



CURRENT REPORT 25 / 2021

27 September 2021

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 agreements entered into on 27 September 2021 between the Company and Dąbrowa Górnicza (the "Contracting Authority 1") and Tramwaje Śląskie S.A. (the "Contracting Authority 2") for the project named: "Reconstruction of the separate tram line along the Królowej Jadwigi Street and Piłsudskiego Street in Dąbrowa Górnicza, the Róż Avenue – the Kasprzaka Street section – task no. 2.6" as part of the following project: "Integrated tram infrastructure modernisation and development project in the Upper Silesia and Zagłębie region including the purchase of tram vehicles – stage II." (the "Contract").

The Company informed about the selection of the Company's tender as the most economically advantageous offer in the current report 16/2021 of 30 June 2021.

The total net value of the Contract: PLN 62m.

The total gross value of the Contract: PLN 76.2m.

Two agreements were concluded as part of the entire Contract:

- 1) Agreement with Dąbrowa Górnicza (Agreement 1) with the net value of PLN 43.4m (the gross value of PLN 53.4m) and the completion date set as 31 December 2022;
- 2) Agreement with Tramwaje Śląskie sp. z o.o. (Agreement 2) with the net value of PLN 18.6m (the gross value of PLN 22.9m) and the completion date set as 31 August 2022.

The warranty given by the Company is seven years. The Company is liable under the guarantee for the same period of time.

The Agreement 1 provides for contractual penalties payable by the Company to the Contracting Authority 1, including the penalty for the failure to complete the Agreement 1 or to remove defects in a timely fashion. The Company will also pay the



Contracting Authority 1 the contractual penalty of 10% of the gross remuneration if the Agreement 1 is terminated due to the circumstances blamed on the Company. The Contracting Authority 1 will pay the Company the contractual penalty of 10% of the gross remuneration if the Agreement 1 is terminated due to the circumstances blamed on the Contracting Authority 1.

The Agreement 2 provides for contractual penalties payable by the Company to the Contracting Authority 2, including the penalty for the failure to complete the Agreement 2 or to remove defects in a timely fashion. The Company will also pay the Contracting Authority 2 the contractual penalty of 20% of the gross remuneration if the Agreement 2 is terminated due to the circumstances blamed on the Company. The total amount of the contractual penalties for delayed performance of the Agreement 2 must not exceed 30% of the gross remuneration.

The parties reserve 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 1,256m.