



CURRENT REPORT 11 / 2020

16 April 2020

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

Subject: Conclusion of Infrastructure Contract.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the "Company") inform about the contract concluded on 16 April 2020 between the consortium (the "Consortium") of:

1. ZUE (Leader); and
2. FDO sp. z o.o. with registered office in Leśno Górne (Partner),

and the City of Gorzów Wlkp., Przedsiębiorstwo Wodociągów i Kanalizacji Sp. z o.o., Polska Spółka Gazownictwa Sp. z o.o., Oddział Zakład Gazowniczy w Gorzowie Wielkopolskim (hereinafter jointly referred to as the "Contracting Authority") in connection with the following project: "Reconstruction of the road and the track in the Chrobrego Street and the Mieszka I Street as part of the project named: "The system of sustainable urban transport in Gorzów Wlkp." (the "Contract")

The Company informed about the selection of its offer as the most economically advantageous tender in the current report 7/2020 of 14 February 2020.

Net value of the Contract: PLN 56.1m out of which 95% is attributable to the Company. The obligation to pay the abovementioned remuneration has been split among individual contracting authorities and the largest part in the net amount of approx. PLN 53.5m will be paid by the City of Gorzów Wlkp.

Contract gross value: PLN 69.0m.

Project completion date: 18 months of the contract conclusion date.

The warranty given by the Consortium to the Contracting Authority is five years. The Consortium is liable under the guarantee for the same period of time.



The Contract provides for contractual penalties payable by the Consortium to the Contracting Authority in the circumstances specified therein, including the penalty for the failure to complete the Contract or to remove defects in a timely fashion. The Consortium will also pay the Contracting Authority the contractual penalty of 10% of the Contract gross value if the Contract is terminated due to the circumstances blamed on the Consortium. The Contracting Authority will pay the Consortium the contractual penalty of 10% of the Contract gross value if the Contract is terminated due to the circumstances blamed on the Contracting Authority. However, the total amount of contractual penalties must not exceed 10% of the Contract gross 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 1,875m.