



CURRENT REPORT 54 / 2017

18 August 2017

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

Subject: Preliminary Financial Results for H1 2017.

Content:

The Management Board of ZUE S.A. (the "Company," ZUE) inform that after they had completed on 18 August 2017 aggregating financial data for the purpose of preparation of H1 2017 consolidated financial statements of the Company and the Capital Group, a decision was made to report preliminary financial results for H1 2017.

Preliminary financial results of the Company for H1 2017:

- Revenue: PLN 100,095 thousand;
- Profit (loss) on operating activities: PLN (-) 13,832 thousand;
- Net profit (loss): PLN (-) 12,875 thousand.

Preliminary financial results of the Capital Group for H1 2017:

- Revenue: PLN 107,843 thousand;
- Profit (loss) on operating activities: PLN (-) 15,525 thousand;
- Net profit (loss): PLN (-) 14,978 thousand.

In the first half of 2017, financial results and revenue were influenced by the organisation of new contracts won under the present EU perspective. The said contracts, including a large number of "design-build" projects, did not yet generate significant revenues. In addition, in the period under analysis the Group continued to complete the contracts won on the last year's difficult market. This had an influence on the margins reported by the Group and its failure to reach the breakeven point.

In 2017, the Group is working hard to expand its order book for the coming years. The Company's Management Board inform that the construction contracts signed by the Company since the beginning of 2017 are worth in total approx. PLN 1.4bn. The Company continues to participate in tender procedures on both urban and rail



infrastructure market. At the date of publication of this report, the Group companies have an order book worth PLN 1,430m. The value of tenders in which the Company has submitted the most advantageous offers, either independently or as a consortium member, is PLN 805m and the total value of the potential order book is approx. PLN 2.2bn. The Group's potential enables it to win new contracts.

The Issuer informs that detailed information about the order book and the final financial results will be provided in the extended consolidated report of the Capital Group for H1 2017.