in fulfilling obligations arising from the agreement, Technical Specification in procedure No. 28/P/23, or Technical Characteristics, the Ordering Party shall be entitled to impose a contractual penalty on the Contractor amounting to 0.03% of the gross price of the equipment subject to delay, resulting from § 1 sect. 2 of the agreement, for each day of delay;
- In the event of Contractor's delay in fulfilling warranty obligations, the Ordering Party shall be entitled to impose a contractual penalty of 0.01% of the gross value of the equipment subject to agreement delay, for each hour of delay;
- Shall the Contractor breach the obligations arising from the Agreement, the Ordering Party is entitled to impose a contractual penalty on the Contractor in the amount of PLN 1,000.00 for each detected breach.
- In the event of withdrawal from the agreement, the Ordering Party is entitled to impose a contractual penalty on the Contractor amounting to 10% of the total gross price of the agreement.
- The Ordering Party is entitled to withdraw from the agreement in the event of the Contractor's delay in fulfilling obligations arising from the agreement in question.
- The Ordering Party shall be entitled to withdraw from the agreement in the event of the Contractor breach of the agreement provisions, Technical Specification in procedure no. 28/P/23 or the Technical Characteristics, shall the Contractor perform the agreement improperly.
- Each party shall be entitled to withdraw from the agreement if:
 - a) liquidation of the other party is initiated,
 - b) suspension of the agreement's execution due to force majeure shall exceed a period of 6 months.
 - c) immediately after the cessation of force majeure, the other party shall not resume the agreement execution.

The Ordering Party reserves the right to claim damages exceeding the value of the aforementioned contractual penalties shall the contractual penalties not suffice the inflicted damage.

Total value of contractual penalties and damages to which the Ordering Party is entitled as result of non-performance or improper performance of the agreement by the Contractor shall not exceed the total net agreement value specified in the agreement.

The aforementioned information was published in the Current Report no. 17/2023 on 16th August 2023.

In Zakład Konstrukcji Spawanych MONTEX Sp. z o.o. subsidiary, significant events did not occur after 30th June 2023.

7. Description of the organization of the issuer's capital group, with an indication of the entities subject to consolidation, and in the case of the issuer being the parent company, which under applicable regulations is not obliged or may not prepare consolidated financial statements – also an indication of the reason and legal basis for the lack of consolidation.

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 41 114.13 (in words: forty-one thousand one hundred and fourteen zlotys 13/100);
2. GEKA Ironworker, model: HYDARCROP 55A; serial number 21302; year of production 2007 with a net value of PLN 22 496.73 (in words: twenty two thousand four hundred and ninety-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 236 389.14 (in words: two hundred and thirty-six thousand three hundred and eighty-nine zlotys 14/100);

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

- 1) 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 included the information on the Extraordinary General Meeting of Shareholders conveyance at Zakład Konstrukcji Spawanych MONTEX sp. z o.o., at which the 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.

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.

As at 30th June 2023, 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.

8. Indication of the effects of changes in the structure of the business unit, including business combinations, acquisitions or sale of the issuer's capital group units, long-term investments, division, restructuring and discontinuation of activity.

In the presented period, there were no changes in the structure of the business unit, including those resulting from a business units merger, units of the issuer's capital group acquisition or sale, long-term investments, division, restructuring and business activity discontinuation.

9. Statement of the Management Board regarding the possibility of meeting the previously published forecasts of results for a given year in the light of the results presented in the quarterly report in relation to the forecast results.

Neither Parent Company nor the Subsidiary ZKS MONTEX Sp. z o.o. did publish forecasts of results for 2023.

10. Indication of shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the general meeting of the issuer or its subsidiary as at the date of submitting the semi-annual report, indicating the number of shares held by these entities, their percentage share in the share capital, and the number of votes resulting therefrom and their percentage share in the total number of votes at the general meeting as well as an indication of changes in the ownership structure of significant blocks of the issuer's shares in the period from the submission of the previous report.

