



ZUE Capital Group

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CONSOLIDATED QUARTERLY REPORT  
FOR 9 MONTHS ENDED 30 SEPTEMBER 2024

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Cracow, 14 November 2024

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## Content of the consolidated quarterly report:

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- I. Selected financial information of the Capital Group
- II. Selected financial information of ZUE S.A.
- III. Condensed Consolidated Financial Statements of the Capital Group and Notes to the Financial Statements
- IV. Condensed Separate Financial Statements of ZUE S.A. and Notes to the Financial Statements

Abbreviations and definitions:

ZUE, Company, Issuer, Parent Company	ZUE S.A. with registered office in Cracow, entered into the National Court Register maintained by the District Court for Cracow-Śródmieście in Cracow, XI Commercial Division of the National Court Register, under entry number KRS 0000135388, share capital of PLN 5,757,520.75 paid up in full. Parent company of the Capital Group.
Railway gft	Railway gft Polska Sp. z o.o. with registered office in Cracow, entered into the National Court Register maintained by the District Court for Cracow-Śródmieście in Cracow, XI Commercial Division of the National Court Register, under entry number KRS 0000532311, share capital of PLN 3,000,000 paid up in full. Subsidiary of ZUE.
RTI	Railway Technology International Sp. z o.o. with registered office in Cracow, entered into the National Court Register maintained by the District Court for Cracow-Śródmieście in Cracow, XI Commercial Division of the National Court Register, under entry number KRS 0000397032, share capital of PLN 627,500 paid up in full. Subsidiary of ZUE.
Energopol	Przedsiębiorstwo Budownictwa Inżynieryjnego ENERGOPOL Sp. z o. o. with registered office in Cracow, entered into the National Court Register maintained by the District Court for Cracow-Śródmieście in Cracow, XI Commercial Division of the National Court Register, under entry number KRS 0000042724, share capital of PLN 2,200,000 paid up in full. Subsidiary of ZUE.
BPK Poznań	Biuro Projektów Komunikacyjnych w Poznaniu Sp. z o.o. with registered office in Poznań, entered into the National Court Register maintained by the District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register, under entry number KRS 0000332405, share capital of PLN 5,866,600 paid up in full. Subsidiary of ZUE until 10 August 2023.
ZUE Bahnbau	ZUE Bahnbau GmbH with registered office in Berlin, Germany, entered into the German commercial register ( <i>Handelsregister Abteilung B</i> ) maintained by the Charlottenburg District Court in Berlin under entry number HRB 267659 B, with the share capital of EUR 80,000. Subsidiary of ZUE.
ZUE Group, Group, Capital Group	ZUE Capital Group including at the end of the reporting period: ZUE, Railway gft, RTI, Energopol, ZUE Bahnbau.
PLN	Polish złoty.
EUR	Euro.
Act	Polish Companies Act (Consolidated text, Journal of Laws of 2024, item 18).

Share capital amounts as at 30 September 2024.

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## I. Selected financial information of the Capital Group

Main items of the consolidated statement of financial position translated into EUR:

	Balance at		Balance at	
	30-09-2024		31-12-2023	
	PLN '000	EUR '000	PLN '000	EUR '000
Non-current assets	217,043	50,722	193,382	44,476
Current assets	563,408	131,665	712,432	163,853
<b>Total assets</b>	<b>780,451</b>	<b>182,387</b>	<b>905,814</b>	<b>208,329</b>
Equity	202,327	47,283	200,075	46,015
Non-current liabilities	97,597	22,808	113,119	26,016
Current liabilities	480,527	112,296	592,620	136,298
<b>Total equity and liabilities</b>	<b>780,451</b>	<b>182,387</b>	<b>905,814</b>	<b>208,329</b>

Main items of the consolidated statement of comprehensive income translated into EUR:

	9 months ended		9 months ended	
	30-09-2024		30-09-2023	
	PLN '000	EUR '000	PLN '000	EUR '000
Sales revenue	921,496	214,192	891,136	194,686
Cost of sales	886,997	206,173	860,985	188,099
<b>Gross profit (loss) on sales</b>	<b>34,499</b>	<b>8,019</b>	<b>30,151</b>	<b>6,587</b>
Operating profit (loss)	13,439	3,124	13,219	2,888
Gross profit (loss)	8,000	1,860	13,547	2,960
<b>Net profit (loss) from continuing operations</b>	<b>6,888</b>	<b>1,601</b>	<b>10,166</b>	<b>2,221</b>
Total comprehensive income	7,033	1,635	10,061	2,198

Main items of the consolidated statement of cash flows translated into EUR:

	9 months ended		9 months ended	
	30-09-2024		30-09-2023	
	PLN '000	EUR '000	PLN '000	EUR '000
Cash flows from operating activities	-164,953	-38,342	-59,463	-12,991
Cash flows from investing activities	-2,269	-527	4,065	888
Cash flows from financing activities	-28,062	-6,523	8,520	1,861
<b>Total net cash flows</b>	<b>-195,284</b>	<b>-45,392</b>	<b>-46,878</b>	<b>-10,242</b>
Cash at the beginning of the period	223,555	51,416	63,251	13,487
Cash at the end of the period	28,204	6,591	16,402	3,538

Rules adopted to translate selected financial information into EUR:

Items	Exchange rate	30-09-2024	31-12-2023	30-09-2023
Items of assets, equity and liabilities	Mid exchange rate prevailing at the end of the reporting period	4.2791	4.3480	n/a
Items of the statement of profit or loss and the statement of cash flows	Arithmetic mean of mid exchange rates quoted by the National Bank of Poland on the last day of each month of the period	4.3022	n/a	4.5773
"Cash at the beginning of the period" and "Cash at the end of the period" items in the statement of cash flows	Mid exchange rate prevailing at the end of the reporting period	4.2791	4.3480	4.6356

	period			
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## II. Selected financial information of ZUE S.A.

Main items of the separate statement of financial position translated into EUR:

	Balance at		Balance at	
	30-09-2024		31-12-2023	
	PLN '000	EUR '000	PLN '000	EUR '000
Non-current assets	210,445	49,180	186,390	42,868
Current assets	535,774	125,207	693,115	159,410
<b>Total assets</b>	<b>746,219</b>	<b>174,387</b>	<b>879,505</b>	<b>202,278</b>
Equity	195,582	45,706	192,986	44,385
Non-current liabilities	92,300	21,570	107,968	24,832
Current liabilities	458,337	107,111	578,551	133,061
<b>Total equity and liabilities</b>	<b>746,219</b>	<b>174,387</b>	<b>879,505</b>	<b>202,278</b>

Main items of the separate statement of comprehensive income translated into EUR:

	9 months ended		9 months ended	
	30-09-2024		30-09-2023	
	PLN '000	EUR '000	PLN '000	EUR '000
Sales revenue	846,682	196,802	814,543	177,953
Cost of sales	817,046	189,914	790,198	172,634
<b>Gross profit (loss) on sales</b>	<b>29,636</b>	<b>6,888</b>	<b>24,345</b>	<b>5,319</b>
Operating profit (loss)	12,289	2,856	11,841	2,587
Gross profit (loss)	8,232	1,913	14,885	3,252
<b>Net profit (loss) from continuing operations</b>	<b>7,232</b>	<b>1,681</b>	<b>11,047</b>	<b>2,413</b>
Total comprehensive income	7,377	1,715	10,942	2,390

Main items of the separate statement of cash flows translated into EUR:

	9 months ended		9 months ended	
	30-09-2024		30-09-2023	
	PLN '000	EUR '000	PLN '000	EUR '000
Cash flows from operating activities	-162,338	-37,734	-58,118	-12,697
Cash flows from investing activities	-2,653	-617	3,099	677
Cash flows from financing activities	-24,212	-5,628	9,038	1,975
<b>Total net cash flows</b>	<b>-189,203</b>	<b>-43,979</b>	<b>-45,981</b>	<b>-10,045</b>
Cash at the beginning of the period	212,159	48,795	60,256	12,848
Cash at the end of the period	22,889	5,349	14,304	3,086

Rules adopted to translate selected financial information into EUR:

Items	Exchange rate	30-09-2024	31-12-2023	30-09-2023
Items of assets, equity and liabilities	Mid exchange rate prevailing at the end of the reporting period	4.2791	4.3480	n/a



Items of the statement of profit or loss and the statement of cash flows	Arithmetic mean of mid exchange rates quoted by the National Bank of Poland on the last day of each month of the period	4.3022	n/a	4.5773
"Cash at the beginning of the period" and "Cash at the end of the period" items in the statement of cash flows	Mid exchange rate prevailing at the end of the reporting period	4. 2791	4.3480	4.6356



ZUE Capital Group

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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR 9 MONTHS ENDED 30 SEPTEMBER 2024

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Cracow, 14 November 2024

### III. Condensed consolidated financial statements of the Capital Group

#### Consolidated statements of comprehensive income

Restated

Continuing operations	Note	9 months ended 30-09-2024	3 months ended 30-09-2024	9 months ended 30-09-2023	3 months ended 30-09-2023
Sales revenue	4.3.1.	921,496	304,283	891,136	350,351
Cost of sales	4.3.2.	886,997	297,256	860,985	338,981
<b>Gross profit (loss) on sales</b>		<b>34,499</b>	<b>7,027</b>	<b>30,151</b>	<b>11,370</b>
General and administrative expenses	4.3.2.	23,989	8,013	22,248	7,974
Other operating income	4.3.3.	3,826	2,156	5,946	4,087
Other operating expenses	4.3.4.	897	6	630	237
<b>Operating profit (loss)</b>		<b>13,439</b>	<b>1,164</b>	<b>13,219</b>	<b>7,246</b>
Finance income	4.3.5.	2,426	326	2,884	1,358
Finance costs	4.3.6.	7,865	2,752	2,556	795
<b>Pre-tax profit (loss)</b>		<b>8,000</b>	<b>-1,262</b>	<b>13,547</b>	<b>7,809</b>
Income tax	4.3.7.	1,112	-1,045	3,381	1,942
<b>Net profit (loss) from continuing operations</b>		<b>6,888</b>	<b>-217</b>	<b>10,166</b>	<b>5,867</b>
<b>Net profit (loss)</b>		<b>6,888</b>	<b>-217</b>	<b>10,166</b>	<b>5,867</b>
<b>Other net comprehensive income</b>					
Items that will not be reclassified subsequently to profit or loss:		145	0	-105	0
Actuarial gains (losses) relating to defined benefit plans		145	0	-105	0
<b>Total other net comprehensive income</b>		<b>145</b>	<b>0</b>	<b>-105</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>7,033</b>	<b>-217</b>	<b>10,061</b>	<b>5,867</b>
Number of shares		23,030,083	23,030,083	23,030,083	23,030,083

Consolidated net profit attributable to:

Shareholders of the Parent Company	6,888	-227	10,088	5,947
Non-controlling interests	0	10	78	-80
Net profit (loss) per share (PLN) attributable to shareholders of the Parent Company (basic and diluted)	0.30	-0.01	0.44	0.26

**Total comprehensive income attributable to:**

Shareholders of the Parent Company	7,033	-227	9,983	5,947
Non-controlling interests	0	10	78	-80

## Consolidated statement of financial position

Restated			
ASSETS	Note	30-09-2024	31-12-2023
<b>Non-current assets</b>			
Property, plant and equipment		68,797	70,774
Investment property		15,430	15,911
Intangible assets		2,015	2,466
Right-of-use assets		67,159	39,689
Goodwill	4.7.1.	31,172	31,172
Investments in subordinates		328	328
Retentions on construction contracts		7,942	7,129
Deferred tax assets	4.3.7.	20,766	21,704
Loans advanced		3,293	4,117
Other financial assets		141	92
<b>Total non-current assets</b>		<b>217,043</b>	<b>193,382</b>
<b>Current assets</b>			
Inventories		39,093	70,361
Trade and other receivables	4.5.1.	188,197	172,387
Valuation of long-term construction contracts	4.4.1.	272,525	214,254
Retentions on construction contracts		27,709	20,013
Advances		5,528	10,650
Current tax assets	4.3.7.	0	190
Loans advanced		823	0
Other assets		1,329	1,022
Cash and cash equivalents		28,204	223,555
<b>Total current assets</b>		<b>563,408</b>	<b>712,432</b>
<b>Total assets</b>		<b>780,451</b>	<b>905,814</b>

EQUITY AND LIABILITIES			
<b>Equity</b>			
Share capital		5,758	5,758
Share premium account		93,837	93,837
Treasury shares		-2,690	-2,690
Retained earnings		104,010	101,758
<b>Total equity attributable to shareholders of the parent company</b>		<b>200,915</b>	<b>198,663</b>
Equity attributable to non-controlling interests		1,412	1,412
<b>Total equity</b>		<b>202,327</b>	<b>200,075</b>
<b>Non-current liabilities</b>			
Long-term loans and bank credits	4.6.1.	0	47,015
Long-term lease liabilities	4.6.2.	45,244	24,997
Retentions on construction contracts		23,827	17,777
Liabilities under employee benefits		1,916	2,056
Deferred tax liabilities	4.3.7.	829	667
Long-term provisions	4.4.2.	25,781	20,607
<b>Total non-current liabilities</b>		<b>97,597</b>	<b>113,119</b>
<b>Current liabilities</b>			
Trade and other payables	4.5.2.	99,635	208,557
Accruals	4.4.4.	152,668	169,167
Valuation of long-term construction contracts	4.4.1.	4,076	48,154
Retentions on construction contracts		32,520	33,103
Advances		81,572	43,330
Short-term loans and bank credits	4.5.1.	47,015	10,550
Short-term lease liabilities	4.6.2.	8,927	6,743
Other financial liabilities		36	36
Liabilities under employee benefits		48,227	53,092
Current tax liabilities	4.3.7.	13	4,290
Short-term provisions	4.4.2.	5,838	15,598
<b>Total current liabilities</b>		<b>480,527</b>	<b>592,620</b>
<b>Total liabilities</b>		<b>578,124</b>	<b>705,739</b>
<b>Total equity and liabilities</b>		<b>780,451</b>	<b>905,814</b>

## Consolidated statement of changes in equity

	Share capital	Share premium account	Treasury shares	Retained earnings	Total equity attributable to shareholders of the parent company	Equity attributable to non-controlling interests	Total equity
<b>Balance at 1 January 2024</b>	<b>5,758</b>	<b>93,837</b>	<b>-2,690</b>	<b>101,758</b>	<b>198,663</b>	<b>1,412</b>	<b>200,075</b>
Change of interest in subsidiaries	0	0	0	0	0	0	0
Dividend	0	0	0	-4,781	-4,781	0	-4,781
Issue of shares	0	0	0	0	0	0	0
Issue costs	0	0	0	0	0	0	0
Repurchase of shares	0	0	0	0	0	0	0
Profit (loss)	0	0	0	6,888	6,888	0	6,888
Other net comprehensive income	0	0	0	145	145	0	145
<b>Total changes in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,252</b>	<b>2,252</b>	<b>0</b>	<b>2,252</b>
<b>Balance at 30 September 2024</b>	<b>5,758</b>	<b>93,837</b>	<b>-2,690</b>	<b>104,010</b>	<b>200,915</b>	<b>1,412</b>	<b>202,327</b>
<b>Balance at 1 January 2023</b>	<b>5,758</b>	<b>93,837</b>	<b>-2,690</b>	<b>82,476</b>	<b>179,381</b>	<b>1,387</b>	<b>180,768</b>
Change of interest in subsidiaries	0	0	0	0	0	0	0
Dividend	0	0	0	-1,594	-1,594	-70	-1,664
Issue of shares	0	0	0	0	0	0	0
Issue costs	0	0	0	0	0	0	0
Repurchase of shares	0	0	0	0	0	0	0
Profit (loss)	0	0	0	10,088	10,088	78	10,166
Other net comprehensive income	0	0	0	-105	-105	0	-105
<b>Total changes in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,389</b>	<b>8,389</b>	<b>8</b>	<b>8,397</b>
<b>Balance at 30 September 2023</b>	<b>5,758</b>	<b>93,837</b>	<b>-2,690</b>	<b>90,865</b>	<b>187,770</b>	<b>1,395</b>	<b>189,165</b>
<b>Balance at 1 January 2023</b>	<b>5,758</b>	<b>93,837</b>	<b>-2,690</b>	<b>82,476</b>	<b>179,381</b>	<b>1,387</b>	<b>180,768</b>
Change of interest in subsidiaries	0	0	0	0	0	0	0
Dividend	0	0	0	-1,594	-1,594	-70	-1,664
Issue of shares	0	0	0	0	0	0	0
Issue costs	0	0	0	0	0	0	0
Repurchase of shares	0	0	0	0	0	0	0
Profit (loss)	0	0	0	21,032	21,032	95	21,127
Other net comprehensive income	0	0	0	-156	-156	0	-156
<b>Total changes in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,282</b>	<b>19,282</b>	<b>25</b>	<b>19,307</b>
<b>Balance at 31 December 2023</b>	<b>5,758</b>	<b>93,837</b>	<b>-2,690</b>	<b>101,758</b>	<b>198,663</b>	<b>1,412</b>	<b>200,075</b>

## Consolidated statement of cash flows

	9 months ended	9 months ended
	30-09-2024	30-09-2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before tax	8,000	13,547
Adjustments for:		
Depreciation and amortisation	11,558	11,050
Foreign exchange gains / (losses)	67	-29
Interest and share in profit (dividends)	2,815	790
Gain / (loss) on disposal of investments	-1,000	-4,910
<b>Operating profit (loss) before changes in working capital</b>	<b>21,440</b>	<b>20,448</b>
Change in receivables and retentions on construction contracts	-24,133	-40,694
Change in inventories	31,268	13,514
Change in provisions and liabilities under employee benefits	-9,389	-8,581
Change in payables and retentions on construction contracts	-104,013	21,230
Change in valuation of construction contracts	-102,349	-135,326
Change in accruals	-16,499	79,691
Change in advances	43,364	-9,705
Change in other assets	-324	152
Income tax paid / (tax refund)	-4,318	-192
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>-164,953</b>	<b>-59,463</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of property, plant and equipment and intangible assets	1,371	9,558
Purchase of property, plant and equipment and intangible assets	-4,343	-6,748
Sale / (purchase) of financial assets in related parties	0	559
Repayment of advanced loans	71	43
Interest received	632	1,040
Cash of subsidiary at the date of purchase/sale	0	-387
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-2,269</b>	<b>4,065</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans and bank credits received	0	32,323
Repayments of loans and bank credits	-10,550	-15,000
Decrease in lease liabilities	-9,129	-4,901
Lease interest paid	-2,555	-1,055
Other interest paid	-1,047	-1,183
Other finance income / (costs) – dividends	-4,781	-1,664
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>-28,062</b>	<b>8,520</b>
<b>TOTAL NET CASH FLOWS</b>	<b>-195,284</b>	<b>-46,878</b>
Net foreign exchange differences	-67	29
<b>TOTAL NET CASH FLOWS NET OF FOREIGN EXCHANGE DIFFERENCES</b>	<b>-195,351</b>	<b>-46,849</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>223,555</b>	<b>63,251</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, including:</b>	<b>28,204</b>	<b>16,402</b>
- of limited availability	14,468	2,728

## Notes to the condensed consolidated financial statements of the Capital Group

### 1. General information

#### 1.1. Composition of the Capital Group

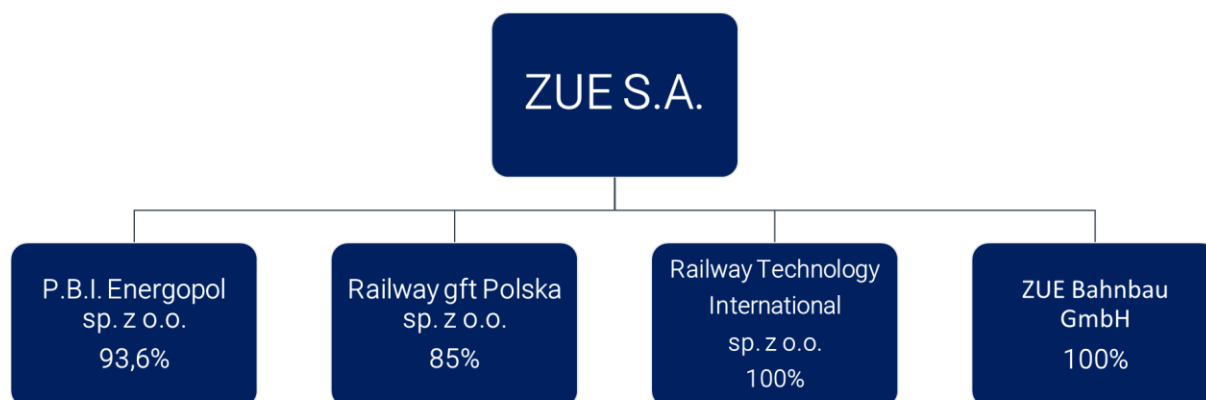
At the end of the reporting period, the Capital Group was composed of ZUE S.A. (the Parent Company), Railway Technology International Sp. z o.o., Railway gft Polska Sp. z o.o., Przedsiębiorstwo Budownictwa Inżynieryjnego Energopol Sp. z o.o. and ZUE Bahnbau GmbH.

