



## **CURRENT REPORT 3 / 2021**

**3 February 2021**

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

Subject: Infrastructure Maintenance Contract.

### Content:

The Management Board of ZUE S.A. with registered office in Cracow (the "Company") inform about the contract signed on 3 February 2021 by the Company and the City of Wrocław – Miejskie Przedsiębiorstwo Komunikacyjne sp.z o.o. (the "Contracting Authority") for the project named: "Maintenance of tram tracks and switches in Wrocław, B region" (the "Contract").

The Contract is deemed major by the Company mainly due to the diversification of the sources of revenue in the city segment through the increased number of contracts for the prospective maintenance services.

Contract net value: Approx. PLN 18.5m.

Contract gross value: Approx. PLN 22.8m.

This is the maximum value and the actual remuneration will depend on the number of orders made by the Contracting Authority within the remuneration limits for individual years of the Contract.

Project completion date: From 3 February 2021 to 31 December 2023.

The quality guarantee given by the Company to the Contracting Authority is up to 12 months for the works carried out and 36 months for the new components. 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 in a timely fashion. The Company will also pay the Contracting Authority the contractual penalty of 30% of the Contract net value if the Contract is terminated by either Party due to the circumstances blamed on the Company. However, the total amount of the contractual penalties imposed on the Company must not exceed 50% of the Contract net value.



The payment of the contractual penalty is without prejudice to the Contracting Authority's right to claim additional damages up to the value of actual damage and lost profit.

The remaining terms of the Contract, including but not limited to 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 1,599m.