1. Shareholders holding over 5% of the total number of votes at the Parent Company's General Meeting as at the date of submitting the semi-annual report for 2023, to the Management Board's knowledge, are:

Person / Entity	Number of shares (in units)	Percentage of share capital	Number of votes	Percentage of the total number of votes at the General Meeting
Józef Duda	4.325.175	14,66%	7.679.350	16,12%
Urszula Gotz	4.829.150	16,37%	8.183.300	17,18%
Małgorzata Duda (nee Wiktor)	3.619.300	12,27%	6.306.800	13,24%
Małgorzata Duda (nee Wąs)	7.804.675	26,46%	13.846.350	29,07%
Henryk Gotz	2.962.500	10,04%	5.650.000	11,86%
Total	23.540.800	79,48%	41.665.800	87,28%

2. Shareholders holding over 5% of the total number of shares at the General Meeting of Zakład Konstrukcji Spawanych MONTEX Sp. z o.o. as at the date of submitting the semi-annual report for 2023 are:

Person/Entity	Number of shares (in units)	Percentage of share capital	Number of votes	Percentage of the total number of votes at the Shareholders' Meeting
PATENTUS S.A.	7.480	82,78%	7.480	82,78%
Krzysztof Szewczuk*	1.246	13,79%	1.246	13,79%

*Until 20th of July 2012, Krzysztof Szewczuk served as the Vice President of the Management Board of ZKS MONTEX Sp. z o.o.

11. List of the ownership of shares in the Group's Units or rights to them by the management and supervisory staff of the Group's Units as at the date of submission of this report, along with an indication of changes in ownership, in the period from the submission of the previous report, separately for each person.

PATENTUS S.A. shares ownership by managing, supervising and senior management of the Parent Company, according to the knowledge of the Management Board of PATENTUS S.A.:

Management:

Number of shares held by Members of the Parent's Management Board:

Name and Surname	Position in Company's Governing Bodies	Total number of shares (in units)	Percentage of share capital (%)	Percentage of the total number of votes at the General Meeting (%)
Józef Duda	Prezes Zarządu	4.325.175	14,66%	16,12%

Senior management:

Number of shares held by senior management of the Parent Company:

Name and Surname	Position in Company's Governing Bodies	Total number of shares (in units)	Percentage of share capital (%)	Percentage of total number of votes at the General Meeting (%)
Małgorzata Duda (nee Wąs)	Commercial Proxy, Chief Financial Officer	7.804.675	26,46%	29,07%
Małgorzata Duda (nee Wiktor)	Commercial Proxy	3.619.300	12,27%	13,24%

PATENTUS S.A. shares held by management, supervisory and senior management of the Subsidiaries according to the knowledge of the Management Board of PATENTUS S.A.:

Management:

Number of shares held by Members of the Management Board of the Subsidiary:

Name and Surname	Position in Company's Governing Bodies	Total number of shares (in units)	Percentage of share capital (%)	Percentage of the total number of votes at the Shareholders' Meeting (%)
Sławomir Ćwieląg	President of the Management Board	260	2,87%	2,87%

12. Indication of proceedings pending before a court, an authority competent for arbitration proceedings or a public administration authority.

a) Proceedings relating to liabilities or receivables whose value is at least 10% of the equity of the Parent Company.

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 Paślawski ("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 submission, the court proceeding was suspended due to a judge replacement.

b) Two or more proceedings regarding liabilities or receivables, the total value of which is at least 10% of PATENTUS S.A.'s equity, respectively.

As at 30th June 2023, the Parent Company was conducting proceedings regarding receivables pending before a court of law, an arbitration body or a public administration body. However, the total value of these receivables did not constitute an amount equal to at least 10% of the Parent Company's equity.

As at 30th June 2023, the Subsidiaries was conducting proceedings regarding receivables pending before the court, authority competent for arbitration proceedings or a public administration authority. However, the total value of these receivables did not constitute an amount equal to at least 10% of the equity of the Parent Company PATENTUS S.A.

