



## **CURRENT REPORT 40 / 2018**

**21 August 2018**

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

Subject: Preliminary Financial Results for H1 2018.

Content:

The Management Board of ZUE S.A. (the "Company," ZUE) inform that after they had completed on 21 August 2018 aggregating financial data for the purpose of preparation of H1 2018 consolidated financial statements of the Company and the Capital Group, a decision was made to publish preliminary financial results for H1 2018.

Preliminary financial results of ZUE for H1 2018:

- Revenue: PLN 289,797 thousand;
- Gross profit: PLN 9,869 thousand;
- Profit from operating activities: PLN 1,164 thousand;
- EBITDA: PLN 6,298 thousand;
- Net profit: PLN 1,236 thousand.

Preliminary financial results of the Capital Group for H1 2018:

- Revenue: PLN 319,112 thousand;
- Gross profit: PLN 12,131 thousand;
- Profit from operating activities: PLN 1,464 thousand;
- EBITDA: PLN 6,682 thousand;
- Net profit: PLN 1,212 thousand.

In the period under analysis, both the Company and the Group reported a year-on-year increase and produced positive values on all profit levels. The increase in revenue observed in previous quarters results from the performance of contracts. The Group's revenue in the first half of 2018 was PLN 319,112 thousand and increased



year over year by 196%. Revenue reported by the Company was PLN 289,797 thousand (a 190% year-over-year increase).

The Group's gross profit in the first half of 2018 increased from PLN (-) 5,819 thousand reported at the end of H1 2017 to PLN 12,131 thousand reported at the end of H1 2018 (ZUE – increase from PLN (-) 6,101 thousand to PLN 9,869 thousand).

The Group's profit from operating activities increased year on year from PLN (-) 15,525 thousand at the end of H1 2017 to PLN 1,464 thousand at the end of H1 2018 (ZUE – increase from PLN (-) 13,832 thousand to PLN 1,164 thousand).

Net profit reported by the Group increased from PLN (-) 14,978 thousand at the end of H1 2017 to PLN 1,212 thousand as at PLN 30 June 2018 (ZUE – increase from PLN (-) 12,875 thousand to PLN 1,236 thousand).

No major provisions were reversed by the Company in the first half of 2018.

At the date of publication of this current report, the Group's backlog is worth approx. PLN 2.3bn. In addition, the Company has submitted the most economically advantageous tender with the net value of about PLN 63m. The Company continues to expand its backlog on the key (rail and urban) markets. Due to the growing costs of materials, labour and services, a significant number of submitted tenders exceed investors' cost estimates as a result of which tender procedures have been many times cancelled according to the law, including the three procedures in which the best tenders worth the total of approx. PLN 934m have been submitted by the Company.

The Issuer informs that detailed information about the backlog and the final financial results will be provided in the consolidated report of the Capital Group for H1 2018.