**ZUE Spółka Akcyjna** with registered office in Cracow (the Kazimierza Czapińskiego Street No. 3) is the Parent Company of the Capital Group.

The Company was established on 20 May 2002. Cracow is the Company's registered office. The Company has been entered into the National Court Register maintained by the District Court for Cracow–Śródmieście in Cracow XI Commercial Division of the National Court Register under entry no. KRS 0000135388.

Apart from being the provider of construction services, ZUE is the Parent Company responsible for coordinating the operation of the subsidiaries and optimising the Capital Group's operating expenses through, *inter alia*, the coordination of investment and borrowing policy as well as the management of finances, human resources and the supply of materials. In addition, ZUE's task is to create a uniform trade and marketing policy of the Capital Group and to promote the Group's potential among its customers.

**Structure of the Capital Group at the date of preparation of this report:**



The companies within the Capital Group have been incorporated for indefinite period. The financial statements of all the subsidiaries have been prepared for the same reporting period as the Parent Company using consistent accounting principles. The Parent Company and the companies within the Group use a calendar year as their financial year.

On 28 October 2022, ZUE's branch in Romania was entered into the Register of Entrepreneurs maintained by the Court in Cluj Napoca. The branch was established to enable the coordination of the Company's operations on the Romanian market.

On 16 September 2024, Bahnbau GmbH (ZUE's subsidiary) was entered into the German commercial register maintained by the Charlottenburg District Court in Berlin. The company will deal with the provision of construction services in Germany. At present, the company does not operate.

On 25 October 2024, after the end of the reporting period, ZUE CONSTRUCT S.R.L. was entered into the Register of Entrepreneurs maintained by the Court in Cluj Napoca, Romania. The company will deal with the provision of

construction services in Romania. ZUE CONSTRUCT S.R.L. will conduct independent bidding and production activities based on the resources and experience gained in connection with the performance of contracts in Romania.

## 1.2. Consolidated companies

Consolidated companies as at 30 September 2024:

Company name	Registered office	Shares as at		Consolidation
		30 September 2024	31 December 2023	
ZUE	Cracow	Parent Company	Parent Company	
Railway gft	Cracow	85%	85%	Full
ENERGOPOL	Cracow	93.6%	93.6%	Full
RTI	Cracow	100%	100%	Excluded from a consolidation on the grounds of immateriality
ZUE Bahnbau	Berlin	100%	100%	Excluded from a consolidation on the grounds of immateriality

ZUE has the power to govern the financial and operating policy of Railway gft, Energopol, RTI and ZUE Bahnbau because as at 30 September, 2024 it held a majority stake in the companies.

As at 30 September 2024, ZUE held 100% of shares in Railway Technology International Sp. z o.o. and 100% of shares in ZUE Bahnbau GmbH. The companies were excluded from a consolidation on the grounds of immateriality.

In the comparative period, BPK Poznań, a subsidiary whose shares were sold on 10 August 2023, was included in a consolidation.

## 1.3. Changes in the Group's structure in 2024 and their consequences

No major changes to the Group's structure occurred between the beginning of 2024 until the date of approval of this report, except for the following changes.

On 16 September 2024, ZUE Bahnbau GmbH, a subsidiary, was entered into the German commercial register maintained by the Charlottenburg District Court in Berlin and was included in the structures of the Group.

On 25 October 2024, after the end of the reporting period, ZUE CONSTRUCT S.R.L. was entered into the Register of Entrepreneurs maintained by the Court in Cluj Napoca, Romania, and was included in the structures of the Group.

## 1.4. Activities of the Capital Group

At present, the Group has the two aggregate reportable segments:

- ❖ Construction activities carried out by ZUE and Energopol; and
- ❖ Sales activities carried out by Railway gft.

Construction activities include:

- ✓ **Urban infrastructure**, including:
  - ❖ Construction and upgrade of tram tracks, tram and trolleybus traction networks, traction substations, street lighting, cable lines, street traffic signalling, road systems, buildings and telecommunications technology;
  - ❖ Maintenance of tram and street lighting infrastructure;
- ✓ **Rail infrastructure**, including:
  - ❖ Construction and upgrade of railway tracks, railway traction, railway traffic control devices and telecommunications technology, traction substations, power lines, stations and civil structures;
- ✓ **Road infrastructure**, including:



- ❖ Road works, bridge and road structures, reinforced concrete structures and other civil structures.

In 2024, the Group focused on the provision of rail, urban and road infrastructure construction services.

The Group can build civil structures and deliver reinforced concrete projects, such as viaducts, bridges, passages, resistance walls or noise barriers, based on its skills and resources.

As regards **sales activities**, the Group offers materials and accessories necessary to build tracks.

The financial information of the operating segments is presented in the note 4.3.8.

### 1.5. Functional and reporting currency

These financial statements have been prepared in Polish zlotys (PLN). Polish złoty is the Group's functional and reporting currency. The data in the financial statements has been disclosed in thousands of Polish zlotys, unless specific circumstances require greater detail.

## 2. Operational information

### 2.1. Sales markets

The Group's sales markets reflect the type and scope of the activities conducted by the Group.

ZUE's construction activities are conducted mainly on the urban and rail infrastructure markets. The table below sets out major construction contracts in progress.

Contract*	Contracting authority	Contract net value (PLNm) attributable to ZUE on 30 Sept 2024
Completion of construction works as well as preparation of detailed design and completion of construction works in connection with the development of railway traffic control equipment, railway telecommunications network equipment and a dynamic passenger information system on the Będzin - Katowice Szopienice Południowe lines as part of the project: "Works to be carried out on primary passenger services (E 30 and E 65) in Silesia, Stage I: line E 65 on the Będzin - Katowice Szopienice Płd. – Katowice – Katowice Piotrowice lines."	PKP PLK S.A.	785
Design and construction services in connection with the project no. 1: "Works on the Chabówka - Zakopane railway line no. 99" and the project no. 2: "Construction of railway link in Chabówka along the Sucha Beskidzka – Chabówka railway line no. 98 and the Chabówka – Zakopane railway line no. 99."	PKP PLK S.A.	534
Reconstruction of the tramway track and traction in the Nabrzeże Wieleckie, Nowa, Dworcowa, Kolumba, Chmielewskiego and Smolańska Streets and the Powstańców Wlkp. Avenue and the extension of the Pomorzany terminus in Szczecin.	City of Szczecin, Szczecińska Energetyka Ciepła Sp. z o.o., Zakład Wodociągów i Kanalizacji Sp. z o.o.	280
Construction of the fast tramway from the Kasprzaka Street to Wilanów on the Dworzec Zachodni – the Grójecka hub section.	Tramwaje Warszawskie	147
Maintenance and repair of tram infrastructure in Cracow in 2022-2025.	City of Cracow	123
Reconstruction of the tramway along the Zwierzyniecka Street (district road) and the Kościuszki Street (county road) in Cracow and reconstruction of the adjacent intersections and OCL network, dehydration and lightening, reconstruction of the colliding technical infrastructure, repair of the <i>Salwator</i> tram terminus as well as construction of the heat distribution network with connections and construction and reconstruction of the water supply system.	City of Cracow Wodociągi Miasta Krakowa Miejskie Przedsiębiorstwo Energetyki Ciepłej S.A.	104
Maintenance and ongoing repairs of systems and equipment required to light roads, streets, parks, squares, bridges, flyovers, tunnels, underpasses and to illuminate selected facilities in Cracow.	City of Cracow	26

ROMANIA		
"Quick Wins" – works carried out in C.F. Braşov area (17 Lot)	"C.F.R." S.A. – C.F. Braşov Regional Branch (Romania)	129
"Quick Wins" – works carried out in C.F. Cluj area (47 Lot)	"C.F.R." S.A. – C.F. Cluj Regional Branch (Romania)	311

\* Contracts whose net value exceeds PLN 15m.

As regards sales activities, Railway gft sold rails, track accessories, sleepers, rail fastening systems and aggregate. In the reporting period, the major customers of Railway gft outside the Group were Track Tec KolTram Sp. z o.o., Kolejowe Zakłady Nawierzchniowe „Bieżanów” Sp. z o.o., SPAW-TOR Sp. z o.o. Sp. k.

### 2.2. Backlog

The construction contracts performed by ZUE are the biggest item of the Group's backlog.

At the date of preparation of this report, the total net value of the Group's backlog is PLN 1,227m, including the contracted construction and assembly works performed by ZUE and Energopol worth PLN 1,210m. The backlog relating to the supply of equipment and materials by Railway gft is PLN 17m. The companies within the Group participate in the new tender procedures.

### 2.3. Issuer's major achievements or failures in the reporting period

In the three quarters of 2024, sales revenue generated by the Group was PLN 921,496 thousand – up by 3% compared to the analogous period of 2023 (ZUE – PLN 846,682 thousand, up by 4%). Gross margin was 3.7% for the Group and 3.5% for the Company.

Financial results are discussed in detail in section 4.2.

No major events other than the events discussed herein occurred by this report preparation date.

### 2.4. Factors and events, including unusual factors and events, with significant influence on the Group's results

No unusual factors or events with significant bearing on the Group's results other than specified in this report occurred in the reporting period.

### 2.5. Major events in the reporting period

#### Construction works:

On 20 February 2024, the contract was entered into between the consortium of ZUE (Leader), FABE Polska sp. z o.o. (Partner) and Tramwaje Warszawskie sp. z o.o. for the following project: "Construction of the fast tramway from the Kasprzaka Street to Wilanów on the Dworzec Zachodni – the Grójecka hub section." The Company informed about the selection of the Company's bid as the most economically advantageous tender in the current report 22/2023. Contract net value: PLN 294.8m (ZUE – 50%). Contract gross value: PLN 362.6m. Expected project completion date: 26 months. **(Current report 2/2024)**

#### Financial issues:

On 4 March 2024, the Company published the preliminary financial results for 2023. **(Current report 3/2024)**

On 28 March 2024, the Company received an annex to the multicurrency credit limit agreement signed by the Company and Alior Bank S.A. Under the annex, the limit granted to the Company was raised from PLN 30m to PLN 50m. **(Current report 4/2024)**

On 22 April 2024, the Company and CaixaBank S.A. Polish Branch signed an annex to the bank bond limit agreement. Under the annex, the limit granted to the Company was raised from PLN 50m to PLN 75m. **(Current report 6/2024)**

On 27 June 2024, the Company and Alior Bank S.A. signed an annex to the multicurrency credit limit agreement. Under the annex, the limit granted to the Company was raised from PLN 50m to PLN 75m. **(Current report 14/2024)**

On 14 August 2024, the Company published the preliminary financial results for the first half of 2024. **(Current report 15/2024)**

On 30 August 2024, the Company and Bank Gospodarstwa Krajowego signed the bond agreement whereby the Company would be granted a limit of up to PLN 50m. **(Current report 16/2024)**

On 23 September 2024, the Company and ING Bank Śląski S.A. signed the master agreement whereby the Company would be granted a limit of up to PLN 30m. **(Current report 16/2024)**

#### Corporate issues:

On 6 May 2024, the Management Board of ZUE passed the resolution on recommendations to the Company's Ordinary General Meeting for allocating the net profit for the financial year 2023 of PLN 22,028 thousand in the following manner: 1) The portion of the net profit for the financial year 2023 of PLN 4,781 thousand should be paid as dividend (PLN 0.21 per share); 2) The residual net profit for the financial year 2023 of PLN 17,247 thousand should be allocated to reserve funds. The Company's Supervisory Board gave positive opinion on the Management Board's proposal on 8 May 2024. **(Current report 7/2024 and 8/2024)**

On 7 June 2024, the Company informed that pursuant to the resolution of the Ordinary General Meeting of ZUE S.A. on the distribution of the Company's profit for the financial year 2023 passed on 7 June 2024, the dividend for 2023 of PLN 4,780,740.51; i.e. PLN 0.21 per share, should be paid to the Company's shareholders. Shareholders' right to dividend was set as at 12 September 2024. The dividend payment date was set as 27 September 2024. **(Current report 13/2024)**

## 2.6. Major events after the end of the reporting period

On 5 November 2024, the Company published the preliminary financial results for the three quarters of 2024. **(Current report 19/2024)**

## 2.7. Bonds, lines of credit and loans

The activity conducted by the Group requires the provision of bonds. The bonds include, first and foremost, bid bonds, performance bonds, defects liability bonds and advance payment bonds provided by banks and insurance companies to the Group's counterparties to secure their claims. Banks and insurance companies have recourse against the Company.

As at 30 September 2024:

- The amount of available bond lines is PLN 533,046 thousand and EUR 18,460 thousand at the Group and PLN 505,906 thousand and EUR 18,460 thousand at ZUE; and
- The amount of available credit lines is PLN 47,565 thousand at the Group and PLN 44,515 thousand at ZUE.

In the reporting period:

- On 5 April 2024, a subsidiary signed the cooperation agreement whereby the bond limit provided by the insurance company was PLN 3m;
- On 22 April 2024, the Company signed an annex to the bond limit agreement whereby the bond limit provided by the bank was raised from PLN 50m to PLN 75m;
- On 14 May 2024, the Company signed an annex to the master limit agreement whereby the bond limit was raised from PLN 50m to PLN 60m;
- On 30 August 2024, the Company and Bank Gospodarstwa Krajowego with registered office in Warsaw signed the agreement whereby the Company was granted the bond limit of up to PLN 50m. The limit will be available until August 2035;
- On 23 September 2024, the Company and ING Bank Śląski S.A. with registered office in Katowice entered into the master agreement whereby the Company was granted the bond limit of up to PLN 30m PLN. The limit will be available until 22 September 2025.

After the reporting period:

- On 2 October 2024, the Company and Powszechny Zakład Ubezpieczeń (insurance company) signed an annex to the bond agreement whereby the limit was raised to PLN 70m;
- On 24 October 2024, the Company and the Romanian Banca Comerciala Romana S.A. signed the agreement whereby the Company was granted the bond limit of up to RON 25m. The agreement is effective until 4 October 2025.

At the end of the reporting period, the amount of the loans granted by ZUE (net of write-downs) was PLN 13,006 thousand. At the end of the reporting period, the amount of the loans granted by the Group (net of write-downs) was PLN 4,116 thousand.

No loans or bonds of significant total value were granted or provided in the three quarters of 2024 by the Parent Company or any subsidiary to any single entity outside the Capital Group (or any subsidiary thereof).

## 2.8. Type and amount of items influencing assets, liabilities, equity, net profit of cash flows which are unusual in terms of type, amount or frequency

No unusual items with significant influence on assets, liabilities, equity, net profit or cash flows other than specified herein occurred in the reporting period.

## 2.9. Factors which according to the Issuer may have influence on the Group's development and future performance

The factors which may have a bearing on the Group's financial results include:

The factors which may have a bearing on the Group's financial results include:

- Untimely settlement of liabilities to the Group by the Contracting Authorities;
- Delays or unfavourable outcome of tender procedures including the Group;
- Unstable prices of raw materials and liquid fuels;
- Higher fees charged by subcontractors;
- Unstable exchange rates; and
- Outcome of the pending court proceedings.

The Management Board Report on the activities of the Capital Group in the first half of 2024 contains a detailed description of the factors. No significant changes to the scope or type of the factors were identified when comparing this report with the information contained in the report for the first half of 2024.

## 2.10. Risks which according to the Group may have influence on the Group's future performance

- Risk related to financial liquidity in the construction sector;
- Risk related to logistics;
- Risk related to the failure of making construction sites available by the dates specified in contracts;
- Risk related to obtaining administrative decisions, ability to appeal against the administrative decisions and third parties' activities influencing the Group's design or construction services;
- Risk related to the cost estimates of planned and performed contracts;
- Risk related to joint and several liability for the payment of remuneration to subcontractors and consortium members;
- Risk related to improper performance of contracts by key counterparties;
- Risk related to bonds, contractual penalties and the related litigations;
- Risk related to the bankruptcy of counterparties;
- Risk related to the guarantees of payment for construction works;
- Risk related to the change of law, including tax law;
- Risk related to obtaining new contracts;
- Risk related to growing competition;
- Risk related to the terms and procedures of awarding contracts and exclusions from public tenders;
- Risk related to the European co-funding of railway projects;
- Risk related to the accumulation of tender procedures;
- Risk related to the obtaining of funds required to perform construction contracts as well as performance and bid bonds;
- Risk related to weather conditions;
- Risk related to social and economic situation in Poland;
- Risk related to interest rates;
- Risk related to unstable margins;
- Risk related to activities abroad;
- Risk related to the influence of a pandemic on construction processes; and
- Risk related to the war in Ukraine.