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

13. Information on the conclusion by the issuer or its subsidiary of one or more transactions with related entities, if they were concluded on terms other than market terms, together with an indication of their value, and information on individual transactions may be grouped by type, except for when information on individual transactions is necessary to understand their impact on the financial position and financial result of the issuer, together with the presentation of:

- a) information about the entity with which the transaction was concluded,**
- b) information on the relationship of the issuer or its subsidiary with the entity that is a party to the transaction,**
- c) information about the subject of the transaction,**
- d) significant terms of the transaction, with particular emphasis on the financial terms and an indication of the specific terms and conditions specified by the parties, specific to this contract, in particular different from terms commonly used for a given type of contract,**
- e) other information on these transactions, if necessary for understanding the financial position and financial result of the issuer,**
- f) any changes to transactions with related entities, described in the last annual report, which could have a significant impact on the property, financial situation and financial result of the issuer.**

Transactions with related entities were concluded on an arm's length basis.

Transactions with related entities are presented in table form, on next page.

Other related entities / Data in PLN thousand	Position or nature of the relationship	Period from 1 st January 2023 to 30 th June 2023		Period from 1 st January 2022 to 31 st December 2022		Period from 1 st January 2022 to 30 th June 2022	
		Transaction value	Balance at period end	Transaction value	Balance at period end	Transaction value	Balance at period end
Total transactions value / Total gross receivables balance, including		4	3	25	3	4	1
Helf S.C. Pszczyna	co-owner of the company Ligas Wieslaw-brother-in-law of Commercial Proxy and shareholder Małgorzata Duda	1	0	1	0	1	0
Szymczak Jakub MAK	son-in-law of Commercial Proxy, shareholder and Chief Financial Officer Małgorzata Duda (Wąs)	0	3	5	3	1	1
Duda Małgorzata (nee Wiktor)	Commercial Proxy – Shareholder	1	0	3	0	1	0
3 000 Guitars Łukasz Duda	owner - son of the President of the Management Board, shareholder Józef Duda	0	0	1	0	1	0
Joanna Duda Szymczak	daughter of Małgorzata Duda (Wąs) – Shareholder and Chief Financial Officer	2	0	1	0	0	0
Duda Małgorzata (Wąs)	Commercial Proxy, Shareholder, Chief Financial Officer	0	0	1	0	0	0
Inter Bud A. Gotz	daughter of Henryk Gotz and Urszula Gotz – Shareholders	0	0	13	0	0	0

Other related entities Data in PLN thousand	Position or nature of the relationship	Period from 1 st January 2023 to 30 th June 2023		Period from 1 st January 2022 to 31 st December 2022		Period from 1 st January 2022 to 30 th June 2022	
		Transaction value	Balance at period end	Transaction value	Balance at period end	Transaction value	Balance at period end
Total transactions value / Total gross receivables balance at end of period, including:		21	2	55	7	27	2
Helf S.C. Pszczyna	co-owner Ligas Wiesław – brother-in-law of Commercial Proxy and shareholder Małgorzata Duda	21	2	55	7	27	2

Transactions concluded with subsidiaries and associates Data in PLN thousand	Transaction type	Period from 1 st January 2023 to 30 th June 2023		Period from 1 st January 2022 to 31 st December 2022		Period from 1 st January 2022 o 30 th June 2022	
		Transaction value	Balance at period end	Transaction value	Balance at period end	Transaction value	Balance at period end
Total transactions value / Total gross receivables balance, including:		48	4 040	208	4 040	172	4 193
Zakład Konstrukcji Spawanych Montex Sp. z o.o.	shares in the share capital	0	4 040	0	4 040	0	4 040
Zakład Konstrukcji Spawanych Montex Sp. z o.o.	loans granted	0	0	0	0	0	0
Zakład Konstrukcji Spawanych Montex Sp. z o.o.	accrued interest on loans	0	0	0	0	0	0
Zakład Konstrukcji Spawanych Montex Sp. z o.o.	other receivables	48	0	208	0	172	153
Zakład Konstrukcji Spawanych Montex Sp. z o.o.	other receivables	0	0	0	0	0	0

