

**CURRENT REPORT 7 / 2022****16 February 2022**

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

Subject: Cooperation with PKP PLK S.A.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the "Company," ZUE) inform that following the receipt on 16 February 2022 of the two signed contracts between the Company and PKP Polskie Linie Kolejowe S. A. with registered office in Warsaw (PKP PLK) for additional works relating to the contract specified in the current report 5/2018, the total net value of the contracts between PKP PLK and ZUE since 3 December 2021 amounted to approx. PLN 60.4m.

The abovementioned cooperation between the Company and PKP PLK includes, in particular, the contract of 3 December 2021 with the net value of PLN 22.8m for the project named: "Construction of railway link in Kalwaria Zebrzydowska along the Skawina – Żywiec railway line no. 97 and the Kalwaria Zebrzydowska Lanckorona – Bielsko Biała Główna railway line no. 117" executed as part of the following project: "Works on the railway lines no. 97, 98, 99 of the Skawina –Sucha Beskidzka – Chabówka – Zakopane sections" (the "Contract"). The works carried out under the Contract are scheduled for completion approx. one year after the commencement date.

The Company cooperates with PKP PLK under the Contract on the terms and conditions typical for such type of cooperation including, in particular, technical terms, security, liability and termination (termination of the Contract). The warranty and guarantee given by the Company is 72 months. The Contract provides for contractual penalties payable by the Company for its failure to perform the Contract in a timely fashion or termination of the Contract by PKP PLK due to the circumstances blamed on the Company. However, the total amount of contractual penalties must not exceed 30% of net remuneration. The payment of a contractual penalty is without prejudice to PKP PLK's right to claim additional damages up to the value of actual damage.