The effect of the situation in Ukraine on the Group's operations is discussed in section 2.12.

The Management Board Report on the activities of the Capital Group in the first half of 2024 contains a detailed description of the risks. No significant changes to the scope or type of the risks were identified when comparing this report with the information contained in the report for the first half of 2024.

## 2.11. Risks related to social and employee issues, natural environment, respect of human rights, counteracting corruption, climate and climate policy

- Risk related to greater employment costs;
- Risk related to the outflow of qualified staff;
- Risk related to the impact on the natural environment;
- Risk related to social issues and human rights;

- Risk related to corruption;
- Physical risk related to extreme weather conditions;
- Physical risk related to changing weather patterns; and
- Risk related to transition to zero-emission economy.

The Management Board Report on the activities of the Parent Company and the Capital Group in 2023 contains a detailed description of the risks. No significant changes to the scope or type of the risks were identified when comparing this report with the information contained in the annual report.

## 2.12. Influence of the situation in Ukraine on the Group's activities

The war in Ukraine did not have a material influence on the financial results at the date of approval of this report. However, the effects of the war such as limited supply and rising prices of building materials or restrictions on the employment market may have a negative influence on the contracts performed by the Group. The Company keeps monitoring the potential risks and cooperates with contracting authorities to minimize them.

The Company has cooperated with its suppliers for many years. The cooperation with transparent partners as well as internal control of transactions reduce the risk of getting involved in transactions exposed to sanctions imposed by the EU on Russia and Belarus. The Company has no assets in Russia, Belarus or Ukraine and does not conduct any activities in those countries.

The Company controls, on an ongoing basis, the safety of the Group's IT systems to prevent cyberattacks as well as the risks associated with foreign exchange rates and interest rate changes.

Ukraine's political and economic situation as well as changes on the raw and other materials markets are constantly monitored by the Group in terms of the actual and potential impact thereof on the Group's activities.

Factors which may occur and influence the markets in which the Issuer operates and the Group's activities:

- Increased prices of certain imported products and materials caused by the long-term weakening of PLN rate (as well as other currencies of the region);
- Disruptions in the chains of supply of certain imported products and materials;
- Long-term increase in the prices of fuels, natural gas and electricity;
- Limited access to fuels and natural gas;
- Greater financial risk of the countries of the region which may limit the access to financing and entail greater costs;
- Decreased supply of financial products as a result of increased spending on defence and security;
- Migration of Ukrainian employees from Poland to Ukraine; and
- Limited availability and higher prices of building materials caused by a long-term radical increase in demand for building materials in Ukraine.

## 2.13. Seasonal and cyclical nature of the Group's operations

Construction and assembly operations are marked by the seasonality of production and sales. The main factors influencing the amount of revenues and profits in a financial year include weather conditions and the dates of announcing tenders and awarding contracts. The number and size of tenders on the railway market are determined by the National Railway Programme and the current EU perspective. Projects on the urban market depend on the budgetary objectives of local governments.

Rail, urban and road infrastructure construction projects undertaken by the Group cannot be carried out in unfavourable weather conditions. Due to low temperature or snowfall in winter, many tasks are stopped or slowed down to meet technological regimes.

Another factor with an impact on the seasonal nature of the industry is the fact that investment and modernisation projects on the transport infrastructure construction market primarily take place in spring, summer and autumn.

## 2.14. Strategic objectives

The principal objective in 2024-2026 is to take maximum advantage of the current EU perspective.

The Group's strategic objectives are:

- Maintenance of the position of the Group as one of the leaders of the rail transport infrastructure construction market;

- Maintenance of the position of the Group as one of the leaders of the urban transport infrastructure construction market; and
- Development of sales services on the track materials production and distribution market.

In the long-term perspective, the principal aim of the Group is to develop the services provided by the Group in connection with the service and maintenance of urban and rail infrastructure.

The Issuer predicts that the strategic objectives will be pursued mainly through the organic growth. In addition, the Company states that other companies may be acquired in the future.

In 2024, the Issuer's focus is on winning new construction contracts and proper performance of previously signed contracts. The Group also aims to achieve geographical diversification by offering its services in other European countries.

The strategic objectives are pursued taking into consideration non-financial issues such as human rights, employees' rights, the impact on local environment or environmental protection.

The prospects of the Group's markets are discussed in detail in the Management Board Report on the activities of the Capital Group in the first half of 2024 and did not change as at the date of publication of this report.

### 3. Corporate information

#### 3.1. Governing bodies of ZUE

Composition of the Parent Company's Management and Supervisory Boards at the date of approval of this report:

##### Management Board:

Wiesław Nowak	Management Board President
Anna Mroczek	Management Board Vice-President
Magdalena Nowak	Management Board Vice-President
Maciej Nowak	Management Board Vice-President
Marcin Wiśniewski	Management Board Vice-President
Jerzy Czeremuga	Management Board Vice-President

##### Supervisory Board:

Piotr Korzeniowski	Supervisory Board Chairperson
Barbara Nowak	Supervisory Board Vice-Chairperson
Irena Piekarska-Konieczna	Supervisory Board Member
Agnieszka Klimas	Supervisory Board Member
Maciej Szubra	Supervisory Board Member

##### Audit Committee:

Irena Piekarska-Konieczna	Audit Committee Chairperson
Barbara Nowak	Audit Committee Member
Maciej Szubra	Audit Committee Member

Irena Piekarska-Konieczna, Agnieszka Klimas and Maciej Szubra meet the independence criteria referred to in the Act on Auditors, Audit Firms and Public Supervision (Journal of Laws of 2024, item 1035).

The Supervisory Board of ZUE resolved on 12 April 2024 to appoint Magdalena Nowak to the Management Board of ZUE from 10 June 2024.

No other changes to the composition of the Parent Company's Management or Supervisory Board occurred until the date of preparation of this report.

### 3.2. Share capital structure

The Company's share capital amounts to PLN 5,757,520.75 and is divided into 23,030,083 shares with the nominal value of PLN 0.25 each, including:

- 16,000,000 class A bearer shares;
- 6,000,000 class B bearer shares; and
- 1,030,083 class C bearer shares.

### 3.3. Treasury shares

At this report preparation date, the Company holds 264,652 treasury shares whose purchase value is PLN 2,690 thousand. The shares were acquired by the Company from the employees of Przedsiębiorstwo Robót Komunikacyjnych w Krakowie S.A., the company which merged with ZUE S.A., as part of the buy-back effected in 2015.

The buy-back was effected on the basis of the Resolution no. 4 passed by the Company's Extraordinary General Meeting on 8 December 2014 authorising the Management Board of ZUE S.A. to buy back own shares. The transaction is discussed in detail in the note no. 25 of the consolidated financial statements for the financial year ended 31 December 2015.

### 3.4. Shareholders of the Parent Company

According to the information available, the Parent Company had the following shareholding structure at the date of preparation of this report:

Shareholder	Number of shares/votes as at 14 November 2024	% of the share capital/total number of votes	Number of shares/votes according to the last interim report <sup>(1)</sup>	% of the share capital/total number of votes
Wiesław Nowak	14,400,320	62.53%	14,400,320	62.53%
Generali OFE	1,461,659 <sup>(2)</sup>	6.35%	1,461,659	6.35%
PKO Bankowy OFE	1,812,038 <sup>(3)</sup>	7.87%	1,812,038	7.87%
Other	5,356,066 <sup>(4)</sup>	23.26%	5,356,066	23.26%
<b>Total</b>	<b>23,030,083</b>	<b>100</b>	<b>23,030,083</b>	<b>100</b>

(1) Publication of the last interim report (Consolidated Report of the Group for the first half of 2024): 21 August 2024.

(2) Shareholding on the basis of information provided by the Central Securities Depository of Poland for the purposes of the Ordinary General Meeting of ZUE held on 7 June 2024. According to the Company's best knowledge, the information is valid at the date of publication of this report.

(3) Shareholding on the basis of information provided by the Central Securities Depository of Poland for the purposes of the Ordinary General Meeting of ZUE held on 7 June 2023. According to the Company's best knowledge, the information is valid at the date of publication of this report.

(4) Contains 264,652 ZUE shares repurchased by the Company as part of the buy-back of own shares.

### 3.5. Shares and powers of members of the Issuer's management and supervisory bodies

According to the information held by the Management Board of ZUE at this report preparation date, ZUE shares were held by the following members of the Issuer's management and supervisory bodies:

Shareholder	Position at ZUE	Number of shares/votes at 14 November 2024	Nominal value (PLN)	% of share capital / total number of votes	Changes in shareholding since the publication of the last interim report <sup>(1)</sup>
Wiesław Nowak	Management Board President	14,400,320	3,600,080	62.53	None
Marcin Wiśniewski	Management Board Vice-President	2,300	575	0.01	None
Jerzy Czeremuga	Management Board Vice-President	136	34	< 0.01	None
Maciej Nowak	Management Board Vice-President	7,806	1,951.50	0.03	None
Magdalena Nowak	Proxy	7,688	1,922	0.03	None

(1) Publication of the last interim report (Consolidated Report of the Group for the first half of 2024): 21 August 2024.

According to the best knowledge of the Company's Management Board, other members of the Issuer's Management or Supervisory Boards did not hold any ZUE shares at this report preparation date.



No members of the Management Board or the Supervisory Board had any rights to acquire the Company shares at the date of preparation of the last interim report or this report.

No members of the Management Board or the Supervisory Board had any shares in other Group undertakings at the date of publication of the last interim report or at the date of preparation of this report.

### 3.6. Other information significant for the assessment of the Issuer's position

No events with significant influence on the assessment of the Issuer's position other than specified in this report occurred in the reporting period.

### 3.7. Issue, redemption and repayment of debt and equity securities

No debt or equity securities were issued or redeemed or repaid by any company within the Group in the reporting period.

### 3.8. Dividend

On 6 May 2024, the Management Board of ZUE passed the resolution on recommendations to the Company's Ordinary General Meeting for allocating the net profit for the financial year 2023 of PLN 22,028 thousand in the following manner:

- 1) The portion of the net profit for the financial year 2023 of PLN 4,781 thousand should be paid as dividend (PLN 0.21 per share);
- 2) The residual net profit for the financial year 2023 of PLN 17,247 thousand should be allocated to reserve funds.

The Company's Supervisory Board gave a favourable opinion on the said proposal on 8 May 2024.

On 7 June 2024, the Ordinary General Meeting of ZUE S.A. passed the resolution on distribution of the Company's profit for the financial year 2023 whereby the dividend for 2023 of PLN 0.21 per share should be paid to the Company's shareholders. 12 September 2024 was the date on which the shareholders' right to dividend was set. The date of the dividend payment was 27 September 2024. The dividend was paid according to the resolution.

## 4. Financial information

### 4.1. Statement by the Management Board of ZUE on financial projections

No financial projections for the financial year 2024 were published by the Company.

### 4.2. Factors and events with significant influence on the Group's financial results for the three quarters of 2024

#### Current situation of the Issuer's markets and obtaining of new contracts

The national railway and tram markets see no major changes as regards the announcement of new contracts. The investment gap is rising especially on the railway market. It is a result of stagnation in the EU funding observed in previous years and the review of tender plans. Political changes unlocked the EU funding. There are some tender processes for construction contracts. However, PKP PLK are still working on their plans to announce several dozen of railway tenders by the end of the year. The market anticipates a recovery at the end of the year and in subsequent years. Announcing of tenders and awarding of contracts will have stabilising influence on the market where the price competition is intense.

The Company continues to submit tenders on the Polish and the Romanian markets and is preparing to do so in other markets.

#### Discussion of major items of the profit and loss account

The Group's revenue grew year on year by 3% (ZUE – up by 4%).

#### Comparison of the results reported by the Group and ZUE:

	ZUE		Group	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023

Sales revenue	846,682	814,543	921,496	891,136
Cost of sales	817,046	790,198	886,997	860,985
<b>Gross profit (loss) on sales</b>	<b>29,636</b>	<b>24,345</b>	<b>34,499</b>	<b>30,151</b>
<i>Gross margin</i>	3.5%	3.0%	3.7%	3.4%
General and administrative expenses	20,322	17,942	23,989	22,248
Other operating income	3,809	5,946	3,826	5,946
Other operating expenses	834	508	897	630
<b>Operating profit (loss) (EBIT**)</b>	<b>12,289</b>	<b>11,841</b>	<b>13,439</b>	<b>13,219</b>
<i>EBIT margin</i>	1.5%	1.5%	1.5%	1.5%
<i>EBITDA***</i>	22,994	22,126	24,997	24,269
<i>EBITDA margin</i>	2.7%	2.7%	2.7%	2.7%
Finance income	3,220	13,783	2,426	2,884
Finance costs	7,277	10,739	7,865	2,556
<b>Pre-tax profit (loss)</b>	<b>8,232</b>	<b>14,885</b>	<b>8,000</b>	<b>13,547</b>
Income tax	1,000	3,838	1,112	3,381
<b>Net profit (loss) from continuing operations</b>	<b>7,232</b>	<b>11,047</b>	<b>6,888</b>	<b>10,166</b>
<b>Net profit (loss)</b>	<b>7,232</b>	<b>11,047</b>	<b>6,888</b>	<b>10,166</b>
<i>Net margin</i>	0.9%	1.4%	0.7%	1.1%

\* Operating profit + depreciation / amortisation.

\*\* EBIT, EBITDA measures unspecified by the IFRS.

The factors influencing net profit (loss) included greater finance costs mainly in connection with foreign exchange differences and a change in the time value of money for long-term items.

### Discussion of major balance sheet items

The total assets and liabilities of the Group as at 30 September 2024 amounted to PLN 780,451 thousand. The total assets and liabilities of the Company as at 30 September 2024 amounted to PLN 746,219 thousand.

The biggest changes in the consolidated statement of financial position of the Group:

	Change compared to 31.12.2023	Balance at 30.09.2024	Description
<b>Assets</b>			
Right-of-use assets	27,470	67,159	Conclusion of new leases: mainly operating lease – purchase of construction equipment.
Inventories	-31,268	39,093	Use of building materials to perform contracts. The materials were purchased previously to provide a safeguard against increase in prices.
Valuation of long-term construction contracts	58,271	272,525	Difference between invoiced works under contracts and recognised sales.
Cash and cash equivalents	-195,351	28,204	Use of own resources to conduct operating activities.
<b>Liabilities</b>			
Long-term loans and bank credits	-47,015	0	Reclassification from long-term to short-term loans and bank credits.

Trade and other payables	-108,922	99,635	Payment for works carried out by subcontractors, supplied materials and performed services.
Valuation of long-term construction contracts	-44,078	4,076	Difference between invoiced works under contracts and recognised sales.
Advances	38,242	81,572	Advances received for the purpose of contract performance.
Short-term loans and bank credits	36,465	47,015	Reclassification from long-term to short-term loans and bank credits and repayment of loan instalments.

### Statement of cash flows

Negative cash flows from operating activities mainly resulted from excessive cash and trade payables at the end of 2023 (settled in 2024) and change in the valuation of construction contracts related to discrepancy in the progress of works and invoices issued for the works.

	ZUE		Group	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Cash flows from operating activities	-162,338	-58,118	-164,953	-59,463
Cash flows from investing activities	-2,653	3,099	-2,269	4,065
Cash flows from financing activities	-24,212	9,038	-28,062	8,520
<b>Total net cash flows</b>	<b>-189,203</b>	<b>-45,981</b>	<b>-195,284</b>	<b>-46,878</b>
Cash and cash equivalents at the beginning of the	212,159	60,256	223,555	63,251
Cash and cash equivalents at the end of the period	22,889	14,304	28,204	16,402

### Discussion of results reported by segments

Like in previous reports, construction activity is the main source of the Group's revenue.

	Construction	Sales	Exclusions	Total
Sales revenue	874,476	51,270	-4,250	921,496
Gross profit on sales	31,214	3,398	-113	34,499
Net profit	6,616	191	81	6,888

More information about the results of the segments is contained in the note 4.3.8.

### 4.3. Notes to the statement of comprehensive income

#### 4.3.1. Revenue

	Period ended	Period ended
	30-09-2024	30-09-2023
Revenue from construction contracts	861,330	810,236
Revenue from the provision of services	4,803	7,389
Revenue from the sale of goods, raw and other materials	55,363	73,511
<b>Total</b>	<b>921,496</b>	<b>891,136</b>

Revenue from construction activities is recognised by the Group in the item Revenue from construction contracts. Revenue is earned under the contracts accounted for on the basis of consumed time and expenditures. Services provided under construction contracts are delivered directly to customers after specific tasks have been carried out.

In the reporting period, the Group operated in Poland and abroad. Revenue from construction contracts included the amount of PLN 117,308 thousand related to the contracts performed in Romania and the amount of PLN 1,439 thousand related to the contracts performed in Latvia. The Group's revenue was also generated from the sale of materials to the Czech Republic and Romania of PLN 61 thousand and the sale of services to Germany of PLN 18 thousand.

Concentration of revenues exceeding 10% of the total sales revenue

	Period ended	Period ended
	30-09-2024	30-09-2023
Counterparty A	255,905	305,442
Counterparty B	247,525	
Counterparty C	113,751	

#### 4.3.2. Operating expenses

	Period ended	Period ended
	30-09-2024	30-09-2023
Change in products	-3,443	-3,554
Depreciation and amortization	11,558	11,050
Consumption of materials and energy, including:	244,002	212,006
- consumption of materials	235,451	202,685
- consumption of energy	8,551	9,321
Contracted services	488,435	478,301
Employee benefit expense	104,408	107,711
Taxes and charges	2,101	2,013
Other expenses	14,647	9,458
Value of goods and materials sold	49,278	66,248
<b>Total</b>	<b>910,986</b>	<b>883,233</b>

	Period ended	Period ended
	30-09-2024	30-09-2023
Cost of sales	886,997	860,985
General and administrative expenses	23,989	22,248
<b>Total</b>	<b>910,986</b>	<b>883,233</b>

The year-on-year increase in general and administrative expenses results from the higher costs of the business activity and more expenditure on promotional and social activities. However, the ratio of general and administrative expenses to revenue is as intended by the Management Board of ZUE; i.e. it does not exceed 3%.