Transactions concluded with subsidiaries and associates Data in PLN thousand	Transaction type	Period from 1 st January 2023 to 30 th June 2023		Period from 1 st January 2022 to 31 st December 2022		Period from 1 st January 2022 to 30 th June 2022	
		Transaction value	Balance at period end	Transaction value	Balance at period end	Transaction value	Balance at period end
Total transaction value Total gross receivables balance at end of period, including:		2 255	13	3 140	228	992	162
Zakład Konstrukcji Spawanych Montex Sp. z o.o.	supply of goods liabilities	2 255	13	3 140	228	932	162
Zakład Konstrukcji Spawanych Montex Sp. z o.o.	paid advances receivables	0	0	0	0	0	0

14. Information on the conclusion by the issuer or its subsidiary of one or more transactions with related entities, if they are individually or jointly significant and were concluded on terms other than market terms.

In the first half of 2023, the scope of mutual transactions with related entities included commercial transactions concluded between the Parent Company and close family members of shareholders or close family members of members of management and supervisory bodies. Moreover, at the moment of the relationship with subsidiaries – there were also transactions with these entities.

Management Board of PATENTUS S.A. declares that the transactions with related entities were concluded on an arm's length basis.

Transactions with related entities are described in the form of tables in point 13 of this report and in the financial statements in NOTE 26.

15. Information on granting by the issuer or its subsidiary sureties for a credit or loan or a granted guarantee – jointly to one entity or a subsidiary of this entity, if the total value of the existing sureties or guarantees is equivalent to at least 10% of the issuer's equity.

In the first half of 2023, the entities of the Capital Group did not grant any sureties for a loan or a loan or a guarantee in total to one entity or its subsidiary, the value of which would constitute 10% of the equity of the Parent Entity PATENTUS S.A. information on granting sureties for a loan or a loan in previous periods – was presented in properly published periodic reports.

16. Information that in the opinion of the issuer or its subsidiary is significant for the assessment of the personnel, property, financial situation, financial result and their changes, as well as information significant for the assessment of the possibility of meeting obligations.

Human resources, property and financial situation of the Capital Group's entities is stable and, according to the assessment of the Parent's Management Board, it is not at risk. There are no restrictions on the use of sources of financing for current operating activities. Inflows of funds from the sale of products, goods and materials as well as the granting of credit limits cover the repayment of due liabilities on time. Obligations will be fulfilled in accordance with the payment terms.

17. Indication of factors which, in the opinion of the issuer or its subsidiary, will have an impact on the results achieved by it in the perspective of at least one quarter.

Factors that in the opinion of the Parent Company's Management Board, may have a significant impact on the Issuer's performance and achieved financial results, are in particular:

The company will continue purchasing fixed assets and will sell its products through financial lease, as it did in previous years. The company again obtained the certificate confirming compliance with the requirements of the 15085 standard, which allows the plant to weld components of rail vehicles. The purpose of obtaining the certificate is to ensure high-quality components of rail vehicles in accordance with the requirements of the PN-EN 15085 series, while maintaining full quality requirements for welding metal materials in accordance with PN-EN ISO 3834-2. The procedure for the execution of welded structures for railways is used in the case of the implementation of contracts in accordance with the requirements of PN-EN 15085. Obtaining certification in the scope of meeting the conditions resulting from PN-EN 15085 allows to use the current potential of the Plant for the production of load-bearing structures for rail vehicles – including bogie frames.

Moreover, the company has production certificates for PKP Cargo renewed in February 2019 in the scope specified in those certificates available on the PATENTUS S.A. website with validity date until 2024.

Obtaining the above certificate in accordance with the PN-EN 15085 standard is the result of obtaining a certificate recognized by PKP Cargo S.A. the manufacturer of the product. Based on the re-audit in 2019, 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 recognized by PKP Cargo for services in the field of mechanical processing:

- 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.

