



CURRENT REPORT 38 / 2019

4 November 2019

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

Subject: Contract with the City of Szczecin.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the "Company") inform about the contract entered into on 4 November 2019 between the Company and the City of Szczecin (the "Contracting Authority"). The said contract deals with the following project: "Reconstruction of the track and overhead contact system in the Wyszyńskiego hub and Szarych Szeregów Square (the "Contract").

The Company informed about the selection of the most economically advantageous tender in the current report 28/2019 of 22 July 2019.

Net value of the Contract: PLN 36.5m.

Gross value of the Contract: PLN 44.9m.

Project completion date: 450 calendar days of the Contract conclusion date.

The quality guarantee given by the Company to the Contracting Authority is 8 years. The Company is liable under warranty for the same period of time.

The Contract provides for contractual penalties payable by the Company to the Contracting Authority in the circumstances specified therein, including the penalty for the failure to perform the Contract or to remove defects in a timely fashion. The Company will also pay the contractual penalty of 10% of the Contract net value if the Contract is terminated due to the circumstances blamed on the Company. However, the total amount of the penalties must not exceed 30% of the Contract net value.

Regardless of the contractual penalties, the Contracting Authority 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 companies within the ZUE Capital Group at the date of this report is approx. PLN 2,057m.