



## **CURRENT REPORT 27 / 2019**

**19 July 2019**

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

Subject: Preliminary Financial Results for H1 2019.

Content:

The Management Board of ZUE S.A. (the "Company," ZUE) inform that after they had completed on 19 July 2019 aggregating financial data for the purpose of preparation of the consolidated financial statements of the Company and the Capital Group for the first half of 2019, a decision was made to publish the preliminary financial results for H1 2019.

Preliminary financial results of the Company for H1 2019:

- Sales revenue: PLN 455.7m;
- Gross profit: PLN 11.4m;
- Net profit: PLN 1.7m.

Preliminary financial results of the Capital Group for H1 2019:

- Sales revenue: PLN 479.7m;
- Gross profit: PLN 13.2m;
- Net profit: PLN 1.1m.

When compared with the analogous period of 2018, the Company's revenue in the first half of 2019 increased by 57%. ZUE reported positive financial results at all levels.

ZUE consistently performs the railway contracts won in 2016-2017. They are low margin contracts because the growth of the performance costs is unpredictable and beyond the Company's control and there is no real contract indexation. These factors have an influence on ZUE's semi-annual results. The Company lodges contract claims to change the remuneration payable to the contractor if there are risks unrelated to the contractor. The contracts won in 2018/2019 and carried out by the Company on the urban infrastructure market are satisfactory.



The companies within the Group have a backlog worth approx. PLN 1.6bn.

At the date of publication of this current report, the Company has submitted the most economically advantageous tenders worth approx. PLN 716m. The Company's tender for a railway project worth about PLN 583m has been selected by the contracting authority as the most economically advantageous offer.

ZUE informs that detailed information about the backlog and the final financial results will be provided in the complete consolidated report of the Capital Group for the first half of 2019.