18. Separate financial statements of PATENTUS S.A.

18.1 Balance Sheet:

Assets:

Assets data in PLN thousand	Note	Period end 30 th June 2023	Period end 31 st December 2022	Period end 30 th June 2022
I.Fixed assets		78 013	83 574	87 098
1.Intangible assets	1	5 312	5 286	5 962
2.Tangible fixed assets	2	66 234	70 468	73 461
3. Investment property	3	1 375	1 375	1 253
4. Stocks and shares in subsidiaries	3a	4 040	4 040	4 040
5. Stocks and shares in other entities	3b	0	0	0
6. Deferred income tax assets	17	604	1 026	294
7. Trade and other receivables	4	0	0	183
8.Long-term receivables from lease agreements	4	448	1 379	1 905
II.Current assets		84 654	60 105	59 391
1.Inventory	5	35 598	33 681	30 727
2.Trade and other receivables	4	17 131	11 378	24 679
3.Short-term receivables from lease agreements	4	1 753	1 703	2 058
4.Receivables due to current corporate income tax at period end	17	0	0	0
5.Cash and cash equivalents	6	30 172	13 343	1 927
Total assets		162 667	143 679	146 489

Liabilities:

Liabilities data in PLN thousand	Note	Period end 30 th June 2023	Period end 31 st December 2022	Period end 30 th June 2022
I.Equity		123 744	106 455	102 690
1.Share capital	7	11 800	11 800	11 800
2.Supplementary capital arising from the sale of shares above their nominal value	7	6 448	6 448	6 448
3 Revaluation reserve	7	9 580	9 580	8 606
4.Retained earnings	7	95 916	78 627	75 836
II.Total long-term liabilities		19 599	21 877	23 682
1. Credits and loans	8	8 025	10 309	12 166
2.Other long-term financial liabilities	9	0	0	0
3.Other long-term non-financial liabilities	9	4 955	4 761	5 599
4.Provisions – long-term liabilities	10	182	182	179
5.Deferred tax liabilities	17	6 437	6 625	5 738
III. Total short-term liabilities		19 324	15 347	20 117
1. Credits and loans	8	4 340	4 652	4 871
2.Trade and other short-term financial liabilities	9	7 745	6 504	12 180
3.Other short-term non-financial liabilities	9	7 174	4 145	3 043
4. Liabilities due to current income tax	17	35	16	0
5.Provisions for short-term liabilities	10	30	30	23
Total liabilities		162 667	143 679	146 489

18.2 Profit and Loss Statement:

Profit and Los Statement data in PLN thousand	Note	6 months period from 1 st January 2023 to 30 th June 2023	3 months period from 1 st April 2023 to 30 th June 2023	6 months period from 1 st January 2022 to 30 th June 2022	3 months period from 1 st April 2022 to 30 th June 2022
I. Revenues from sales of products, services, goods and materials	11	79 922	54 430	38 065	25 904
II. Cost of products, services, goods and materials sold	12	(58 673)	(40 265)	(35 666)	(22 990)
III. Gross profit (loss) on sales		21 249	14 165	2 399	2 914
IV. Selling costs	12	(794)	(786)	(1 334)	(676)
V. General and administrative costs	12	(2 829)	(1 414)	(2 021)	(930)
VI. Other operating revenues	13	1 526	947	2 573	1 918
VII. Other operating expenses	14	(973)	(735)	(1 123)	(722)
VIII. Profit (loss) on operating activities		18 179	12 177	494	2 504
IX. Financial revenues	15	659	288	220	91
X. Financial expenses	16	(649)	(358)	(701)	(419)
XI. Pre-tax profit (loss)		18 169	12 107	13	2 176
XII. Income tax	17	(461)	(453)	294	294
XIII. Gross profit (loss)		17 708	11 654	307	2 470
Additional information					
Weighted average number of shares (in units)		29 500 000	29 500 000	29 500 000	29 500 000
Net profit (loss) per share and diluted net profit (loss) per share (in PLN)		0.60	0.40	0.001	0.08
Discontinued operations did not occur					

