

FINANCIAL SUPERVISION AUTHORITY

Current report No. 3/2022

Date: March 24, 2022

Short name of the issuer: ELEKTROTIM S.A.

Topic Information on the conclusion of a contract for the design and construction of an electronic barrier on the Polish-Belarusian border in the section of the Podlasie Border Guard Unit

Legal basis: Art. 17 sec. 1 of MAR - confidential information.

Report content:

Company ELEKTROTIM S.A. based in Wrocław (hereinafter: the Company, Contractor) informs that on March 24, 2022 it concluded with the Exchequer - Commander in Chief of the Border Guard (hereinafter: Investor, Ordering Party) a contract for the design and construction of an electronic barrier along with accompanying infrastructure at the 202 km section of the border (hereinafter: the contract). The task is carried out in the "design and build" formula.

The contract was concluded on the basis of the Act of October 29, 2021 on the construction of security structures at the state border.

The net value of the contract is PLN 270,005,863.21 (in words: two hundred seventy million five thousand eight hundred sixty three zlotys 21/100).

Contract commencement date: from the date of signing the contract.

Works completion date: 90 days from the date of completion of the works consisting in the construction of a physical barrier on all sections, carried out by other entities on the basis of separate agreements.

Warranty period for works: 5 years. Statutory warranty period: 5 years.

Advance payment: up to 15% of the contract value after the Contractor has paid the advance payment guarantee.

Bank guarantee of good performance: 2% of gross remuneration.

The total amount of contractual penalties paid by the Contractor may not exceed 15% of the gross contractual remuneration.

The contracting authority has the right to claim compensation on general terms, when the amount of the damage exceeds the agreed contractual penalty.

The company has experience in carrying out such projects. In the years 2019-2021, at the request of the Bieszczady Border Guard Department in Przemyśl, the Company completed a contract, the subject of which was the development of technical protection systems of the external EU border in the field of surveillance devices on a section of approximately 32 km. The company informed about the above-mentioned with the current report No. 48/2019 of 20/12/2019.

In the opinion of the Management Board of ELEKTROTIM S.A. information on the conclusion of the contract constitutes confidential information within the meaning of Art. 7 of the MAR Regulation, due to the importance for future revenues of ELEKTROTIM S.A. and the entire Capital Group and due to the identified risks.