#### Depreciation and amortisation

	Period ended	Period ended
	30-09-2024	30-09-2023
Depreciation of property, plant and equipment	6,969	7,657
Depreciation of right-of-use assets	3,604	2,407
Amortisation of intangible assets	451	458
Depreciation of investments in real property	534	528
<b>Total</b>	<b>11,558</b>	<b>11,050</b>

#### 4.3.3. Other operating income

	Period ended	Period ended
	30-09-2024	30-09-2023
<b>Gain on disposal of assets</b>	<b>1,000</b>	<b>4,910</b>
Gain on disposal of non-current assets	1,000	4,910
<b>Other operating income</b>	<b>2,826</b>	<b>1,036</b>
Damages and penalties	1,497	607
Release of write-downs of receivables	104	8
Refund of the costs of court proceedings	31	86
Substitute performance	228	288
Subsidies	146	9
Other	820	38
<b>Total</b>	<b>3,826</b>	<b>5,946</b>

#### 4.3.4. Other operating expenses

	Period ended	Period ended
	30-09-2024	30-09-2023
<b>Loss on disposal of assets</b>	<b>0</b>	<b>0</b>
Loss on disposal of non-current assets	0	0
<b>Other operating expenses</b>	<b>897</b>	<b>630</b>
Donations	30	32
Making of write-downs of receivables	152	24
Costs of litigation	359	194
Substitute performance	228	288
Other	128	92
<b>Total</b>	<b>897</b>	<b>630</b>

#### 4.3.5. Finance income

	Period ended	Period ended
	30-09-2024	30-09-2023
<b>Interest income</b>	<b>2,355</b>	<b>881</b>
Interest on bank deposits	712	861
Interest on loans	9	8
Interest on receivables	1,634	12
<b>Other finance income</b>	<b>71</b>	<b>2,003</b>

Gain on disposal of investment	0	396
Foreign exchange gain	0	122
Discount of long-term items	0	1,428
Financial guarantees	0	2
Other	71	55
<b>Total</b>	<b>2,426</b>	<b>2,884</b>

#### 4.3.6. Finance costs

	Period ended	Period ended
	30-09-2024	30-09-2023
<b>Interest expense</b>	<b>3,500</b>	<b>2,374</b>
Interest on bank credits	361	291
Interest on loans	688	899
Interest on lease liabilities	2,372	1,136
Interest on trade and other payables	79	48
<b>Other finance costs</b>	<b>4,365</b>	<b>182</b>
Foreign exchange loss	1,648	123
Discount of long-term items	2,693	53
Other	24	6
<b>Total</b>	<b>7,865</b>	<b>2,556</b>

#### 4.3.7. Income tax

##### Income tax recognised in the statement of comprehensive income

	Period ended	Period ended
	30-09-2024	30-09-2023
Current income tax	29	180
Deferred tax	1,083	3,201
<b>Total tax expense (income)</b>	<b>1,112</b>	<b>3,381</b>

##### Income tax according to effective interest rate

	Period ended	Period ended
	30-09-2024	30-09-2023
<b>Gross profit (loss)</b>	<b>8,000</b>	<b>13,547</b>
Income tax at the applicable rate of 19%	1,520	2,574
<b>Effect of tax recognition of:</b>	<b>-561</b>	<b>735</b>
- Utilisation of tax losses brought forward	0	44
- Expenses that are not tax-deductible under tax regulations and tax-deductible expenses not classified as balance sheet expenses	488	1,421
- Revenue not classified as revenue under tax regulations and taxable revenue not classified as balance sheet revenue	48	567
- Difference on application of local rates - 16% Romania	-1,001	-75
Revaluation of deferred tax assets (current year loss)	138	58
Income tax paid / tax refund on income earned abroad	15	0
Other adjustments	0	14
<b>Income tax according to effective tax rate</b>	<b>1,112</b>	<b>3,381</b>
effective tax rate	14%	25%

## Current tax assets and liabilities

	Balance at 30-09-2024	Balance at 31-12-2023
<b>Current tax assets</b>		
Tax refundable	0	190
<b>Current tax liabilities</b>		
Tax payable	13	4,290

## Deferred tax

	Period ended 30-09-2024	Period ended 30-09-2023
<b>Deferred tax balance at the beginning of the period</b>	<b>21,055</b>	<b>17,788</b>
<b>Temporary differences relating to deferred tax assets:</b>	<b>66,551</b>	<b>75,841</b>
Provisions for expenses and accruals	32,106	44,781
Receivables discounting	508	614
Operating lease liabilities	8,679	4,103
Write-downs	545	849
Bonds and insurances accounted for over time	2,382	1,646
Tax work in progress	21,499	17,469
Valuation of long-term contracts	774	6,379
Other	58	0
<b>Temporary differences relating to deferred tax liabilities:</b>	<b>61,768</b>	<b>65,941</b>
Valuation of long-term contracts	37,697	47,102
Difference between the carrying and tax amount of property, plant and equipment and intangible assets	20,318	15,743
Payables discounting	2,656	3,081
Other	1,097	15
<b>Unutilised tax losses and other tax credits carried forward:</b>	<b>15,154</b>	<b>4,712</b>
Tax losses	15,154	4,712
<b>Total temporary differences relating to deferred tax assets:</b>	<b>81,705</b>	<b>80,553</b>
<b>Total temporary differences relating to deferred tax liabilities:</b>	<b>61,768</b>	<b>65,941</b>
<b>Deferred tax balance at the end of the period</b>	<b>19,937</b>	<b>14,612</b>
<b>Change in deferred tax, including:</b>	<b>-1,118</b>	<b>-3,176</b>
- recognised in income	-1,083	-3,201
- recognised in equity	-35	25

Deferred tax recognised in equity results from the calculation of tax on actuarial gains/losses presented in other comprehensive income.

### 4.3.8. Operating segments

The Group's reporting is based on operating segments. The Management Board of ZUE have identified the following aggregate reportable segments to enable a proper assessment of the type and financial consequences of the Group's operations as required by the IFRS 8:

- Construction;
- Sales; and
- Design (until 10 August 2023).

The segments comply jointly with the following rules:

- Their aggregation is consistent with the objectives and principles of the IFRS 8;
- They have similar economic characteristics;



- They are similar in the following areas: the nature of the products and services, the nature of the production process, the class and type of customers and the methods used to distribute products and services.

The construction activities include the works carried out by ZUE and Energopol. The construction activities conducted by ZUE include the construction and comprehensive modernisation of city transport systems, the construction and comprehensive modernisation of railway lines and services relating to power engineering and power electronics and civil structures. The construction activities conducted by Energopol include the execution of road works, bridge and road structures, reinforced concrete structures and other civil structures.

The construction activities are complemented by the sale of materials used to build and repair tracks. This segment includes the activities conducted by Railway gft.

In the comparative period, revenue from design activities included the data of BPK Poznań, a subsidiary whose shares were sold on 10 August 2023. BPK Poznań dealt with the design of transport infrastructure systems.

The accounting principles applied to the segments are the same as the principles presented in the discussion of important accounting principles. The Group accounts for sales and transfers between the segments based on current market prices like in transactions in third parties.

#### Operating segments results in the three quarters of 2024:

	Construction	Sales	Exclusions	Total
<b>Sales revenue</b>	<b>874,476</b>	<b>51,270</b>	<b>-4,250</b>	<b>921,496</b>
including:				
Revenue from external customers	873,889	47,607	0	921,496
Inter-segment revenues	587	3,663	-4,250	0
including:				
Revenue from construction contracts	861,330	0	0	861,330
Revenue from the provision of services	5,366	23	-586	4,803
Revenue from the sale of goods, raw and other materials	7,780	51,247	-3,664	55,363
<b>Gross profit</b>	<b>31,214</b>	<b>3,398</b>	<b>-113</b>	<b>34,499</b>
Finance income / costs	-4,743	-696	0	-5,439
Interest received	1,076	0	-444	632
Interest paid	-3,647	-399	444	-3,602
<b>Pre-tax profit</b>	<b>7,778</b>	<b>240</b>	<b>-18</b>	<b>8,000</b>
Income tax	1,162	49	-99	1,112
<b>Net profit</b>	<b>6,616</b>	<b>191</b>	<b>81</b>	<b>6,888</b>
Depreciation and amortisation	11,486	72	0	11,558
Property, plant and equipment	68,614	183	0	68,797
Non-current assets	222,520	395	-5,872	217,043
<b>Total assets</b>	<b>774,063</b>	<b>23,083</b>	<b>-16,695</b>	<b>780,451</b>
<b>Total liabilities</b>	<b>572,870</b>	<b>16,036</b>	<b>-10,782</b>	<b>578,124</b>

In the reporting period, the Group provided services in Poland and abroad. Revenue from construction contracts includes PLN 117,308 thousand relating to the contracts performed in Romania and PLN 1,439 thousand relating to the contract performed in Latvia. In addition, the Group generated revenue from the sale of materials to the Czech Republic and Romania (PLN 61 thousand) and the sale of services to Germany (PLN 18 thousand).

#### Operating segments results in the three quarters of 2023:

	Construction	Sales	Design	Exclusions	Total
<b>Sales revenue</b>	<b>830,432</b>	<b>70,196</b>	<b>5,024</b>	<b>-14,516</b>	<b>891,136</b>
including:					
Revenue from external customers	827,954	58,683	4,272	227	891,136
Inter-segment revenues	2,478	11,512	752	-14,742	0
including:					
Revenue from construction contracts	807,033	0	5,024	-1,821	810,236
Revenue from the provision of services	8,571	30	0	-1,212	7,389
Revenue from the sale of goods, raw and other materials	14,828	70,166	0	-11,483	73,511
<b>Gross profit</b>	<b>25,038</b>	<b>3,716</b>	<b>1,135</b>	<b>262</b>	<b>30,151</b>
Finance income / costs	2,774	-702	-119	-1,625	328
Interest received	1,325	0	0	-285	1,040
Interest paid	-2,037	-471	-15	285	-2,238
<b>Pre-tax profit</b>	<b>13,970</b>	<b>873</b>	<b>144</b>	<b>-1,440</b>	<b>13,547</b>
Income tax	3,759	178	33	-589	3,381
<b>Net profit</b>	<b>10,211</b>	<b>695</b>	<b>111</b>	<b>-851</b>	<b>10,166</b>
Depreciation and amortisation	10,925	57	43	25	11,050
Property, plant and equipment	71,959	276	0	0	72,235
Non-current assets	215,066	541	0	-5,235	210,372
<b>Total assets</b>	<b>722,468</b>	<b>28,067</b>	<b>0</b>	<b>-13,720</b>	<b>736,815</b>
<b>Total liabilities</b>	<b>534,973</b>	<b>20,979</b>	<b>0</b>	<b>-8,302</b>	<b>547,650</b>

In the reporting period, the Group provided its services in Poland and abroad. Revenue from construction contracts includes PLN 51,335 thousand relating to the contracts performed in Romania and PLN 910 thousand relating to the contract performed in Latvia. In addition, the Group earned revenue from the provision of services to Latvia (PLN 266 thousand) and to Slovakia (PLN 94 thousand) and from the sale of materials to Germany and the Czech Republic (PLN 364 thousand).

#### 4.4. Contracts, provisions, write-downs and accruals

##### 4.4.1. Construction contracts

	Balance at 30-09-2024	Balance at 31-12-2023
<b>Assets (selected items)</b>	<b>340,596</b>	<b>312,856</b>
- Valuation of long-term construction contracts	272,525	214,254
- Advances made in connection with performed contracts	5,528	10,650
- Retentions on construction contracts retained by customers	35,651	27,142
- Inventories	26,892	60,810
<b>Liabilities (selected items)</b>	<b>324,045</b>	<b>344,995</b>
- Valuation of long-term construction contracts	4,076	48,154
- Provisions for contract costs	152,126	166,426
- Advances received in connection with performed contracts	81,191	43,330
- Retentions on construction contracts retained for suppliers	56,347	50,880
- Provisions for warranty claims	27,277	21,751
- Provisions for expected losses on contracts	3,028	14,454

#### 4.4.2. Provisions

##### Change in provisions

Provisions	01-01-2024	Made	Utilised	Released	Reclassified	30-09-2024	Item
<b>Long-term provisions:</b>	<b>22,663</b>	<b>6,682</b>	<b>280</b>	<b>216</b>	<b>-1,152</b>	<b>27,697</b>	
Provisions for employee benefits	2,056	76	0	216	0	1,916	Liabilities under employee benefits (long-term)
Provisions for warranty claims	20,607	6,606	280	0	-1,152	25,781	Long-term provisions
Other provisions	0	0	0	0	0	0	Long-term provisions
<b>Short-term provisions:</b>	<b>56,450</b>	<b>26,615</b>	<b>18,029</b>	<b>24,424</b>	<b>1,152</b>	<b>41,764</b>	
Provisions for employee benefits	40,852	19,924	17,618	7,232	0	35,926	Liabilities under employee benefits (short-term)
Provisions for warranty claims	1,144	10	411	399	1,152	1,496	Short-term provisions
Provision for loss on contracts	14,454	5,367	0	16,793	0	3,028	Short-term provisions
Other provisions	0	1,314	0	0	0	1,314	Short-term provisions
<b>Total provisions:</b>	<b>79,113</b>	<b>33,297</b>	<b>18,309</b>	<b>24,640</b>	<b>0</b>	<b>69,461</b>	

A provision for warranty claims is made for the construction contracts in respect of which warranty has been given by the Group depending on the amount of revenues. The amount of provisions may decrease or increase on the basis of inspections of construction works carried out in subsequent years of warranty.

The release of provisions for expected losses on contracts results from the greater progress of works under the contracts. Greater progress of works entails the costs. With the greater progress of works on the projects with loss, a provision for losses is successively released.

##### Comparative information:

Provisions	01-01-2023	Made	Utilised	Released	Reclassified	31-12-2023	Item
<b>Long-term provisions:</b>	<b>17,803</b>	<b>6,348</b>	<b>1,002</b>	<b>389</b>	<b>-97</b>	<b>22,663</b>	
Provisions for employee benefits	1,801	364	0	109	0	2,056	Liabilities under employee benefits (long-term)
Provisions for warranty claims	16,002	5,984	1,002	280	-97	20,607	Long-term provisions
Other provisions	0	0	0	0	0	0	Long-term provisions
<b>Short-term provisions:</b>	<b>55,416</b>	<b>41,518</b>	<b>23,357</b>	<b>17,224</b>	<b>97</b>	<b>56,450</b>	
Provisions for employee benefits	38,050	27,781	22,595	2,384	0	40,852	Liabilities under employee benefits (short-term)
Provisions for warranty claims	2,570	311	762	1,072	97	1,144	Short-term provisions
Provision for loss on contracts	14,782	13,426	0	13,754	0	14,454	Short-term provisions
Other provisions	14	0	0	14	0	0	Short-term provisions
<b>Total provisions:</b>	<b>73,219</b>	<b>47,866</b>	<b>24,359</b>	<b>17,613</b>	<b>0</b>	<b>79,113</b>	

#### 4.4.3. Write-downs

##### Change in write-downs

	01-01-2024	Made	Utilised	Released	30-09-2024
<b>Write-downs:</b>	<b>37,554</b>	<b>8,011</b>	<b>9,234</b>	<b>3,282</b>	<b>33,049</b>
Write-downs of property, plant and equipment	0	0	0	0	0
Write-downs of right-of-use assets	0	0	0	0	0
Write-downs of investment property	770	0	0	0	770
Write-downs of inventories	1	0	0	0	1
Write-downs of trade receivables in connection with the increase of credit risk	34,299	7,891	9,234	3,212	29,744
Write-downs of trade receivables for expected credit losses	250	120	0	0	370
Write-downs of retentions	0	0	0	0	0
Write-downs of advances	43	0	0	0	43
Write-downs of shares	251	0	0	0	251
Write-downs of loans advanced	1,940	0	0	70	1,890
<b>Total:</b>	<b>37,554</b>	<b>8,011</b>	<b>9,234</b>	<b>3,282</b>	<b>33,049</b>

The write-downs of trade receivables of PLN 29.7m include:

- Debit notes issued by the Group for penalties, damages and substitute performance of PLN 27.9m. The amount is for presentation purposes only because the notes are not the Group's revenue at the date of issue.
- Receivables under court and enforcement cases of PLN 1.1m.
- Doubtful debt of PLN 0.7m.

##### Changes in receivables impairment loss

Change in the write-downs of trade receivables influencing the profit or loss includes the release of write-downs of PLN 104 thousand and the making of write-downs of PLN 152 thousand. The remaining balance is for presentation purposes only and results, *inter alia*, from the debit notes issued by the Group for the penalties and damages that are not the Group's revenue at the date of issue.

##### Comparative information:

	01-01-2023	Made	Utilised	Released	31-12-2023
<b>Write-downs:</b>	<b>36,180</b>	<b>19,685</b>	<b>2,649</b>	<b>15,662</b>	<b>37,554</b>
Write-downs of property, plant and equipment	0	0	0	0	0
Write-downs of right-of-use assets	0	0	0	0	0
Write-downs of investment property	770	0	0	0	770
Write-downs of inventories	1	0	0	0	1
Write-downs of trade receivables in connection with the increase of credit risk	32,790	19,685	2,638	15,538	34,299
Write-downs of trade receivables for expected credit losses	309	0	0	59	250
Write-downs of retentions	11	0	11	0	0
Write-downs of advances	47	0	0	4	43
Write-downs of shares	251	0	0	0	251
Write-downs of loans advanced	2,001	0	0	61	1,940
<b>Total:</b>	<b>36,180</b>	<b>19,685</b>	<b>2,649</b>	<b>15,662</b>	<b>37,554</b>

#### 4.4.4. Accruals

	Balance at 30-09-2024	Balance at 31-12-2023
Provisions for contract costs	152,126	166,426
Other accruals	542	2,741
<b>Total</b>	<b>152,668</b>	<b>169,167</b>

#### 4.5. Trade and other receivables and payables

##### 4.5.1. Trade and other receivables

	Balance at 30-09-2024	Balance at 31-12-2023
Trade receivables	210,031	202,704
Write-downs of trade receivables in connection with the increase of credit risk	-29,744	-34,299
Write-downs of trade receivables for expected credit losses	-370	-250
Receivables from the government other than corporate income tax	3,737	0
Other receivables	4,543	4,232
<b>Total trade and other receivables</b>	<b>188,197</b>	<b>172,387</b>

Other receivables include the security made in connection with the financing agreement of PLN 4,000 thousand.

Concentration of (gross) trade receivables exceeding 10% of total receivables:

	Balance at 30-09-2024	Balance at 31-12-2023
Counterparty A	50,990	58,511
Counterparty B	25,258	
Counterparty C		22,799

The concentration of credit risk is limited due to the fact that the creditability of the abovementioned Counterparties A, B, C assessed, *inter alia*, by analysing their financial standing, is high and the fact that the said Counterparties meet additional requirements concerning the settlement of the EU funds. The Group has provided services to the said Counterparties for many years. The State Treasury is the majority shareholder of the Counterparty A as a result of which their creditability is even higher. The Counterparties B and C are owned by cities and counties. Accordingly, the Management Board of ZUE believe there is no need to make additional provisions.

