

CURRENT REPORT 9 / 2022

4 March 2022

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 contracts entered into on 4 March 2022 between the Company and Dąbrowa Górnicza (the "Contracting Authority 1") and Tramwaje Śląskie S.A. (the "Contracting Authority 2"), respectively, for the project named: "Reconstruction of the tramway track along the Sobieskiego Street and the Królowej Jadwigi Street in Dąbrowa Górnicza from the KWK Paryż Terminus to the Róż Avenue" – task no. 2.5 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 offer as the most economically advantageous tender in the current report 42/2021 of 22 December 2021.

Total net value of the Contract: PLN 61.8m (Total gross value of the Contract: PLN 76m).

The two separate contracts were entered into as part of the abovementioned Contract and they deal with the construction works carried out by the Company in connection with the abovementioned project:

- 1) Contract with Dąbrowa Górnicza (Contract 1) with the net value of PLN 36.6m (gross value of PLN 45m) and the completion date set as 580 days of the Contract 1 conclusion date;
- 2) Contract with Tramwaje Śląskie sp. z o.o. (Contract 2) with the net value of PLN 25.2m (gross value of PLN 31m) and the completion date set as 367 days of the Contract 2 conclusion date.

The warranty given by the Company on the basis of the two contracts is 7 years. The Company is liable under the guarantee for the same period of time.



Contract 1 provides for contractual penalties payable by the Company to the Contracting Authority 1 in the circumstances specified therein, including the penalty for the failure to complete Contract 1 or to remove defects in a timely fashion. The Company will also pay the Contracting Authority 1 the contractual penalty of 10% of gross remuneration if Contract 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 gross remuneration if Contract 1 is terminated due to the circumstances blamed on the Contracting Authority 1.

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

The parties reserve the right to claim additional damages up to the value of actual damage.

The remaining terms of the two contracts, 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 abovementioned contracts, the total value of the backlog held by the companies within the ZUE Capital Group at the date of this report is approx. PLN 1,562m.