18.3 Comprehensive Income Statement:

Statement of Comprehensive Income data in PLN thousand	Note	6 months period from 1 st January 2023 to 30 th June 2023	3 months period from 1 st April 2023 to 30 th June 2023	6 months period from 1 st January 2022 to 30 th June 2022	3 months period from 1 st April 2022 to 30 th June 2022
Net profit (loss)		17 708	11 654	307	2 470
Other comprehensive income including:		0	0	0	0
Effects of revaluation to fair value of tangible fixed assets		0	0	0	0
Deferred income tax provision settled with equity	17	0	0	0	0
Total comprehensive income		17 708	11 654	307	2 470

18.4 Statement of Changes in Equity:

Statement of Changes in Equity data in PLN thousand	Note	Share capital	Supplementary capital arising from the sales of shares above their nominal value	Revaluation reserve	Retained earnings	Total equity
Data as at 1st January 2023		11 800	6 448	9 580	78 627	106 455
Capital increase through new shares issuance		0	0	0	0	0
Net surplus from the sales of shares above their nominal value		0	0	0	0	0
Allocation of the 2022 result in accordance with the resolution – transfer to the Variable Remuneration Fund		0	0	0	(419)	(419)
Total comprehensive income		0	0	0	17 708	17 708
Data as at 30th June 2023		11 800	6 448	9 580	95 916	123 744
Data as at 1st January 2022		11 800	6 448	8 606	75 529	102 303
Capital increase through new shares issuance		0	0	0	0	0
Net surplus from the sales of shares above their nominal value		0	0	0	0	0
Disclosure of events after the balance sheet date		0	0	0	0	0
Total comprehensive income		0	0	974	3 098	4 072
Data as at 31st December 2022		11 800	6 448	9 580	78 627	106 455
Data as at 1st January 2022		11 800	6 448	8 606	75 529	102 383
Capital increase through new shares issuance		0	0	0	0	0
Net surplus from the sales of shares above their nominal value		0	0	0	0	0
Disclosure of events after the balance sheet date		0	0	0	0	0
Total comprehensive income		0	0	0	307	307
Data as at 31st June 2022		11 800	6 448	8 606	75 836	102 690