##### 4.5.2. Trade and other payables

	Balance at 30-09-2024	Balance at 31-12-2023
Trade payables	96,321	193,132
Liabilities to the government other than corporate income tax	2,959	15,083
Other payables	355	342
<b>Total trade and other payables</b>	<b>99,635</b>	<b>208,557</b>

#### 4.6. Loans, bank credits, leases and management of capital

##### 4.6.1. Loans and bank credits

	Balance at 30-09-2024	Balance at 31-12-2023
<b>Long-term</b>	<b>0</b>	<b>47,015</b>
Bank credits	0	39,515
Loans received	0	7,500
<b>Short-term</b>	<b>47,015</b>	<b>10,550</b>
Bank credits	39,515	3,050
Loans received	7,500	7,500
<b>Total</b>	<b>47,015</b>	<b>57,565</b>

Summary of loan and credit agreements as at 30 September 2024

No.	Bank	Agreement	Principal as at 30-09- 2024	Amount of available credit/loan/limit as at 30-09-2024	Use as at 30-09-2024	Interest	Repayment date
1	mBank S.A.	Multiproduct line master agreement - overdraft	15,000	15,000	0	ON WIBOR + margin	June 2025
2	mBank S.A. (i)	Multiproduct line master agreement	25,000		21,470	1M WIBOR + margin	June 2025
	including:	sublimit for bonds	25,000	3,530	21,470		
		non-revolving working capital credit	25,000	3,530	0		
3	Alior Bank S.A.	Multicurrency credit limit agreement	75,000		30,000	1M WIBOR + margin	
	including:	sublimit for bonds	75,000	45,000	30,000		June 2025
		overdraft	1,500	1,500	0		June 2026
4	Agencja Rozwoju Przemysłu S.A.	Loan agreement	7,500	0	7,500	1M WIBOR + margin	August 2025
5	Alior Bank S.A.	Revolving credit account agreement	40,000	485	39,515	1M WIBOR + margin	June 2025
6	BFF Polska S.A.	Master mandate agreement	24,000	24,000	0	1M WIBOR + margin	June 2025
7	mBank S.A.	Working capital credit	3,050	3,050	0	1M WIBOR + margin	June 2025
	<b>Total amount of available loans and credits</b>			<b>47,565</b>			
	<b>Total debt under loans and credits</b>				<b>47,015</b>		
	<b>Total use for bonds</b>				<b>51,470</b>		

(i) ZUE is able to use the limit for both working capital credit and bank bonds. The current use concerns the bonds.

Types of security and liabilities under credit and loan agreements and other sources of finance:

1. and 2. Multiproduct line master agreement:
  - a) Contractual joint mortgage on the real estate in Cracow;
  - b) Security deposit established each time for the bonds expiring after 36 months;
  - c) Financial pledge on cash kept on bank accounts maintained by the Bank;
  - d) Statement on submission to enforcement.
3. Multicurrency credit limit agreement:
  - a) Promissory note with declaration;
  - b) Assignment of receivables under contracts;
  - c) Statement on submission to enforcement;
  - d) Power of attorney to the bank account;
  - e) Deposit for each bond.
4. Loan agreement:
  - a) Contractual joint mortgage up to PLN 45,000 thousand on the plot in Poznań;

- b) Assignment of receivables under contracts;
  - c) Registered pledge on a non-current asset – machine owned by the Company;
  - d) Statement on submission to enforcement;
  - e) Assignment of rights under insurance policy.
5. Revolving credit account agreement:
- a) Power of attorney to the bank account;
  - b) Promissory note with declaration;
  - c) Guarantee under the Crisis Guarantee Fund;
  - d) Statement on submission to enforcement.
6. Master mandate agreement:
- a) Right to cash consideration under the agreement.
7. Working capital credit:
- a) Guarantee by ZUE;
  - b) Financial pledge on cash kept on bank accounts maintained by the Bank;
  - c) Statement on submission to enforcement;
  - d) ZUE statement on submission to enforcement.

The following amendments to particular credit agreements signed by the Group were made in the reporting period:

- Alior Bank - Multicurrency Credit Limit Agreement (item 3) – on 27 March 2024, the Company signed an annex whereby the sublimit for bonds was raised to PLN 50m and the repayment date was extended until 25 March 2025 for the bond limit and 25 March 2026 for the overdraft. The overdraft limit remained unchanged.
- mBank – Multiproduct line master agreement (items 1 and 2) – on 14 June 2024, the Company signed the Multiproduct line master agreement – up to PLN 15m for overdraft and PLN 25m for sublimit for bonds and working capital credit. The agreement replaces the overdraft of PLN 10m and the master agreement of PLN 25m and incorporates all unexpired bonds under the replaced master agreement.
- Alior Bank - Multicurrency credit limit agreement (item 3) – on 26 June 2024, the Company signed an annex whereby the sublimit for bonds was raised to PLN 75m and the repayment date was extended until 25 June 2025 for the bond limit and 25 June 2026 for the overdraft. The overdraft limit remained unchanged.
- BFF Polska S.A. - Master mandate agreement (item 6) – on 26 June 2024, the Company signed the Master mandate agreement for the financing of contracts as part of the Polish Deal programme.

#### Comparative information:

No.	Bank	Agreement	Principal as at 31-12-2023	Amount of available credit/loan/limit as at 31-12-2023	Use as at 31-12-2023	Interest	Repayment date
1	mBank S.A.	Overdraft	10,000	10,000	0	ON WIBOR + margin	July 2024
2	mBank S.A. (i)	Master agreement	25,000		13,229	1M WIBOR + margin	June 2024
	including:	sublimit for bonds	25,000	11,771	13,229		
		non-revolving working capital credit	25,000	11,771	0		
3	Alior Bank S.A.	Multicurrency credit limit agreement	30,000		13	1M WIBOR + margin	
	including:	sublimit for bonds	30,000	29,987	13		June 2024
		overdraft	1,500	1,500	0		June 2025
4	Agencja Rozwoju Przemysłu S.A.	Loan agreement	15,000	0	15,000	1M WIBOR + margin	August 2025
5	Alior Bank S.A.	Revolving credit account agreement	40,000	485	39,515	1M WIBOR + margin	June 2025
6	mBank S.A.	Working capital credit	3,050	0	3,050	1M WIBOR + margin	June 2024
	<b>Total amount of available loans and credits</b>			<b>23,756</b>			
	<b>Total debt under loans and credits</b>				<b>57,565</b>		
	<b>Total use for bonds</b>				<b>13,242</b>		

(i) ZUE is able to use the limit for both working capital credit and bank bonds.

#### 4.6.2. Leases

##### Lease liabilities

	Balance at	Balance at
	30-09-2024	31-12-2023
Long-term lease liabilities	45,244	24,997
Short-term lease liabilities	8,927	6,743
<b>Total</b>	<b>54,171</b>	<b>31,740</b>

In the three quarters of 2024, the Group's lease liabilities increased by PLN 31,884 thousand and the increase included the operating lease of PLN 28,190 thousand (purchase of construction equipment).

No leaseback agreements were signed by the Group in the reporting period.

#### 4.6.3. Management of capital

	30.09.2024	31.12.2023
Long- and short-term loans and bank credits	47,015	57,565
Long- and short-term lease liabilities	54,171	31,740
Long- and short-term other financial liabilities	36	36
<b>Total financial liabilities</b>	<b>101,222</b>	<b>89,341</b>
Cash and cash equivalents	28,204	223,555
<b>Net debt</b>	<b>73,018</b>	<b>-134,214</b>
Equity	202,327	200,075
<b>Net debt to equity ratio</b>	<b>36.09%</b>	<b>-67.08%</b>

The Group reviews the capital structure each time for the purpose of the financing of major contracts/orders. During the review, the Group considers own resources, the schedule of contract financing, the cost of capital and the risks associated with each class of the capital.

The Group uses own resources, bank credits, loans, leases, trade credit and prepaid deliveries to finance day-to-day operations.

Positive net debt is due to the fact that total financial liabilities at the end of the third quarter of 2024 exceeded the amount of cash at the Group after it had been used in production processes.

The information on the financial ratios contained in this report is cyclically monitored and presented in subsequent interim reports. Definitions of alternative measurements result from the layout of individual lines in relevant tables and according to the Issuer, no additional defining is required.

#### 4.7. Other notes to the financial statements

##### 4.7.1. Goodwill



The goodwill of Przedsiębiorstwo Robót Komunikacyjnych w Krakowie S.A. (PRK) is the result of the acquisition of 85% of PRK shares and the control gained in 2010. The acquisition of PRK was accounted for on the basis of the data contained in the separate financial statements of PRK as at 31 December 2009 and was recognised for the first time in the Financial Statements of the Capital Group in 2010.

The goodwill of PRK is assigned in full to the construction activity segment.

At cost	30-09-2024	31-12-2023
Goodwill of PRK	31,172	31,172
<b>Balance at the end of the reporting period</b>	<b>31,172</b>	<b>31,172</b>

#### Goodwill impairment test

After it had considered external circumstances influencing a long-term market capitalization of the Company below the carrying amount, the Group carried out the tests for the impairment of assets. The impairment tests carried out as at 31 December 2023 according to IAS 36 *Impairment of Assets* revealed no indication of impairment of the carrying amount of the Company's assets. As at 30 September 2024, the Group reviewed the assumptions used to carry out the test and decided that they were up to date. Accordingly, there is no impairment of goodwill at the end of the reporting period. The Group intends to carry out the test at the end of the year.

#### 4.7.2. Purchase and sale of property, plant and equipment and intangible assets

The total capital expenditures disclosed in the reporting period in the statement of cash flows amounted to PLN 4,343 thousand.

As at 30 September 2024, net liabilities incurred to purchase property, plant and equipment amounted to PLN 402 thousand.

As at 30 September 2023, net liabilities incurred to purchase property, plant and equipment amounted to PLN 1,076 thousand.

Major investments in property, plant and equipment and intangible assets made by the Group in the reporting period included:

- Complete overhauls of vehicles (mainly wagons) – PLN 4,010 thousand;
- Purchase of special car – PLN 213 thousand;
- Purchase of mobile fences – PLN 159 thousand; and
- Purchase of truck – PLN 90 thousand.

In the reporting period, the sale of property, plant and equipment mainly concerned the sale of specialist equipment in connection with the machinery modernization process.

In the three quarters of 2024, the Group sold the property, plant and equipment and intangible assets with the total net carrying amount of PLN 324 thousand. In the three quarters of 2023, the Group sold the property, plant and equipment and intangible assets with the total net carrying amount of PLN 4,632 thousand.

#### 4.7.3. Financial instruments

The following table sets out the carrying amounts of the Group's financial instruments classified as particular classes and categories of assets and liabilities.

##### Balance at 30 September 2024

Classes of financial instruments	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost
Retentions on construction contracts (before discount)	38,315	0	0	0	63,291
Trade receivables	210,031	0	0	0	0
Other receivables	4,543	0	0	0	0
Other financial liabilities	0	0	0	0	36
Loans advanced	5,986	0	0	0	0
Cash and cash equivalents	0	28,204	0	0	0
Loans and bank credits	0	0	0	0	47,015

Lease liabilities	0	0	0	0	54,171
Trade payables	0	0	0	0	96,321
<b>Total</b>	<b>258,875</b>	<b>28,204</b>	<b>0</b>	<b>0</b>	<b>260,834</b>

No changes to the classification of financial instruments or the levels of fair value hierarchy occurred in the reporting period.

#### Balance at 31 December 2023

Classes of financial instruments	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost
Retentions on construction contracts (before discount)	30,665	0	0	0	59,465
Trade receivables	202,704	0	0	0	0
Other receivables	4,232	0	0	0	0
Other financial liabilities	0	0	0	0	36
Loans advanced	6,057	0	0	0	0
Cash and cash equivalents	0	223,555	0	0	0
Loans and bank credits	0	0	0	0	57,565
Lease liabilities	0	0	0	0	31,740
Trade payables	0	0	0	0	193,132
<b>Total</b>	<b>243,658</b>	<b>223,555</b>	<b>0</b>	<b>0</b>	<b>341,938</b>

No changes to the classification of financial instruments or the levels of fair value hierarchy occurred in the reporting period.

#### 4.7.4. Transactions with related parties

	Receivables		Payables	
	Balance at		Balance at	
	30-09-2024	31-12-2023	30-09-2024	31-12-2023
RTI	0	0	0	0
Wiesław Nowak	0	0	0	0
Family Office	0	1	0	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
	Revenue		Purchase	
	Period ended		Period ended	
	30-09-2024	30-09-2023	30-09-2024	30-09-2023
RTI	3	3	0	0
Wiesław Nowak	2	1	0	0
Family Office	4	0	0	0
<b>Total</b>	<b>9</b>	<b>4</b>	<b>0</b>	<b>0</b>
	Loans advanced		Finance income (interest)	
	Balance at		Period ended	
	30-09-2024	31-12-2023	30-09-2024	30-09-2023
RTI	0	0	0	0
Wiesław Nowak	0	0	0	0
Family Office	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Related party transactions were entered into in the reporting period by ZUE and subsidiaries on arm's length terms.

In the reporting period, related party transactions involved the lease of rooms.

#### Remuneration of key management personnel

No major changes to the remuneration of key management personnel occurred in the reporting period.

#### 4.7.5. Major proceedings before court or arbitration or public administration authority at the date of preparation of this report

The pending court proceedings are related to the companies' operating activities.

Below please find the information about major proceedings before the court or another authority concerning the Group's claims and liabilities.

##### Major pending court proceedings concerning liabilities:

There are no pending court proceedings concerning liabilities.

##### Major pending court proceedings concerning claims:

Court case concerning the following project: "Modernisation of the railway line no. 8, construction of the Okęcie airport siding" – conclusion of the proceedings:

On 4 April 2024, the Parties reached the settlement and the Defendant agreed to pay the amount of approximately PLN 3.3m (including PLN 1.9m of the principal amount) to ZUE S.A. A detailed description of the case is contained in the note 7.16. of the consolidated financial statements for the year ended 31 December 2023. Consequently, the Court decided to discontinue the proceedings. The settlement influences the gross profit on sales of approximately PLN 1.5m and the profit before tax of approximately PLN 3m.

Court case concerning the following project: "Design services and completion of construction works on the Cracow – Medyka – state border railway line, the Biadoliny – Tarnów section between 61,300 km and 80,200 km as part of the following project: "Modernisation of E 30/C-E 30 railway line, the Cracow – Rzeszów section, stage III."

On 30 December 2016, the consortium of:

- 1) OHL ŽS, a.s. (Leader);
- 2) Swietelsky Baugesellschaft m.b.H; and
- 3) ZUE (hereinafter referred to as the "Consortium" or the "Contractor")

sued PKP Polskie Linie Kolejowe S.A. of Warsaw (the "Contracting Authority"). The lawsuit covered the claims arising from the performance of the following contract: "Design services and completion of construction works on the Cracow – Medyka – state border railway line, the Biadoliny – Tarnów section between 61,300 km and 80,200 km as part of the following project: "Modernisation of E 30/C-E 30 railway line, the Cracow – Rzeszów section, stage III" (the "Contract").

The value in litigation (the "Amount") was PLN 39.3m and included:

- 1) PLN 1.2m – costs relating to the requirement to extend the performance bond and insurance provided by the Contractor; and
- 2) PLN 38.1m – fixed costs relating to the performance of works over the extended period.

The Company's total share in the Amount was approx. PLN 15.7m.

On 11 March 2019, the Court delivered the partial judgment whereby it ordered that PKP PLK S.A. pay ZUE PLN 347 thousand plus statutory default interest from 21 December 2016 to the date of payment and dismissed ZUE's claim concerning the payment of PLN 283 thousand plus statutory interest from 21 December 2016. The Parties appealed against the judgment. The Petitioner appealed against the dismissal of the claim of PLN 283 thousand plus statutory interest and the Defendant appealed against the order to pay PLN 347 thousand plus statutory interest. On 27 February 2020, the appeals were dismissed by the Court of Appeals and the partial judgment became final and binding.

On 6 June 2023, the Court delivered the judgment whereby PKP Polskie Linie Kolejowe S.A. was ordered to pay the Company PLN 8.4m plus statutory default interest from 21 December 2016 to the date of payment and the

remaining claims were dismissed. The Court of Appeals reversed the case and sent it back for a new trial. The case is pending.

Second court case concerning the following project: "Design services and completion of construction works on the Cracow – Medyka – state border railway line, the Biadolin – Tarnów section between 61,300 km and 80,200 km as part of the following project: "Modernisation of E 30/C-E 30 railway line, the Cracow – Rzeszów section, stage III."

On 5 June 2023, the consortium of:

- 1) OHL ŹS, a.s. (Leader);
- 2) Swietelsky Baugesellschaft m.b.H; and
- 3) ZUE (hereinafter referred to as the "Consortium" or the "Contractor");

sued PKP Polskie Linie Kolejowe S.A. of Warsaw (the "Contracting Authority"). The lawsuit covered the claims arising from the performance of the following construction contract: "Design services and completion of construction works on the Cracow – Medyka – state border railway line, the Biadolin – Tarnów section between 61,300 km and 80,200 km as part of the following project: "Modernisation of E 30/C-E 30 railway line, the Cracow – Rzeszów section, stage III" (the "Contract"). The value in litigation (the "Amount") was PLN 44.9m and included:

- 1) approx. PLN 2.2m – costs relating to the requirement to extend the performance bond and insurance provided by the Contractor; and
- 2) PLN 42.7m – fixed costs relating to the performance of works over the extended period.

The Company's total share in the Amount was approx. PLN 7m.

Court case concerning the contract claim

On 28 April 2020, the claim of approx. PLN 34.8m was lodged against PKP PLK S.A. with the District Court in Warsaw to increase/pay the remuneration relating to the performance of the following contract: "Works on the railway line no. 1 of the Częstochowa – Zawiercie section." The case is pending.

Other court cases concerning inflation claims in respect of railway contracts

The Group had previously declared its intention to make contractual claims relating to railway projects in order to increase the amount of remuneration payable to the contractor for the performance of the railway contracts in case of any risks beyond the contractor's control. Accordingly, the Issuer and consortium members lodged the four claims in December 2021 in the total amount (attributable to ZUE S.A.) of approx. PLN 19m. The claims concern the following projects:

- Provision of design services and completion of construction works in connection with the following project: "Works on the ring rail line in Warsaw (the Warszawa Gołębki/Warszawa Zachodnia – Warszawa Gdańska section);"
- "Works on the railway line E20 of the Warszawa-Poznań section – other works, the Sochaczew-Swarzędz section;"
- "Preparation of building and detailed designs and the completion of LOT B works as part of "design-build" project in connection with the Infrastructure and Environment Operational Programme (IEOP) 7.1-19.1.a: "Upgrade of the railway line no. 8 of the Warszawa Okęcie – Radom (LOT A, B, F) section" – Phase II;"
- "Works on the railway lines no. 140, 148, 157, 159, 173, 689, 691 of the Chybie – Żory – Rybnik – Nędza / Turze section."

