



CURRENT REPORT 36 / 2018

17 July 2018

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

Subject: Contract with Poznańskie Inwestycje Miejskie Sp. z o.o.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the "Company," the "Issuer") inform about the contract entered into on 17 July 2018 between the Company and the City of Poznań represented by Poznańskie Inwestycje Miejskie Sp. z o.o. (PIM), the project supervisor, in connection with the following project: "Reconstruction of the tramway from Lecha estate to Żegrze roundabout (section II)" (the "Contract").

The Company informed about the submission and selection of the most economically advantageous tender in the current report 10/2018 of 8 May 2018 and the current report 20/2018 of 28 May 2018, respectively.

Net value of the Contract: PLN 82.6m.

Gross value of the Contract: PLN 101.5m.

Project completion date: About 16 months of the Contract conclusion date.

The warranty given by the Company to PIM is four years of the final acceptance. The Company is liable under the guarantee for six years.

The Contract provides for contractual penalties payable by the Company to PIM in the circumstances specified therein, including the penalty for the failure to carry out a stage of the project, to complete the Contract or to remove defects in a timely fashion. The Company will also pay the contractual penalty of 20% of the Contract gross value if the Contract is terminated due to the circumstances blamed on the Company. The Contract does not provide for any maximum penalties. Regardless of the contractual penalties, PIM will have the right to claim additional damages up to the value of actual damage.

The remaining terms of the Contract, including but not limited to the termination or security terms, do not differ from the standard terms of such type of contracts.



In addition, the Company informs that following the conclusion of the Contract, the total value of the backlog held by the ZUE Group companies at the date of this report is approx. PLN 2,362m.