



CURRENT REPORT 3 / 2018

15 February 2018

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

Subject: Preliminary Financial Results for 2017.

Content:

The Management Board of ZUE S.A. (the "Company," ZUE) inform that after they had completed on 15 February 2018 aggregating financial data for the purpose of preparation of 2017 consolidated financial statements of the Capital Group and the financial statements of the Company, a decision was made to publish preliminary financial results for the abovementioned period.

Preliminary financial results of ZUE for 2017:

- Revenue: PLN 408,487 thousand;
- Gross profit: PLN 15,691 thousand;
- Profit on operating activities: PLN 1,521 thousand;
- EBITDA: PLN 11,273 thousand;
- Net profit: PLN 708 thousand.

Preliminary financial results of the Capital Group for 2017:

- Revenue: PLN 465,316 thousand;
- Gross profit: PLN 19,092 thousand;
- Profit on operating activities: PLN 1,641 thousand;
- EBITDA: PLN 11,473 thousand;
- Net profit: PLN 102 thousand.

The Company informs that the cash held by ZUE at the end of December 2017 amounted to approx. PLN 116,144 thousand.



In the third and fourth quarter of 2017, the Company effectively took advantage of opportunities offered by the new contracts won under the current EU perspective. As a result, the Company's revenue at the end of 2017 increased by PLN 196,207 thousand (92%) when compared with the end of the third quarter of 2017. A significant increase in revenue accompanied by improved margins produced positive values on all profit levels recorded by ZUE throughout 2017. It should be emphasized that a number of the contracts won mainly in the second half of 2017 was still at an initial stage and did not generate significant revenues.

At the date of publication of this current report, the Group companies have an order book worth about PLN 2.1bn. In addition, the Company has submitted the most economically advantageous offer in connection with the tender worth PLN 330m so the total value of the potential order book amounts to approx. PLN 2.4bn. In addition, the Group's potential enables it to search for new contracts.

ZUE informs that detailed information about the abovementioned order book and final financial results will be provided in the reports of the Company and the Capital Group for 2017.