The Defendant replied to all of the claims and applied for the dismissal thereof. The Petitioner replied to the Defendant's statements and the exchange of pleadings between the parties came to an end. The date of the trial concerning the project named: "Preparation of building and detailed designs and the completion of LOT B works as part of "design-build" project in connection with the Infrastructure and Environment Operational Programme (IEOP) 7.1-19.1.a: "Upgrade of the railway line no. 8 of the Warszawa Okęcie – Radom (LOT A, B, F) section" – Phase II" was set by the Court to hear witnesses and then the parties. For the project named: "Works on the railway lines no. 140, 148, 157, 159, 173, 689, 691 of the Chybie – Żory – Rybnik – Nędza / Turze section," the judgment was delivered on 25 September 2023 by the I Instance Court whereby the Petitioners' claim was dismissed in full. The date of the trials concerning the project named: "Works on the railway line E20 of the Warszawa-Poznań section – other works, the Sochaczew-Swarzędz section" was set by the Court to hear witnesses and the parties. The judgment was delivered by the I Instance Court for the project named: "Works on the railway lines no. 140, 148, 157, 159, 173, 689, 691 of the Chybie – Żory – Rybnik – Nędza / Turze section" whereby the claim was dismissed in full. The judgment was appealed against. The hearings of evidence are carried out by the courts for other cases. Two inflation claims in the total amount of approximately PLN 8m were made by the Issuer in December 2022. The claims concerned the following projects:

- Protection of civil structures on the Dęblin – Lublin section as part of the project named: “Works on the Warszawa Wschodnia Osobowa – Dorohusk railway line no. 7 of the Warszawa – Otwock – Dęblin – Lublin section, stage I on the railway line no. 7,” and
- Preparation of design documentation and completion of construction works in connection with a “design-build” contract as part of the Infrastructure and Environment Operational Programme (IEOP) 5.1-16 “Improvement of capacity of E 20 railway line of the Warszawa – Kutno section, Stage I: Works on the railway line no. 3 of the Warszawa – the Łowicz Local Traffic Control Centre (LCS) section.”

The abovementioned cases are pending. The proceedings concerning the E 20 railway line of the Warszawa – Kutno section were partly discontinued by the Court after the claim had been withdrawn by the Issuer.

In December 2023, the Issuer sued PKP Polskie Linie Kolejowe S.A. of Warsaw in connection with the following project: “Preparation of design documentation and completion of construction and assembly works as part of the project named: Works on the railway line no. 93 of the Trzebinia – Oświęcim – Czechowice Dziedzice section.” The value of the claim is approx. PLN 23.6m. The case is pending.

#### Other court cases concerning inflation claims in respect of urban contracts

In November 2022, the Issuer and the consortium members, namely Energopol and Przedsiębiorstwo Inżynieryjne “IMB-Podbeskidzie” Sp. z o.o., made an inflation claim relating to the urban project named: “Extension of the Igołomska Street, the national road no. 79 – Stage 2 together with the infrastructure in Cracow” managed by the City of Cracow, the Defendant. ZUE’s claim amounts to approximately PLN 6.7m and Energopol’s claim amounts to approximately PLN 6.5m. The case is pending.

#### Court case concerning inflation claim

In December 2023, the Issuer sued PKP CARGO Terminale sp. z o.o. in connection with the project named: “Construction of multimodal terminal in Zduńska Wola – Karsznice.” The claim concerned non-payment under the inflation clause contained in the contract. The value of the dispute is approx. PLN 12.3m. The case is pending.

### 4.7.6. Tax settlements

Tax settlements and other areas of activity may be inspected by the administrative authorities authorised to impose harsh fines and penalties. The applicable laws are unclear and inconsistent because there are no references to established regulations in Poland. Common differences of opinions on legal interpretation of tax regulations both amongst state authorities and between state authorities and enterprises give rise to uncertainty and conflicts. Therefore, the tax risk in Poland is much higher than that in the countries with more mature tax system.

Tax settlements may be inspected within five years after the end of the year the tax was paid in. Additional tax liabilities may be imposed on the Group as a result of such inspections.

No significant or countable tax risks were recognised by the Group as at 30 September 2024 or 31 December 2023.

### 4.7.7. Contingent assets and contingent liabilities and security on property

#### Contingent assets

	30-09-2024	31-12-2023
Bonds	119,219	116,833
Statement of submission to enforcement (Art. 777 § 1 item 5 of the Code of Civil Procedure)	0	4,805
Promissory notes	19,943	17,825
<b>Total</b>	<b>139,162</b>	<b>139,463</b>

Contingent assets in the form of bonds include the bonds provided by banks and insurance companies for the benefit of the Group to secure the Group’s claims relating to subcontracted construction services and the repayment of advances.

In addition, the Group received promissory notes from counterparties to secure ZUE’s claims against the counterparties in connection with advanced loans and to secure the repayment of advances and other assets under the contracts.

#### Contingent liabilities and security on property

	30-09-2024	31-12-2023
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Bonds	568,763	486,708
Guarantees	42,892	29,837
Promissory notes	347,749	303,145
Mortgages	193,529	186,529
Pledges	173,365	158,853
<b>Total</b>	<b>1,326,298</b>	<b>1,165,072</b>

Contingent liabilities in the form of bonds for the benefit of third parties include, in particular, bid bonds, performance bonds, defects liability bonds and advance payment bonds provided by insurance companies and banks to the Group's counterparties to secure their claims against the Group, mainly in connection with construction contracts and sales agreements. The insurance companies and the banks have recourse against the Group.

Contingent liabilities in the form of guarantees secure the bonds and credits provided to the Group entities by banks and insurance companies and guaranteed by ZUE as the Parent Company.

The liabilities to banks, lessors and strategic customers are secured by promissory notes.

Mortgages are additional security for the credit agreements with mBank S.A. and ING Bank Śląski S.A., the insurance agreements with PZU S.A. and InterRisk S.A., the limit agreement with PEKAO S.A. and the loan agreement with Agencja Rozwoju Przemysłu S.A.

Registered pledges have been established to secure the agreements with BNP Paribas Bank Polska S.A., PEKAO S.A., CaixaBank S.A. and Bank Gospodarstwa Krajowego and Agencja Rozwoju Przemysłu S.A. The pledged assets include wagons, cleaning machine, profiling machine, welder and piles drivers.

There is also financial pledge over the borrower's bank accounts to secure the agreements between the Group entities and mBank S.A.

#### 4.7.8. Liabilities incurred to purchase property, plant and equipment

There were no major agreements concerning capital expenditures on property, plant and equipment as at 30 September 2024 or 31 December 2023.

#### 4.7.9. Discontinued operations

No operations were discontinued within the meaning of IFRS 5 in the reporting period or the comparative period.

### 4.8. Other notes to the financial statements

#### 4.8.1. Application of the International Financial Reporting Standards

##### Statement of compliance

The condensed consolidated financial statements have been drawn up in accordance with IAS 34 as at 30 September 2024 as endorsed by the European Union.

The consolidated financial statements for the nine months ended 30 September 2024 have been prepared according to the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and the conditions for recognizing information required under the law of a non-member state as equivalent.

##### Standards and amendments to the standards used for the first time in the reporting period

The following amendments to the existing standards issued by the International Accounting Standards Board and endorsed for use in the European Union come into force in 2024:

- **Amendments to IFRS 16 "Leases" – Lease Liability in Sale and Leaseback** (effective for annual periods beginning on or after 1 January 2024);
- **Amendments to IAS 1 "Presentation of Financial Statements: – Classification of Liabilities as Current or Non-Current"** (effective for annual periods beginning on or after 1 January 2024 with earlier application permitted);

- **Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments – Disclosures"** – supplier finance arrangements (effective for annual periods beginning on or after 1 January 2024).

According to the Group, the abovementioned amendments to the standards do not have any material impact on the consolidated financial statements.

#### Standards and amendments to the standards adopted by the IASB but not yet endorsed by the EU

Amendments to the existing standards or the new standards issued by the International Accounting Standards Board (IASB) and not yet endorsed by the EU:

- **Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates"** – lack of exchangeability (effective for annual periods beginning on or after 1 January 2025);
- **IFRS 18 "Presentation and Disclosure in Financial Statements"** (effective for annual periods beginning on or after 1 January 2027);
- **IFRS 19 "Subsidiaries without Public Accountability"** – reduced disclosures in financial statements of eligible entities (effective for annual periods beginning on 1 January 2027);
- **Amendments to IFRS 9 and IFRS 7** – recognition of financial instruments and disclosures in financial statements (effective for annual periods beginning on 1 January 2026);
- **Annual improvements to accounting standards**, including IFRS 1 with regard to hedge accounting, IFRS 7 with regard to profit and loss on removal of instrument from the balance sheet, credit risk disclosures, IFRS 9 with regard to the end of recognition of lease liability and transaction price, IFRS 10 with regard to the "de facto agent" definition and IAS 7 with regard to a more precise presentation of flows with related parties (effective for annual periods beginning on 1 January 2026).

The Group does not expect that the abovementioned standards or amendments to the standards will have a material influence on the consolidated financial statements of the Group.

#### 4.8.2. Important accounting principles

##### 4.8.2.1. Going concern

The consolidated financial statements have been prepared assuming that the Group will continue in operational existence for at least 12 months after the end of the reporting period. The most important factor influencing the Group's ability to continue in operational existence is the financial condition of the Parent Company. The key factors with an impact on the Capital Group's ability to continue its operations include liquidity, proper backlog and market situation.

In the nine months ended 30 September 2024, the Group recognised the sales revenue of PLN 921.5m and the gross profit on sales of PLN 34.5m. As at 30 September 2024, the Group reported the total current assets of PLN 563.4m, including trade and other receivables of PLN 188.2m and the cash of approximately PLN 28.2m. At the end of the reporting period, the Group had the backlog worth approximately PLN 1,227m and was in the process of winning new contracts.

Therefore, the Management Board of the Parent Company state that there are no significant going concern risks at the date of preparation of this report, no economic circumstances have occurred or no strategic decisions have been made, and these financial statements have been prepared assuming that the Group will continue in operational existence in the foreseeable future.

##### 4.8.2.2. Preparation basis

The Group prepared the quarterly consolidated financial statements according to the regulations set out in IAS 34 "Interim Financial Reporting" and applied the same principles to the current and comparative periods.

##### 4.8.2.3. Comparability of financial information

No changes in the presentation of financial information were made in the comparative periods, except for the following changes.

After they had considered the specific nature of accounting for international contracts performed by consortium, the Group decided to present revenue from recharged items and the associated expenses in the statement of



comprehensive income according to their netted balance. Therefore, the comparative period data was restated and the current period data was presented according to this approach.

In addition, in the statement of financial position the Group excluded certain mutual consortium settlements in assets under the item "Valuation of long-term construction contracts" and in liabilities under the item "Accruals." The comparative period data was restated.

The following table sets out the effect of changes on the consolidated statement of comprehensive income:

	Restated	Approved	Effect of changes
Continuing operations	9 months ended	9 months ended	
	30-09-2023	30-09-2023	
Sales revenue	891,136	900,658	-9,522
Cost of sales	860,985	870,507	-9,522
Gross profit (loss) on sales	30,151	30,151	0
Operating profit (loss)	13,219	13,219	0
Pre-tax profit (loss)	13,547	13,547	0
Net profit (loss) from continuing operations	10,166	10,166	0
Net profit (loss)	10,166	10,166	0
Other net comprehensive income			
Total other net comprehensive income	-105	-105	0
Total comprehensive income	10,061	10,061	0

The following table sets out the effect of changes on the consolidated statement of financial position:

	Restated	Approved	Effect of changes
	Balance at	Balance at	
	31-12-2023	31-12-2023	
<b>ASSETS</b>			
Non-current assets			
Total non-current assets	193,382	193,382	0
Current assets			
Valuation of long-term construction contracts	214,254	243,801	-29,547
Total current assets	712,432	741,979	-29,547
Total assets	905,814	935,361	-29,547
<b>EQUITY AND LIABILITIES</b>			
Equity			
Total equity attributable to shareholders of the parent company	198,663	198,663	0
Total equity	200,075	200,075	0
Non-current liabilities			
Total non-current liabilities	113,119	113,119	0
Current liabilities			
Accruals	169,167	198,714	-29,547
Total current liabilities	592,620	622,167	-29,547
Total liabilities	705,739	735,286	-29,547
Total equity and liabilities	905,814	935,361	-29,547

#### 4.8.2.4. Applied accounting principles



These quarterly consolidated financial statements for the nine months ended 30 September 2024 have been prepared according to the same accounting principles and measurement methods as those applied in the last annual financial statements of the Group as at 31 December 2023. The financial statements for the financial year ended 31 December 2023 contain a detailed description of the accounting principles adopted by the Group.

These quarterly consolidated financial statements do not contain all the information or disclosures required in the case of annual financial statements and they should be read together with the annual consolidated financial statements of the Capital Group and the annual financial statements of ZUE.

#### 4.8.3. Sources of estimation uncertainty

The preparation of financial statements in conformity with the IFRS requires the Management Board of the Company to make judgments, estimates and assumptions that affect the adopted principles and reported assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates relate, *inter alia*, to:

Impairment of goodwill (note 4.7.1.)

Useful economic lives of non-current assets

Loss allowances on receivables (note 4.4.3.)

Provisions (note 4.4.2.)

Valuation of long-term construction contracts (note 4.4.1.)

Deferred income tax (note 4.3.7.)

Contingent assets and contingent liabilities and security on property (note 4.7.7.)

Uncertainty over tax settlements (note 4.7.6.)

Revisions to estimates occurred in the reporting period with reference to construction contracts accounted for using percentage-of-completion method – the revision was influenced by the review of the construction contract budgets, which entailed a change in the planned income and expenses relating to the performed contracts. The said revisions did not have any material influence on the Group's performance in the reporting period.



ZUE S.A.

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CONDENSED SEPARATE FINANCIAL STATEMENTS  
FOR 9 MONTHS ENDED 30 SEPTEMBER 2024

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Cracow, 14 November 2024

#### IV. Condensed separate financial statements of ZUE S.A.

##### Separate statement of comprehensive income

		Restated			
	Note	9 months ended 30-09-2024	3 months ended 30-09-2024	9 months ended 30-09-2023	3 months ended 30-09-2023
<b>Continuing operations</b>					
Sales revenue	2.1.1.	846,682	276,657	814,543	323,570
Cost of sales	2.1.2.	817,046	271,173	790,198	313,346
<b>Gross profit (loss) on sales</b>		<b>29,636</b>	<b>5,484</b>	<b>24,345</b>	<b>10,224</b>
General and administrative expenses	2.1.2.	20,322	6,828	17,942	6,731
Other operating income	2.1.3.	3,809	2,161	5,946	4,094
Other operating expenses	2.1.4.	834	17	508	234
<b>Operating profit (loss)</b>		<b>12,289</b>	<b>800</b>	<b>11,841</b>	<b>7,353</b>
Finance income	2.1.5.	3,220	625	13,783	10,082
Finance costs	2.1.6.	7,277	2,596	10,739	8,822
<b>Pre-tax profit (loss)</b>		<b>8,232</b>	<b>-1,171</b>	<b>14,885</b>	<b>8,613</b>
Income tax	2.1.7.	1,000	-1,163	3,838	2,075
<b>Net profit (loss) from continuing operations</b>		<b>7,232</b>	<b>-8</b>	<b>11,047</b>	<b>6,538</b>
<b>Net profit (loss)</b>		<b>7,232</b>	<b>-8</b>	<b>11,047</b>	<b>6,538</b>
<b>Other net comprehensive income</b>					
<b>Items that will not be reclassified subsequently to profit or loss:</b>		<b>145</b>	<b>0</b>	<b>-105</b>	<b>0</b>
Actuarial gains (losses) relating to defined benefit plans		145	0	-105	0
<b>Total other net comprehensive income</b>		<b>145</b>	<b>0</b>	<b>-105</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>7,377</b>	<b>-8</b>	<b>10,942</b>	<b>6,538</b>
Number of shares		23,030,083	23,030,083	23,030,083	23,030,083
Net profit (loss) per share (PLN) (basic and diluted)		0.31	0.00	0.48	0.28
Total comprehensive income per share (PLN)		0.32	0.00	0.48	0.29

## Separate statement of financial position

		Restated	
		Balance at	Balance at
ASSETS	Note	30-09-2024	31-12-2023
<b>Non-current assets</b>			
Property, plant and equipment		64,722	66,100
Investment property		8,795	9,132
Intangible assets		2,015	2,466
Right-of-use assets		65,869	38,622
Goodwill	2.5.1.	31,172	31,172
Investments in subordinates		6,140	6,140
Retentions on construction contracts		7,767	6,949
Deferred tax assets	2.1.7.	20,672	21,692
Loans advanced		3,293	4,117
<b>Total non-current assets</b>		<b>210,445</b>	<b>186,390</b>
<b>Current assets</b>			
Inventories		26,206	60,562
Trade and other receivables	2.3.1.	178,251	166,890
Valuation of long-term construction contracts	2.2.1.	264,335	213,792
Retentions on construction contracts		27,678	20,012
Advances		5,528	10,650
Current tax assets	2.1.7.	0	0
Loans advanced		9,713	8,140
Other assets		1,174	910
Cash and cash equivalents		22,889	212,159
<b>Total current assets</b>		<b>535,774</b>	<b>693,115</b>
<b>Total assets</b>		<b>746,219</b>	<b>879,505</b>

EQUITY AND LIABILITIES			
<b>Equity</b>			
Share capital		5,758	5,758
Share premium account		93,837	93,837
Treasury shares		-2,690	-2,690
Retained earnings		98,677	96,081
<b>Total equity</b>		<b>195,582</b>	<b>192,986</b>
<b>Non-current liabilities</b>			
Long-term loans and bank credits	2.4.1.	0	47,015
Long-term lease liabilities	2.4.2.	42,010	21,687
Retentions on construction contracts		23,539	17,499
Liabilities under employee benefits		1,752	1,867
Long-term provisions	2.2.2.	24,999	19,900
<b>Total non-current liabilities</b>		<b>92,300</b>	<b>107,968</b>
<b>Current liabilities</b>			
Trade and other payables	2.3.2.	83,819	202,567
Accruals	2.2.4.	150,004	167,066
Valuation of long-term construction contracts	2.2.1.	4,076	47,062
Retentions on construction contracts		32,480	33,024
Advances		81,191	43,330
Short-term loans and bank credits	2.4.1.	47,015	7,500
Short-term lease liabilities	2.4.2.	8,522	6,468
Other financial liabilities		36	36
Liabilities under employee benefits		46,697	51,619
Current tax liabilities	2.1.7.	0	4,290
Short-term provisions	2.2.2.	4,497	15,589
<b>Total current liabilities</b>		<b>458,337</b>	<b>578,551</b>
<b>Total liabilities</b>		<b>550,637</b>	<b>686,519</b>
<b>Total equity and liabilities</b>		<b>746,216</b>	<b>879,505</b>

