



## **CURRENT REPORT 4 / 2021**

**12 March 2021**

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

Subject: Preliminary Financial Results for 2020.

Content:

The Management Board of ZUE S.A. (the “Company,” ZUE) inform that after they had completed on 12 March 2021 aggregating financial data for the purpose of preparation of the consolidated financial statements of the Company and the Capital Group for the financial year 2020, the decision was made to publish preliminary financial results for the abovementioned period.

Preliminary financial results of ZUE for 2020 (the data for 2019 is shown in brackets):

- Sales revenue: PLN 849.6m (PLN 934.9m);
- Gross profit on sales: PLN 28m (PLN 23.1m);
- Operating profit: PLN 9.8m (PLN 6.3m);
- Net profit: PLN 4.4m (PLN 3.1m).

Preliminary financial results of the Capital Group for 2020:

- Sales revenue: PLN 901.4m (PLN 996.2m);
- Gross profit on sales: PLN 31.3m (PLN 27.9m);
- Operating profit: PLN 10.6m (PLN 7.9m);
- Net profit: PLN 4.3m (PLN 3.8m).

Gross margin reported by the Company increased and amounted to 3.3% in 2020 (2.5% in 2019). Results improved also at other levels and ZUE’s net profit increased by approx. 39%. In 2019-2020, the value of services provided by ZUE was more than PLN 800m owing to the Company’s significant involvement in projects carried out as part of the National Railway Programme until 2023 (NRP).

At the date of publication of this current report, the companies within the Capital Group have the backlog worth approx. PLN 1.5bn.



By the end of 2021, the railway market intends to announce tenders worth approx. PLN 16bn, mainly as part of the current NRP and the new 2021-2027 EU perspective. They are mostly “build” contracts. ZUE intends to take an active part in the said tender procedures and hopes that contracts will be awarded soon. At the moment, the number of tender procedures on the railway market is limited as a result of which competition is strong and prices are low. Accordingly, ZUE does not find them attractive. This situation is as expected by the Company. ZUE has for a long time diversified its backlog by getting orders on the urban market. Since November 2020, the Company has won two “build” contracts and one maintenance contract on the said market for the total amount of approx. PLN 208m and continues to offer its services. Offers are also made by the Company on international markets.

ZUE informs that the financial audit of the financial statements for 2020 is pending and the preliminary financial results may change. Detailed information about the backlog and the final financial results will be provided in the reports of the Company and the Capital Group for the financial year 2020.