



CURRENT REPORT 3 / 2020

31 January 2020

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

Subject: Contract with Strabag sp. z o.o.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the "Company") inform about the contract entered into on 31 January 2020 between the Company and Strabag sp. z o.o. with registered office in Pruszków (Strabag) whereby the Company will perform construction works and subcontracting services consisting in the comprehensive completion of the works relating to the reconstruction of OCL network in connection with the following project carried out by Strabag for PKP PLK S.A. (the "Contracting Authority"): "Modernisation of track systems and the associated infrastructure on the railway line E59 of the Dobiegiew – Słonice section, between 105.820 km and 128.680 km" as part of the project named: "Works on the railway line E59 of the Wronki – Słonice section." (the "Contract").

Net value of the Contract: PLN 44.9m.

Completion of the tasks under the Contract: April 2022.

The quality guarantee given by the Company to Strabag is 6 years of the Contracting Authority's acceptance of the works under the Contract. The Company is liable under warranty for the same period of time.

The Contract provides for contractual penalties payable by the Company to Strabag 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 Strabag 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 20% of the Contract net value. In the case of the contractual penalty for the termination of the Contract through the fault of the Company, the total amount of the penalties must not exceed 30% of the Contract net value.

Regardless of the contractual penalties, Strabag 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 termination terms, do not differ from the standard terms of such type of contracts.

The Issuer informs that apart from this Contract, the value of cooperation with Strabag in the last year amounted to approx. PLN 3.6m.

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 1,922m.