18.5 Cash Flow Statement:

Cash Flow Statement (indirect method) data in PLN thousand	Note	6 months period from 1 st January 2023 to 30 th June 2023	3 months period from 1 st April 2023 to 30 th June 2023	6 months period from 1 st January 2022 to 30 th June 2022	3 months period from 1 st April 2022 to 30 th June 2022
Operating activity					
Net profit (loss)		17 708	11 654	307	1 622
Total adjustments		(41)	14 115	(4 232)	(3 287)
Amortisation and depreciation		4 540	2 184	4 228	2 071
Exchange gains (losses)		320	313	(127)	(127)
Interest and profit sharing (dividend)		487	275	113	(68)
Profit (loss) on investment activity		(13)	(17)	(11)	(11)
Change in provisions on liabilities and deferred income tax provisions		(188)	(417)	(449)	399
Change in inventory		(1 917)	8 649	(1 240)	2 075
Change in trade and other receivables excluding advances transferred for the fixed assets acquisition		(6 750)	7 407	(14 775)	(8 872)
Change in liabilities		3 039	(4 604)	7 874	1 091
Change in deferred income tax assets		422	422	155	155
Other adjustments		0	0	0	0
Change in accruals (excluding deferred income tax)		0	(116)	0	0
Current income tax paid (adjusted with the balance of settlements from previous period)		19	19	0	0
Net cash flows from operating activity		17 667	25 769	(3 925)	(1 665)
Investment activity					
Disposal of intangible assets and tangible fixed assets		100	24	0	0
Acquisition of intangible assets and tangible fixed assets		(1 019)	(600)	24	161
Transferred advances for intangible assets and tangible assets acquisition		0	0	0	0
Disposal of investment property		0	0	0	0
Acquisition of shares and stocks in other entities		0	0	0	0
Acquisition of financial assets – certificates		0	0	0	0
Disposal of financial assets		0	0	0	0
Other financial assets inflows		0	0	0	0
Repayment of granted loans		0	0	0	0
Received interest on loans granted		0	0	0	0
Received interest on loans granted to subsidiary		0	0	0	0
Nat cash flows from investment activity		(919)	(576)	24	161
Financial activity					
Net inflows from issuance of shares		0	0	0	0
Received credits and loans		0	15	3 350	2 138
Repayment of credits and loans		(2 329)	(1 239)	(1 824)	(926)
Other inflows (+) and outflows (-) from financial activity		1 875	(3 028)	1 479	1 479
Payment of liabilities arising from finance lease agreements		0	0	0	0
Payment of receivables arising from finance lease agreements		1 022	506	164	(347)
Interest paid		(487)	(275)	(113)	68
Net cash flows from financial activity		81	(4 021)	3 056	2 412
Total net change in cash		16 829	21 172	(845)	908
Change in cash due to exchange differences		0	0	0	0
Balance sheet change in cash and cash equivalents		16 829	21 172	(845)	908
Cash and cash equivalents opening balance		13 343	9 000	2 772	1 019
Closing balance of cash and cash equivalents		30 172	30 172	1 927	1 927
Including cash and cash equivalents of limited disposability		0	0	0	0

18.6 Selected financial data

Selected financial data from Profit and Loss Statement and cash Flow Statement	in PLN thousand				in EUR thousand			
	6 months period from 1 st January 2023 to 30 th June 2023	3 months period from 1 st April 2023 to 30 th June 2023	6 months period from 1 st January 2022 to 30 th June 2022	3 months period from 1 st April 2022 to 30 th June 2022	6 months period from 1 st January 2023 to 30 th June 2023	3 months period from 1 st April 2023 to 30 th June 2023	6 months period from 1 st January 2022 to 30 th June 2022	3 months period from 1 st April 2022 to 30 th June 2022
I. Net revenue from sales	79 922	54 430	38 065	25 904	17 269	11 984	8 210	5 575
II. Profit (loss) on operating activity	18 179	12 177	494	2 504	3 928	2 681	107	559
III. Pre-tax profit (loss)	18 169	12 107	13	2 176	3 926	2 666	3	468
IV. Net profit (loss)	17 708	11 654	307	2 470	3 826	2 566	66	552
V. Total comprehensive income	17 708	11 654	307	2 470	3 826	2 566	66	552
VI. Weighted average number of shares in units	29 500 000	29 500 000	29 500 000	29 500 000	29 500 000	29 500 000	29 500 000	29 500 000
VII. Book value per share (in PLN / EUR)	4.19	3.61	3.48	3.47	0.91	0.79	0.75	0.75
VIII. Net profit (loss) per share and diluted net profit (loss) per share attributable to the Parent Company's shareholders (in PLN/EUR)	0.60	0.40	0.01	0.08	0.13	0.09	0.00	0.02
IX. Net cash flows from operating activity	17 667	25 769	(3 925)	(1 665)	3 817	5 674	(847)	(358)
X. Net cash flows from investing activity	(919)	(576)	24	161	(199)	(127)	5	35
XI. Net cash flows from financial activity	81	(4 021)	3 056	2 412	18	(885)	659	519
XII. Total net cash flows	16 829	21 172	(845)	908	3 636	4 661	(182)	195
EUR exchange rate used to convert Profit and Loss Statement items and Cash Flow Statement items					4.6280	4.5419	4.6362	4.6466

