

CURRENT REPORT 20 / 2023**20 November 2023**

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

Subject: Cooperation with Subcontractor.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the “Company”) inform about the subcontract (the “Subcontract”) entered into on 20 November 2023 between the Company and AZD Praha s.r.o. with registered office in Prague (the “Subcontractor”).

Under the Subcontract, the Company appoints the Subcontractor to carry out specific works in connection with the railway contract in the Będzin – Katowice Szopienice Południowe area performed by the Company. The Company informed about the conclusion of the contract in the current report 18/2023.

The Subcontract net value: PLN 79.9m (including the main scope with the net value at PLN 72.4m).

The Subcontract completion date (main scope): 44 months.

The Subcontract provides for contractual penalties payable by the Subcontractor to the Company in the circumstances specified therein, including the penalty for the failure to carry out the works or to remove defects in a timely fashion or for the termination of the Subcontract by the Company or the Subcontractor due to the circumstances blamed on the Subcontractor (10% of net remuneration). The total amount of the contractual penalties must not exceed 20% of the abovementioned remuneration (unless the penalty for the termination of the Contract is imposed, in which case the total amount of the contractual penalties must not exceed 30% of net remuneration) and the payment of the contractual penalties is without prejudice to the Company’s right to claim additional damages up to the value of actual damage.

The remaining terms of the cooperation between the Company and the Subcontractor, including but not limited to the termination terms, do not differ from the standard terms of such type of contracts.