## Separate statement of changes in equity

	Share capital	Share premium account	Treasury shares	Retained earnings	Total equity
<b>Balance at 1 January 2024</b>	<b>5,758</b>	<b>93,837</b>	<b>-2,690</b>	<b>96,081</b>	<b>192,986</b>
Dividend	0	0	0	-4,781	-4,781
Issue of shares	0	0	0	0	0
Issue costs	0	0	0	0	0
Repurchase of shares	0	0	0	0	0
Profit (loss)	0	0	0	7,232	7,232
Other net comprehensive income	0	0	0	145	145
<b>Total changes in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,596</b>	<b>2,596</b>
<b>Balance at 30 September 2024</b>	<b>5,758</b>	<b>93,837</b>	<b>-2,690</b>	<b>98,677</b>	<b>195,582</b>
<b>Balance at 1 January 2023</b>	<b>5,758</b>	<b>93,837</b>	<b>-2,690</b>	<b>75,803</b>	<b>172,708</b>
Dividend	0	0	0	-1,594	-1,594
Issue of shares	0	0	0	0	0
Issue costs	0	0	0	0	0
Repurchase of shares	0	0	0	0	0
Profit (loss)	0	0	0	22,028	22,028
Other net comprehensive income	0	0	0	-156	-156
<b>Total changes in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,278</b>	<b>20,278</b>
<b>Balance at 31 December 2023</b>	<b>5,758</b>	<b>93,837</b>	<b>-2,690</b>	<b>96,081</b>	<b>192,986</b>
<b>Balance at 1 January 2023</b>	<b>5,758</b>	<b>93,837</b>	<b>-2,690</b>	<b>75,803</b>	<b>172,708</b>
Dividend	0	0	0	-1,594	-1,594
Issue of shares	0	0	0	0	0
Issue costs	0	0	0	0	0
Repurchase of shares	0	0	0	0	0
Profit (loss)	0	0	0	22,028	22,028
Other net comprehensive income	0	0	0	-156	-156
<b>Total changes in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,278</b>	<b>20,278</b>

Balance at 31 December 2023	5,758	93,837	-2,690	96,081	192,986
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## Separate statement of cash flows

	9 months ended	9 months ended
	30-09-2024	30-09-2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before tax	8,232	14,885
Adjustments for:		
Depreciation and amortisation	10,705	10,285
Foreign exchange gains / (losses)	67	-29
Interest and share in profit (dividends)	1,791	-1,637
Gain / (loss) on disposal of investments	-971	-4,881
<b>Operating profit (loss) before changes in working capital</b>	<b>19,824</b>	<b>18,623</b>
Change in receivables and retentions on construction contracts	-19,841	-36,258
Change in inventories	34,355	8,591
Change in provisions and liabilities under employee benefits	-10,851	-8,275
Change in payables and retentions on construction contracts	-113,650	23,645
Change in valuation of construction contracts	-93,529	-131,023
Change in accruals	-17,062	75,719
Change in advances	42,983	-9,166
Change in other assets	-263	52
Income tax paid / (tax refund)	-4,304	-26
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>-162,338</b>	<b>-58,118</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of property, plant and equipment and intangible assets	1,251	9,007
Purchase of property, plant and equipment and intangible assets	-4,301	-5,594
Sale / (purchase) of financial assets in related parties	0	559
Advanced loans	-2,750	-2,640
Repayment of advanced loans	2,071	43
Dividends received	0	399
Interest received	1,076	1,325
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-2,653</b>	<b>3,099</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans and bank credits received	0	32,323
Repayments of loans and bank credits	-7,500	-15,000
Decrease in lease liabilities	-8,879	-4,737
Lease interest paid	-2,227	-1,046
Other interest paid	-825	-908
Other finance income / (costs) – dividends	-4,781	-1,594
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>-24,212</b>	<b>9,038</b>
<b>TOTAL NET CASH FLOWS</b>	<b>-189,203</b>	<b>-45,981</b>
Net foreign exchange differences	-67	29
<b>TOTAL NET CASH FLOWS NET OF FOREIGN EXCHANGE DIFFERENCES</b>	<b>-189,270</b>	<b>-45,952</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>212,159</b>	<b>60,256</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, including:</b>	<b>22,889</b>	<b>14,304</b>
- of limited availability	13,830	2,560



## Notes to the condensed separate financial statements of ZUE

### 1. General information

#### 1.1. Activities of ZUE

The activities of ZUE did not change.

#### 1.2. Functional and reporting currency

These financial statements have been prepared in Polish zlotys (PLN). Polish zloty is the Company's functional and reporting currency. The data in the financial statements has been disclosed in thousands of Polish zlotys, unless specific circumstances require greater detail.

## 2. Financial information

### 2.1. Notes to the statement of comprehensive income

#### 2.1.1. Revenue

	Period ended	Period ended
	30-09-2024	30-09-2023
Revenue from construction contracts	834,185	791,679
Revenue from the provision of services	4,780	8,052
Revenue from the sale of goods, raw and other materials	7,717	14,812
<b>Total</b>	<b>846,682</b>	<b>814,543</b>

Revenue from construction activities is recognised by the Company in the item Revenue from construction contracts. Revenue is earned under the contracts accounted for on the basis of consumed time and expenditures. Services provided under construction contracts are delivered directly to customers after specific tasks have been carried out.

In the reporting period, the Company operated in Poland and abroad. Revenue from construction contracts included the amount of PLN 117,308 thousand concerning the contracts performed in Romania and the amount of PLN 1,439 thousand concerning the contracts performed in Latvia.

The biggest portion of revenue was generated from long-term construction contracts. The total revenue is presented by the Company in one reportable segment, namely construction activities.

#### Concentration of revenues exceeding 10% of the total sales revenue

	Period ended	Period ended
	30-09-2024	30-09-2023
Counterparty A	255,789	303,426
Counterparty B	245,370	
Counterparty C	113,750	

#### 2.1.2. Operating expenses

	Period ended	Period ended
	30-09-2024	30-09-2023
Change in products	-3,115	-2,650
Depreciation and amortization	10,705	10,285
Consumption of materials and energy, including:	235,293	209,867
- consumption of materials	227,423	201,217
- consumption of energy	7,870	8,650
Contracted services	474,603	467,382
Employee benefit expense	96,632	98,440
Taxes and charges	1,936	1,757
Other expenses	14,513	9,310
Value of goods and materials sold	6,801	13,749
<b>Total</b>	<b>837,368</b>	<b>808,140</b>

	Period ended	Period ended
	30-09-2024	30-09-2023
Cost of sales	817,046	790,198
General and administrative expenses	20,322	17,942
<b>Total</b>	<b>837,368</b>	<b>808,140</b>

The year-on-year increase in general and administrative expenses results from the higher costs of the business activity and more expenditure on promotional and social activities. However, the ratio of general and administrative expenses to revenue is as intended by the Management Board of ZUE; i.e. it does not exceed 3%.

#### Depreciation and amortisation

	Period ended	Period ended
	30-09-2024	30-09-2023
Depreciation of property, plant and equipment	6,407	7,059
Depreciation of right-of-use assets	3,457	2,382
Amortisation of intangible assets	451	454
Depreciation of investments in real property	390	390
<b>Total</b>	<b>10,705</b>	<b>10,285</b>

#### 2.1.3. Other operating income

	Period ended	Period ended
	30-09-2024	30-09-2023
<b>Gain on disposal of assets</b>	<b>971</b>	<b>4,881</b>
Gain on disposal of non-current assets	971	4,881
<b>Other operating income</b>	<b>2,838</b>	<b>1,065</b>
Damages and penalties	1,497	606
Release of write-downs of receivables	104	8
Refund of the costs of court proceedings	31	49
Substitute performance	228	288
Subsidies	146	9
Other	832	105
<b>Total</b>	<b>3,809</b>	<b>5,946</b>

#### 2.1.4. Other operating expenses

	Period ended	Period ended
	30-09-2024	30-09-2023
<b>Loss on disposal of assets</b>	<b>0</b>	<b>0</b>
Loss on disposal of non-current assets	0	0
<b>Other operating expenses</b>	<b>834</b>	<b>508</b>
Donations	30	32
Making of write-downs of receivables	151	17
Costs of litigation	319	167
Substitute performance	228	288
Other	106	4
<b>Total</b>	<b>834</b>	<b>508</b>

#### 2.1.5. Finance income

	Period ended	Period ended
	30-09-2024	30-09-2023
<b>Interest income</b>	<b>2,792</b>	<b>1,170</b>
Interest on bank deposits	711	861

Interest on loans	453	302
Interest on receivables	1,628	7
<b>Other finance income</b>	<b>428</b>	<b>12,613</b>
Dividend income	0	2,099
Discount of long-term items	0	1,409
Financial guarantees	357	300
Release of write-downs of shares	0	8,762
Other	71	43
<b>Total</b>	<b>3,220</b>	<b>13,783</b>

## 2.1.6. Finance costs

	Period ended	Period ended
	30-09-2024	30-09-2023
<b>Interest expense</b>	<b>3,015</b>	<b>1,854</b>
Interest on bank credits	139	17
Interest on loans	686	891
Interest on lease liabilities	2,112	931
Interest on trade and other payables	78	15
<b>Other finance costs</b>	<b>4,262</b>	<b>8,885</b>
Loss on disposal of investment	0	8,203
Foreign exchange loss	1,642	123
Discount of long-term items	2,597	0
Costs of legal persons share in profit	0	559
Other	23	0
<b>Total</b>	<b>7,277</b>	<b>10,739</b>

## 2.1.7. Income tax

### Income tax recognised in the statement of comprehensive income

	Period ended	Period ended
	30-09-2024	30-09-2023
Current income tax	15	14
Deferred tax	985	3,824
<b>Total tax expense (income)</b>	<b>1,000</b>	<b>3,838</b>

## Income tax according to effective interest rate

	Period ended 30-09-2024	Period ended 30-09-2023
<b>Gross profit (loss)</b>	<b>8,232</b>	<b>14,885</b>
Income tax at the applicable rate of 19%	1,564	2,828
<b>Effect of tax recognition of:</b>	<b>-579</b>	<b>996</b>
- Expenses that are not tax-deductible under tax regulations and tax-deductible expenses not classified as balance sheet expenses	470	1,737
- Revenue not classified as revenue under tax regulations and taxable revenue not classified as balance sheet revenue	48	666
- Difference on application of local rates - 16% Romania	-1,001	-75
Income tax paid / tax refund on income earned abroad	15	0
Other adjustments	0	14
<b>Income tax according to effective tax rate</b>	<b>1,000</b>	<b>3,838</b>
effective tax rate	12%	26%

## Current tax assets and liabilities

	Balance at 30-09-2024	Balance at 31-12-2023
<b>Current tax assets</b>		
Tax refundable	0	190
<b>Current tax liabilities</b>		
Tax payable	13	4,290

## Deferred tax

	Period ended 30-09-2024	Period ended 30-09-2023
<b>Deferred tax balance at the beginning of the period</b>	<b>21,692</b>	<b>18,783</b>
<b>Temporary differences relating to deferred tax assets:</b>	<b>63,767</b>	<b>72,277</b>
Provisions for expenses and accruals	30,981	42,527
Receivables discounting	493	576
Operating lease liabilities	7,988	3,416
Write-downs	543	544
Bonds and insurances accounted for over time	2,348	1,697
Tax work in progress	20,608	17,117
Valuation of long-term contracts	774	6,360
Other	32	40
<b>Temporary differences relating to deferred tax liabilities:</b>	<b>57,991</b>	<b>61,227</b>
Valuation of long-term contracts	36,141	44,888
Difference between the carrying and tax amount of property, plant and equipment and intangible assets	18,152	13,404
Payables discounting	2,601	2,935
Other	1,097	0
<b>Unutilised tax losses and other tax credits carried forward:</b>	<b>14,896</b>	<b>3,934</b>
Tax losses	14,896	3,934
<b>Total temporary differences relating to deferred tax assets:</b>	<b>78,663</b>	<b>76,211</b>
<b>Total temporary differences relating to deferred tax liabilities:</b>	<b>57,991</b>	<b>61,227</b>
<b>Deferred tax balance at the end of the period</b>	<b>20,672</b>	<b>14,984</b>
<b>Change in deferred tax, including:</b>	<b>-1,020</b>	<b>-3,799</b>
- recognised in income	-985	-3,824
- recognised in equity	-35	25

Deferred tax recognised in equity results from the calculation of tax on actuarial gains/losses presented in other comprehensive income.

## 2.1.8. Operating segments

ZUE's reporting is based on operating segments. The Company analyses the areas of activity based on the aggregation rules under IFRS 8.12 and identifies a single aggregate reporting segment, namely construction activity.

The Company is organised and managed within the abovementioned segment. The Company applies a uniform accounting policy to all operating areas within the segment of engineering construction and assembly services.

## 2.2. Contracts, provisions, write-downs and accruals

### 2.2.1. Construction contracts

	Balance at 30-09-2024	Balance at 31-12-2023
<b>Assets (selected items)</b>	<b>331,514</b>	<b>311,965</b>
- Valuation of long-term construction contracts	264,335	213,792
- Advances made in connection with performed contracts	5,528	10,650
- Retentions on construction contracts retained by customers	35,445	26,961
- Inventories	26,206	60,562
<b>Liabilities (selected items)</b>	<b>320,376</b>	<b>342,121</b>
- Valuation of long-term construction contracts	4,076	47,062
- Provisions for contract costs	149,594	165,717
- Advances received in connection with performed contracts	81,191	43,330
- Retentions on construction contracts retained for suppliers	56,019	50,523
- Provisions for warranty claims	26,469	21,036
- Provisions for expected losses on contracts	3,027	14,453

### 2.2.2. Provisions

#### Change in provisions

Provisions	01-01- 2024	Made	Utilised	Released	Reclassified	30-09- 2024	Item
<b>Long-term provisions:</b>	<b>21,767</b>	<b>6,455</b>	<b>280</b>	<b>179</b>	<b>-1,012</b>	<b>26,751</b>	
Provisions for employee benefits	1,867	64	0	179	0	1,752	Liabilities under employee benefits (long-term)
Provisions for warranty claims	19,900	6,391	280	0	-1,012	24,999	Long-term provisions
Other provisions	0	0	0	0	0	0	Long-term provisions
<b>Short-term provisions:</b>	<b>55,647</b>	<b>24,477</b>	<b>17,048</b>	<b>24,368</b>	<b>1,012</b>	<b>39,720</b>	
Provisions for employee benefits	40,058	19,100	16,759	7,176	0	35,223	Liabilities under employee benefits (short-term)
Provisions for warranty claims	1,136	10	289	399	1,012	1,470	Short-term provisions
Provision for loss on contracts	14,453	5,367	0	16,793	0	3,027	Short-term provisions
Other provisions	0	0	0	0	0	0	Short-term

							provisions
<b>Total provisions:</b>	<b>77,414</b>	<b>30,932</b>	<b>17,328</b>	<b>24,547</b>	<b>0</b>	<b>66,471</b>	

A provision for warranty claims is made for the construction contracts in respect of which warranty has been given by the Company depending on the amount of revenues. The amount of provisions may decrease or increase on the basis of inspections of construction works carried out in subsequent years of warranty.

The release of provisions for expected losses on contracts results from the greater progress of works under the contracts. Greater progress of works entails the costs. With the greater progress of works on the projects with loss, a provision for losses is successively released.

#### Comparative information:

Provisions	01-01-2023	Made	Utilised	Released	Reclassified	31-12-2023	Item
<b>Long-term provisions:</b>	<b>16,721</b>	<b>6,156</b>	<b>950</b>	<b>66</b>	<b>-94</b>	<b>21,767</b>	
Provisions for employee benefits	1,628	305	0	66	0	1,867	Liabilities under employee benefits (long-term)
Provisions for warranty claims	15,093	5,851	950	0	-94	19,900	Long-term provisions
Other provisions	0	0	0	0	0	0	Long-term provisions
<b>Short-term provisions:</b>	<b>53,439</b>	<b>40,710</b>	<b>22,460</b>	<b>16,136</b>	<b>94</b>	<b>55,647</b>	
Provisions for employee benefits	36,150	26,973	21,698	1,367	0	40,058	Liabilities under employee benefits (short-term)
Provisions for warranty claims	2,311	311	762	818	94	1,136	Short-term provisions
Provision for loss on contracts	14,978	13,426	0	13,951	0	14,453	Short-term provisions
Other provisions	0	0	0	0	0	0	Short-term provisions
<b>Total provisions:</b>	<b>70,160</b>	<b>46,866</b>	<b>23,410</b>	<b>16,202</b>	<b>0</b>	<b>77,414</b>	

### 2.2.3. Write-downs

#### Change in write-downs

	01-01-2024	Made	Utilised	Released	30-09-2024
<b>Write-downs:</b>	<b>37,541</b>	<b>7,276</b>	<b>9,234</b>	<b>3,282</b>	<b>32,301</b>
Write-downs of property, plant and equipment	0	0	0	0	0
Write-downs of right-of-use assets	0	0	0	0	0
Write-downs of investment property	770	0	0	0	770
Write-downs of inventories	0	0	0	0	0
Write-downs of trade receivables in connection with the increase of credit risk	34,287	7,156	9,234	3,212	28,997
Write-downs of trade receivables for expected credit losses	250	120	0	0	370
Write-downs of retentions	0	0	0	0	0
Write-downs of advances	43	0	0	0	43
Write-downs of shares	251	0	0	0	251
Write-downs of loans advanced	1,940	0	0	70	1,870
<b>Total:</b>	<b>37,541</b>	<b>7,276</b>	<b>9,234</b>	<b>3,282</b>	<b>32,301</b>

The write-downs of trade receivables of PLN 29m include:

- Debit notes issued by the Company for penalties, damages and substitute performance of PLN 27.2m. The amount is for presentation purposes only because the notes are not the Company's revenue at the date of issue; the biggest items are the notes issued in prior years of PLN 22.7m.
- Receivables under court and enforcement cases of PLN 1.1m.
- Doubtful debt of PLN 0.7m.

#### Changes in receivables impairment loss

Change in the write-downs of trade receivables influencing the profit or loss includes the release of write-downs of PLN 104 thousand and the making of write-downs of PLN 151 thousand. The remaining balance is for presentation purposes only and results, *inter alia*, from the debit notes issued by the Company for the penalties and damages that are not the Company's revenue at the date of issue.