Selected financial data from assets and liabilities	in PLN thousand			in EUR thousand		
	Period end 30 th June 2023	Period end 31 st December 2022	Period end 30 th June 2022	Period end 30 th June 2023	Period end 31 st December 2022	Period end 30 th June 2022
XIII. Fixed assets	78 013	83 574	87 098	17 530	17 820	18 608
XIV. Current assets	84 654	60 105	59 391	19 022	12 816	12 689
XV. Total assets	162 667	143 679	146 489	36 552	30 636	31 297
XVI. Long-term liabilities	19 599	21 877	23 682	4 404	4 665	5 060
XVII. Short-term liabilities	19 324	15 347	20 117	4 342	3 272	4 298
XVIII. Equity	123 744	106 455	102 690	27 806	22 699	21 939
XIX. Share capital	11 800	11 800	11 800	2 652	2 516	2 521
EUR exchange rate used to convert Balance Sheet Items				4.4503	4.6899	4.6806

Exchange rates table:

Period	Average EUR/PLN exchange rate for the period	Lowest EUR/PLN exchange rate for the period	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 1 st January 2023 to 30 th June 2023	4.6280	4.4286	4.7895	4.4503
from 1 st April 2023 to 30 th June 2023	4.5419	4.4286	4.6902	4.4503
from 1 st January 2022 to 31 st December 2022	4.6876	4.4879	4.9647	4.6899
from 1 st January 2022 to 30 th June 2022	4.6362	4.4879	4.9647	4.6806
from 1 st April 2022 to 30 th June 2022	4.6466	4.5756	4.7096	4.6806

In the first half of 2023, we can observe an increase in assets and liabilities by 11.04% compared to the first half of the previous year. Compared to the end of the first half of 2022, fixed assets decreased by 10.43% and current assets increased by 42.54% compared to 30th June 2022. In liabilities, an increase is noted in the equity group by PLN 21 054 thousand in

relation to the value of equity as at 30th June 2022, which was an increase by 20.50%, and compared to the value as at 31st December 2022 – an increase by 16.24%, i.e. by PLN 17 289 thousand.

A decrease can also be observed in both long-term liabilities and short-term liabilities compared to 30th June 2022. Long-term liabilities decreased by PLN 4 083 thousand, which was a decrease by 17.24%, while short-term liabilities decreased by PLN 793 thousand, which was a decrease by 3.94%.

In the analyzed half of 2023, revenues from the sale of products, services, goods and materials increased by 109.96%, and the corresponding costs increased by 64.51% compared to the corresponding period of the previous year. Gross profit on sales amounted to PLN 21 249 thousand. Net profit at the end of the first half of 2023 amounted to PLN 17 708 thousand.

Management Board of PATENTUS S.A. declares that all material additional information to the separate financial statements required for the proper assessment of the property, financial situation and financial result of the Parent Company PATENTUS S.A. – Is included in the information presented in points 1-17 of this report.

19. Signatures of the Management Board members and the semi-annual report approval date.

STATEMENT OF THE MANAGEMENT BOARD

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:

We declare that to the best of our knowledge, the semi-annual consolidated financial statements for the period from 1st January 2023 to 30th June 2023 and comparable data for the previous year were prepared in accordance with the applicable accounting principles and reflect truthfully, fairly and clearly the property and financial situation of the PATENTUS SA capital group and its financial result. Semi-annual report on the PATENTUS S.A. capital group performance contains a true picture of development and achievements as well as the situation of the PATENTUS S.A. capital group, including a description of the basic threats and risks.

We hereby declare that the audit company that reviewed the semi-annual consolidated financial statements was selected in accordance with the law. This entity and the statutory auditors who reviewed these statements met the conditions for formulating an impartial and independent conclusion in the report on the review of the consolidated financial statements, in accordance with the applicable regulations and professional standards.

<p>Document signed by Józef Duda Date: 29th August 2023 09:09:20 CEST</p> <p>President of the Management Board</p>	<p>Document signed by Stanisław Ryszard Duda Date: 29th August 2023 09:08:41 CEST</p> <p>Vice-president of the Management Board</p>
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Pszczyna, 29th August 2022.