



CURRENT REPORT 31 / 2021

3 November 2021

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

Subject: Preliminary Financial Results for III Quarters of 2021.

Content:

The Management Board of ZUE S.A. (the "Company," ZUE) inform that after they had completed on 3 November 2021 aggregating financial data for the purpose of preparation of the consolidated financial statements of the Company and the Capital Group for the three quarters of 2021, the decision was made to publish preliminary financial results for the abovementioned period.

Preliminary financial results of the Company for the three quarters of 2021:

- Sales revenue: PLN 544.2m;
- Gross profit on sales: PLN 16.5m;
- Operating profit: PLN 6.1m;
- Net profit: PLN 4.3m.

Preliminary financial results of the Capital Group for the three quarters of 2021:

- Sales revenue: PLN 593m;
- Gross profit on sales: PLN 20.3m;
- Operating profit: PLN 6.6m;
- Net profit: PLN 4m.

Compared to the analogous period of 2020, both the Company and the Group generated higher net profit. Sales revenue remained at the similar level. ZUE saw a 25% increase in net profit. The Group reported a 38% year on year increase in net profit. Operating profit improved for both the Company and the Group by 20% and 27%, respectively.

ZUE's backlog includes the railway contracts won in the years 2016/2017. The works carried out under these contracts are drawing to a close. A considerable number of such contracts is scheduled for completion in 2021 and 2022. ZUE takes advantage



of the favourable economic situation on the urban tram market and efficiently expands its backlog to include such projects. Since August 2021, the Company has signed the two urban contracts with the total value of approx. PLN 89m. At the date of publication of this report, ZUE has submitted the most economically advantageous tenders for the projects expected to generate the total revenue of about PLN 601m. The four contracts deal with urban projects.

The railway market is waiting for the new projects announced by the infrastructure manager. At present, there are no tender procedures for the new projects of significant importance to contractors.

The Company informs that at the date of publication of this current report, the backlog held by the companies within the ZUE Capital Group is approx. PLN 1.2bn. The backlog will amount to approx. PLN 1.8bn if the Group wins the abovementioned tenders.

ZUE informs that detailed information about the backlog and the final financial results will be provided in the consolidated financial statements of the Company and the Capital Group for the three quarters of 2021.