

CURRENT REPORT 34 / 2019

6 September 2019

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

Subject: Contracts with Zarząd Dróg Miasta Krakowa.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the “Company,” the “Issuer”) inform about the two contracts entered into on 6 September 2019 between the Company and Zarząd Dróg Miasta Krakowa (ZDMK). The contracts provide for:

- 1) Maintenance and repair of tram tracks in Cracow in 2019-2022. (Contract 1).
- 2) Maintenance and repair of tram infrastructure relating to traction electrical power engineering in Cracow in 2019-2022. (Contract 2).

The Contract 1 and the Contract 2 are the two components of the tram infrastructure maintenance in Cracow.

The Company informed about the selection of the most economically advantageous tenders in the current reports 30/2019 of 8 August 2019 and 31/2019 of 12 August 2019, respectively.

Net value of the Contract 1: PLN 56.0m (gross value: PLN 68.9m).

Net value of the Contract 2: PLN 40.8m (gross value: PLN 50.2m).

Completion of the Contract 1 and the Contract 2: 1.10.2019 – 30.09.2022.

The terms of cooperation with ZDMK in connection with the Contract 1 and the Contract 2, especially technical terms, the contracts performance terms, liability or completion of the cooperation (termination of the contracts), are typical for such transactions. The warranty given by the Company for both the Contract 1 and the Contract 2 is 48 months. The Contract 1 and the Contract 2 provide for contractual penalties payable by the Company if, for instance, the contract is terminated by ZDMK due to the circumstances blamed on the Company or the performance is delayed by the Company. However, the total amount of penalties must not exceed 30% of gross remuneration.



Regardless of the contractual penalties, the parties will have the right to claim additional damages up to the value of actual damage.

The remaining terms of the Contract 1 and the Contract 2, including but not limited to the termination or security terms, do not differ from the standard terms of such type of contracts.

Apart from the abovementioned Contracts 1 and 2, the total value of the contracts concluded by the Company and ZDMK since 29 December 2019 is approx. PLN 13.5m.

In addition, the Company informs that following the conclusion of the Contract 1 and the Contract 2, the total value of the backlog held by the companies within the ZUE Group at the date of this report is approx. PLN 1,528m. The Company has also submitted the most economically advantageous tenders worth in total PLN 619m.