



CURRENT REPORT 22 / 2020

17 July 2020

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

Subject: Contract with PKP PLK S.A.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the "Company," the "Issuer") inform about the Company's receipt on 17 July 2020 of the signed contract with PKP Polskie Linie Kolejowe S.A. (PKP PLK, the "Contracting Authority") for the project named: "Provision of design services and completion of works at the Munina and Żurawica stations" as part of the project named: "Modernization of the railway line no. 91 Kraków Główny Osobowy – Medyka and the railway line no. 92 Przemyśl – Medyka, the Rzeszów – State Border section." (the "Contract")

The Company informed about the selection of the most economically advantageous tender in the current report 19/2020 of 24 June 2020.

Net value of the Contract: PLN 23.4m.

Gross value of the Contract: PLN 28.8m.

Project completion date: 670 days of the Contract conclusion date.

The quality guarantee given by the Company to PKP PLK is 6 years of the final acceptance. The Company is liable under warranty for the same period of time.

The Contract provides for contractual penalties payable by the Company to PKP PLK in the circumstances specified therein, including the penalty for the failure to perform a stage of the project or to remove defects in a timely fashion. The total amount of penalties for violations other than termination of the Contract due to the circumstances blamed on the Company must not exceed 20% of the Contract gross value. Regardless of the abovementioned penalties, the Company will pay PKP PLK the penalty of 10% of the Contract gross value if the Contract is terminated due to the circumstances blamed on the Company. Moreover, if the Issuer fails to meet the deadlines as a result of which tracks must be closed, the Issuer is obliged to reimburse the Contracting Authority for any closure-related expenses.



Regardless of the contractual penalties, PKP PLK 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.

The Issuer informs that apart from this Contract, the total value of the orders and contracts concluded since 14 February 2020 by the Company and PKP PLK is approx. PLN 10.2m.

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 1,826m.