

CURRENT REPORT 59 / 2017

22 September 2017

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

Subject: Cooperation with Zarząd Infrastruktury Komunalnej i Transportu w Krakowie.

Content:

With reference to the current report 52/2017 of 11 August 2017 concerning the cooperation with Zarząd Infrastruktury Komunalnej i Transportu w Krakowie (ZIKiT), the Management Board of ZUE S.A. with registered office in Cracow (the "Company") inform that following the Company's conclusion on 22 September 2017 of the contract for the maintenance of street lightening and buildings' illumination equipment in Cracow with a breakdown into four regions (the "Contract"), the total net value of contracts entered into with ZIKiT since 12 August 2017 is PLN 21.2m.

The Issuer's cooperation with ZIKiT under the abovementioned contracts includes, in particular, the said Contract with the net value of PLN 16.3m and the gross value of PLN 20.0m. Services under the Contract will be provided by the Company to ZIKiT in the period 2017 - 2021.

The Company will cooperate with ZIKiT under the Contract on the terms and conditions typical for such kind of cooperation including, in particular, technical, performance, liability and Contract termination terms. The warranty is given under the Contract for 48 months. The Contract deals with contractual penalties payable by the Company whose total value must not exceed 20% of gross remuneration.

In addition, the Company informs that following the conclusion of the Contract, an order book held by the ZUE Capital Group at this report publication date is valued at approx. PLN 1,505m and the expected remuneration for the Company in connection with the tenders in which it has submitted the most advantageous offers, either independently or as a consortium member, is approx. PLN 724m.