

CURRENT REPORT 63 / 2016

28 December 2016

Legal basis: Art. 17.1 of the MAR – Confidential Information.

Subject: Value of Contracts Concluded with Wizbud sp. z o.o.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the "Company," the "Issuer") inform about a contract entered into on 28 December 2016 with Wizbud sp. z o.o. with registered office in Bielsko-Biała (Wizbud, the "Contractor"). The contract provides for the completion of track works on the Ostrowite – Biskupiec Pomorski – Jamielnik section as part of the following project executed by the Company: "Completion of construction works on the Ostrowite – Biskupiec Pomorski and Biskupiec Pomorski – Jamielnik routes" as part of the following project: "Works on the line no. 353 of the Jabłonowo Pomorskie - Iława - Olsztyn – Korsze section." Consequently, total net value of contracts entered into in the past 12 months between the companies comprising the ZUE Capital Group (the "Group") and Wizbud is PLN 24.3m.

The contract entered into with the Contractor on 16 May 2016 is the highest value contract. The total net value of the contract and the annexes thereto is PLN 15.5m. The contract provides for the comprehensive replacement of track structure with accompanying works on the Poznań Starołęka station and the Poznań Starołęka - Poznań Główny route. The completion date was set for 30 December 2016.

The contract provides for contractual penalties payable by the Contractor including a penalty for the failure to perform the contract in a timely fashion, the failure to timely complete a stage (milestone) or the violation of declared track closure times. However, the total amount of the contractual penalties must not exceed 30% of the contract gross value. Under the contract, the Company may also terminate the contract within 40 days through the fault of the Contractor specified in detail in the contract.

The remaining terms of the contract do not differ from the standard terms of such type of contracts.