



CURRENT REPORT 37 / 2019

1 October 2019

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

Subject: Conclusion of Bond Agreement.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the "Company") inform about the agreement (the "Agreement") entered into on 1 October 2019 between the Company and ZK "LEV INS" AD with registered office in Sofia (the "Counterparty") whereby the performance and defects liability bond (the "Bond") is issued by the Counterparty to secure the Company's performance of the LOT D railway construction contract (the "Contract"). The Company informed about the conclusion of the Contract in the current report 35/2019. Apart from the said Bond, the Company has been provided with bond limits by other entities.

The amount of the bond is PLN 31.6m in terms of claims relating to the failure to perform or duly perform the Contract and approx. PLN 18.5m in terms of claims under warranty.

The Agreement is secured with the Company's voluntarily submission to enforcement (Art. 777 of the Polish Code of Civil Procedure) up to the amount of the Bond.

The Bond meets the requirements set out in the Contract, including the term of the Bond. The terms of the Agreement, including the terms of termination, do not differ from the standard terms of such agreements.

The Company informs that apart from the abovementioned Agreement, the Company cooperates with the Counterparty in connection with the provision of the financial products (bonds) worth PLN 10m.