#### Comparative information:

	01-01-2023	Made	Utilised	Released	31-12-2023
<b>Write-downs:</b>	<b>43,555</b>	<b>19,681</b>	<b>2,591</b>	<b>23,104</b>	<b>37,541</b>
Write-downs of property, plant and equipment	0	0	0	0	0
Write-downs of right-of-use assets	0	0	0	0	0
Write-downs of investment property	770	0	0	0	770
Write-downs of inventories	0	0	0	0	0
Write-downs of trade receivables in connection with the increase of credit risk	31,467	19,681	2,580	14,281	34,287
Write-downs of trade receivables for expected credit losses	250	0	0	0	250
Write-downs of retentions	11	0	11	0	0
Write-downs of advances	43	0	0	0	43
Write-downs of shares	9,013	0	0	8,762	251
Write-downs of loans advanced	2,001	0	0	61	1,940
<b>Total write-downs:</b>	<b>43,555</b>	<b>19,681</b>	<b>2,591</b>	<b>23,104</b>	<b>37,541</b>

#### 2.2.4. Accruals

	Balance at 30-09-2024	Balance at 31-12-2023
Provisions for contract costs	149,594	165,717
Other accruals	410	1,349
<b>Total</b>	<b>150,004</b>	<b>167,066</b>

### 2.3. Trade and other receivables and payables

#### 2.3.1. Trade and other receivables

	Balance at 30-09-2024	Balance at 31-12-2023
Trade receivables	199,339	197,258
Write-downs of trade receivables in connection with the increase of credit risk	-28,997	-34,287
Write-downs of trade receivables for expected credit losses	-370	-250
Receivables from the government other than corporate income tax	3,737	0
Other receivables	4,542	4,169
<b>Total trade and other receivables</b>	<b>178,251</b>	<b>166,890</b>

Other receivables include the security made in connection with the financing agreement of PLN 4,000 thousand.

#### Concentration of (gross) trade receivables exceeding 10% of total receivables:

	Balance at 30-09-2024	Balance at 31-12-2023
Counterparty A	50,900	58,511
Counterparty B	23,302	
Counterparty C		22,799

The concentration of credit risk is limited due to the fact that the creditability of the abovementioned Counterparties A, B, C assessed, *inter alia*, by analysing their financial standing, is high and the fact that the said Counterparties meet additional requirements concerning the settlement of the EU funds. The Company has provided services to the said Counterparties for many years. The State Treasury is the majority shareholder of the Counterparty A as a result of which their creditability is even higher. The Counterparties B and C are owned by cities and counties. Accordingly, the Management Board of ZUE believe there is no need to make additional provisions.

## 2.3.2. Trade and other payables

	Balance at 30-09-2024	Balance at 31-12-2023
Trade payables	81,634	187,897
Liabilities to the government other than corporate income tax	1,865	14,346
Other payables	320	324
<b>Total trade and other payables</b>	<b>83,819</b>	<b>202,567</b>

## 2.4. Loans, bank credits, leases and management of capital

### 2.4.1. Loans and bank credits

	Balance at 30-09-2024	Balance at 31-12-2023
<b>Long-term</b>	<b>0</b>	<b>47,015</b>
Bank credits	0	39,515
Loans received	0	7,500
<b>Short-term</b>	<b>47,015</b>	<b>7,500</b>
Bank credits	39,515	0
Loans received	7,500	7,500
<b>Total</b>	<b>47,015</b>	<b>54,515</b>

### Summary of loan and credit agreements as at 30 September 2024

No.	Bank	Agreement	Principal as at 30-09- 2024	Amount of available credit/loan/limit as at 30-09-2024	Use as at 30-09-2024	Interest	Repayment date
1	mBank S.A.	Multiproduct line master agreement - overdraft	15,000	15,000	0	ON WIBOR + margin	June 2025
2	mBank S.A. (i)	Multiproduct line master agreement	25,000		21,470	1M WIBOR + margin	June 2025
	including:	sublimit for bonds	25,000	3,530	21,470		
		non-revolving working capital credit	25,000	3,530	0		
3	Alior Bank S.A.	Multicurrency credit limit agreement	75,000		30,000	1M WIBOR + margin	
	including:	sublimit for bonds	75,000	45,000	30,000		June 2025
		overdraft	1,500	1,500	0		June 2026
4	Agencja Rozwoju Przemysłu S.A.	Loan agreement	7,500	0	7,500	1M WIBOR + margin	August 2025
5	Alior Bank S.A.	Revolving credit account agreement	40,000	485	39,515	1M WIBOR + margin	June 2025
6	BFF Polska S.A.	Master mandate agreement	24,000	24,000	0	1M WIBOR + margin	June 2025
	<b>Total amount of available loans and credits</b>			<b>44,515</b>			
	<b>Total debt under loans and credits</b>				<b>47,015</b>		
	<b>Total use for bonds</b>				<b>51,470</b>		

(i) ZUE is able to use the limit for both working capital credit and bank bonds. The current use concerns the bonds.

Types of security and liabilities under credit and loan agreements and other sources of finance:

1. and 2. Multiproduct line master agreement:
  - a) Contractual joint mortgage on the real estate in Cracow;
  - b) Security deposit established each time for the bonds expiring after 36 months;
  - c) Financial pledge on cash kept on bank accounts maintained by the Bank;
  - d) Statement on submission to enforcement.
3. Multicurrency credit limit agreement:
  - a) Promissory note with declaration;
  - b) Assignment of receivables under contracts;
  - c) Statement on submission to enforcement;
  - d) Power of attorney to the bank account;
  - e) Deposit for each bond.
4. Loan agreement:
  - a) Contractual joint mortgage up to PLN 45,000 thousand on the plot in Poznań;
  - b) Assignment of receivables under contracts;
  - c) Registered pledge on a non-current asset – machine owned by the Company;
  - d) Statement on submission to enforcement;
  - e) Assignment of rights under insurance policy.
5. Revolving credit account agreement:
  - a) Power of attorney to the bank account;
  - b) Promissory note with declaration;
  - c) Guarantee under the Crisis Guarantee Fund;
  - d) Statement on submission to enforcement.
6. Master mandate agreement:
  - a) Right to cash consideration under the agreement.

The following amendments to particular credit agreements signed by the Company were made in the reporting period:

- Alior Bank - Multicurrency Credit Limit Agreement (item 3) – on 27 March 2024, the Company signed an annex whereby the sublimit for bonds was raised to PLN 50m and the repayment date was extended until 25 March 2025 for the bond limit and 25 March 2026 for the overdraft. The overdraft limit remained unchanged.
- mBank – Multiproduct line master agreement (items 1 and 2) – on 14 June 2024, the Company signed the Multiproduct line master agreement – up to PLN 15m for overdraft and PLN 25m for sublimit for bonds and working capital credit. The agreement replaces the overdraft of PLN 10m and the master agreement of PLN 25m and incorporates all unexpired bonds under the replaced master agreement.
- Alior Bank - Multicurrency credit limit agreement (item 3) – on 26 June 2024, the Company signed an annex whereby the sublimit for bonds was raised to PLN 75m and the repayment date was extended until 25 June 2025 for the bond limit and 25 June 2026 for the overdraft. The overdraft limit remained unchanged.
- BFF Polska S.A. - Master mandate agreement (item 6) – on 26 June 2024, the Company signed the Master mandate agreement for the financing of contracts as part of the Polish Deal programme.

#### Comparative information:

No.	Bank	Agreement	Principal as at 31-12-2023	Amount of available credit/loan/limit as at 31-12-2023	Use as at 31-12-2023	Interest	Repayment date
1	mBank S.A.	Overdraft	10,000	10,000	0	ON WIBOR + margin	July 2024
2	mBank S.A. (i)	Master agreement	25,000		13,229	1M WIBOR + margin	June 2024
	including:	sublimit for bonds	25,000	11,771	13,229		
		non-revolving working capital credit	25,000	11,771	0		
3	Alior Bank S.A.	Multicurrency credit limit agreement	30,000		13	1M WIBOR + margin	
	including:	sublimit for	30,000	29,987	13		June 2024

		bonds					
		overdraft	1,500	1,500	0		June 2025
4	Agencja Rozwoju Przemysłu S.A.	Loan agreement	15,000	0	15,000	1M WIBOR + margin	August 2025
5	Alior Bank S.A.	Revolving credit account agreement	40,000	485	39,515	1M WIBOR + margin	June 2025
	<b>Total amount of available loans and credits</b>			23,756			
	<b>Total debt under loans and credits</b>				54,515		
	<b>Total use for bonds</b>				13,242		

(i) ZUE is able to use the limit for both working capital credit and bank bonds.

## 2.4.2. Leases

### Lease liabilities

	Balance at 30-09-2024	Balance at 31-12-2023
Long-term lease liabilities	42,010	21,687
Short-term lease liabilities	8,522	6,468
<b>Total</b>	<b>50,532</b>	<b>28,155</b>

In the three quarters of 2024, the Company's lease liabilities increased by PLN 31,513 thousand and the increase included the operating lease of PLN 28,190 thousand (purchase of construction equipment).

No leaseback agreements were signed by the Company in the reporting period.

## 2.4.3. Management of capital

	30.09.2024	31.12.2023
Long- and short-term loans and bank credits	47,015	54,515
Long- and short-term lease liabilities	50,532	28,155
Long- and short-term other financial liabilities	36	36
<b>Total financial liabilities</b>	<b>97,583</b>	<b>82,706</b>
Cash and cash equivalents	22,889	212,159
<b>Net debt</b>	<b>74,694</b>	<b>-129,453</b>
Equity	195,582	192,986
<b>Net debt to equity ratio</b>	<b>38.19%</b>	<b>-67.08%</b>

The Company reviews the capital structure each time for the purpose of the financing of major contracts/orders. During the review, the Company considers own resources, the schedule of contract financing, the cost of capital and the risks associated with each class of the capital.

The Company uses own resources, leases, revolving credit, loan, trade credit and prepaid deliveries to finance day-to-day operations. Credit limits are also available to the Company.

Positive net debt is due to the fact that total financial liabilities at the end of the third quarter of 2024 exceeded the amount of cash at the Company after it had been used in production processes.

The information on the financial ratios contained in this report is cyclically monitored and presented in subsequent interim reports. Definitions of alternative measurements result from the layout of individual lines in relevant tables and according to the Issuer, no additional defining is required.

## 2.5. Other notes to the financial statements

### 2.5.1. Goodwill

At cost	30-09-2024	31-12-2023
Goodwill of PRK	31,172	31,172
<b>Balance at the end of the reporting period</b>	<b>31,172</b>	<b>31,172</b>

ZUE merged with PRK on 20 December 2013. The control of PRK was gained by ZUE in 2010.

The goodwill of PLN 31,172 thousand and the leasehold (difference in the fair value of the net assets at acquisition) of PLN 15,956 thousand (adjusted for a deferred tax asset) disclosed in the separate financial statements at the merger date were calculated as at the date of taking control of PRK by ZUE in 2010 and follow from the consolidated financial statements. Changes in interests resulting from the merger were accounted for as changes in equity.

ZUE and PRK merged under joint control.

The goodwill is assigned in full to the construction segment.

#### Goodwill impairment test

After it had considered external circumstances influencing a long-term market capitalization of the Company below the carrying amount, the Company carried out the tests for the impairment of assets. The impairment tests carried out as at 31 December 2023 according to *IAS 36 Impairment of Assets* revealed no indication of impairment of the carrying amount of the Company's assets. As at 30 September 2024, the Company reviewed the assumptions used to carry out the test and decided that they were still up to date. Accordingly, there is no impairment of goodwill at the end of the reporting period. The Company intends to carry out the test at the end of the year.

### 2.5.2. Purchase and sale of property, plant and equipment and intangible assets

The total capital expenditures disclosed in the reporting period in the statement of cash flows amounted to PLN 4,301 thousand.

As at 30 September 2024, net liabilities incurred to purchase property, plant and equipment amounted to PLN 402 thousand.

As at 30 September 2023, net liabilities incurred to purchase property, plant and equipment amounted to PLN 1,073 thousand.

Major investments in property, plant and equipment and intangible assets made by the Company in the reporting period included:

- Complete overhauls of vehicles (mainly wagons) – PLN 4,010 thousand;
- Purchase of mobile fences – PLN 159 thousand; and
- Purchase of truck – PLN 90 thousand.

In the reporting period, the sale of property, plant and equipment mainly concerned the sale of specialist equipment in connection with the machinery modernization process.

In the three quarters of 2024, the Company sold the property, plant and equipment and intangible assets with the total net carrying amount of PLN 278 thousand. In the three quarters of 2023, the Company sold the property, plant and equipment and intangible assets with the total net carrying amount of PLN 4,126 thousand.

### 2.5.3. Financial instruments

The following table sets out the carrying amounts of the Company's financial instruments classified as particular classes and categories of assets and liabilities.

#### Balance at 30 September 2024

Classes of financial instruments	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost
Retentions on construction contracts (before discount)	38,039	0	0	0	62,864
Trade receivables	199,339	0	0	0	0
Other receivables	4,542	0	0	0	0
Other financial liabilities	0	0	0	0	36
Loans advanced	14,876	0	0	0	0
Cash and cash equivalents	0	22,889	0	0	0
Loans and bank credits	0	0	0	0	47,015
Lease liabilities	0	0	0	0	50,532
Trade payables	0	0	0	0	81,634
<b>Total</b>	<b>256,796</b>	<b>22,889</b>	<b>0</b>	<b>0</b>	<b>242,081</b>

No changes to the classification of financial instruments or the levels of fair value hierarchy occurred in the reporting period.

## Balance at 30 September 2023

Classes of financial instruments	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost
Retentions on construction contracts (before discount)	30,376	0	0	0	58,956
Trade receivables	197,258	0	0	0	0
Other receivables	4,169	0	0	0	0
Other financial liabilities	0	0	0	0	36
Loans advanced	14,197	0	0	0	0
Cash and cash equivalents	0	212,159	0	0	0
Loans and bank credits	0	0	0	0	54,515
Lease liabilities	0	0	0	0	28,155
Trade payables	0	0	0	0	187,897
<b>Total</b>	<b>246,000</b>	<b>212,159</b>	<b>0</b>	<b>0</b>	<b>329,559</b>

No changes to the classification of financial instruments or the levels of fair value hierarchy occurred in the reporting period.

## 2.5.4. Related party transactions

	Receivables		Payables	
	30-09-2024	31-12-2023	30-09-2024	31-12-2023
Railway gft	99	103	1,567	1,066
BPK Poznań	0	0	0	0
RTI	0	0	0	0
Energopol	87	4	157	661
Wiesław Nowak	0	0	0	0
Family Office	0	1	0	0
<b>Total</b>	<b>186</b>	<b>108</b>	<b>1,724</b>	<b>1,727</b>

	Sale		Purchase	
	30-09-2024	30-09-2023	30-09-2024	30-09-2023
Railway gft	428	448	3,663	11,491
BPK Poznań	0	311	0	752
RTI	3	3	0	0
Energopol	366	612	81	1,648
Wiesław Nowak	2	1	0	0
Family Office	4	0	0	0
<b>Total</b>	<b>803</b>	<b>1,375</b>	<b>3,744</b>	<b>13,891</b>

	Advanced loans		Finance income (interest on loans)	
	30-09-2024	31-12-2023	30-09-2024	30-09-2023
Railway gft	3,000	3,000	177	197
BPK Poznań	0	0	0	21
RTI	0	0	0	0
Energopol	5,890	5,140	268	76

Wiesław Nowak	0	0	0	0
Family Office	0	0	0	0
<b>Total</b>	<b>8,890</b>	<b>8,140</b>	<b>445</b>	<b>294</b>

Related party transactions were entered into in the reporting period by ZUE and subsidiaries on arm's length terms.

The following sales transactions were entered into in the reporting period between ZUE and the related parties:

- Lease of rooms, including utilities and phone services;
- Financial services,
- Re invoicing;
- Servicing and repair of vehicles;
- Lease of stacking yard; and
- Car rental.

The following purchase transactions were entered into in the reporting period between ZUE and the related parties:

- Purchase of materials used to build and repair tracks;
- Lease of rooms, including utilities;
- Transport services; and
- Re invoicing of costs.

On 30 January 2024, ZUE and Railway gft signed an annex to the loan agreement of 6 August 2020 whereby the repayment date was extended until 31 December 2024.

On 30 January 2024, ZUE and Railway gft signed an annex to the loan agreement of 11 June 2021 whereby the repayment date was extended until 31 December 2024.

On 6 May 2024, ZUE and Energopol signed the special-purpose loan agreement of PLN 750 thousand to be repaid by 31 May 2025. The loan was disbursed in full.

On 20 June 2024, ZUE and Energopol signed an annex to the loan agreement of 23 June 2023 whereby the repayment date was extended until 31 May 2025.

On 21 August 2024, ZUE and Energopol signed the special-purpose loan agreement of PLN 1 million to be repaid by 31 July 2025. The loan was disbursed in full.

On 26 August 2024, ZUE and Energopol signed the special-purpose loan agreement of PLN 1 million to be repaid by 31 July 2025. The loan was disbursed in full.

On 31 October 2024, after the reporting period, ZUE and Energopol signed an annex to the loan agreement of 6 November 2023 whereby the repayment date was extended until 31 October 2025.

ZUE is the parent company of the Group and, if needed, it guarantees the subsidiaries' liabilities. Guarantees are additional security for credit agreements and bonds provided to subsidiaries. The total amount of the guarantees as at 30 September 2024 is PLN 42,892 thousand.

#### Remuneration of key management personnel

No major changes to the remuneration of key management personnel occurred in the reporting period.

#### 2.5.5. Major proceedings before court or arbitration or public administration authority at the date of preparation of this report

The pending court proceedings relate to the Company's operating activities.

Court cases are discussed in detail in the note III 4.7.5 of the consolidated financial statements.

#### 2.5.6. Tax settlements

Tax settlements and other areas of activity may be inspected by the administrative authorities authorised to impose harsh fines and penalties. The applicable laws are unclear and inconsistent because there are no references to established regulations in Poland. Common differences of opinions on legal interpretation of tax regulations both amongst state authorities and between state authorities and enterprises give rise to uncertainty and conflicts. Therefore, the tax risk in Poland is much higher than that in the countries with more mature tax system.



Tax settlements may be inspected within five years after the end of the year the tax was paid in. Additional tax liabilities may be imposed on the Company as a result of such inspections.

No significant or countable tax risks were recognised by the Company as at 30 September 2024 or 31 December 2023.

#### 2.5.7. Contingent assets and contingent liabilities and security on property

##### Contingent assets

	Balance at	Balance at
	30-09-2024	31-12-2023
Bonds	117,173	114,857
Statement of submission to enforcement (Art. 777 § 1 item 5 of the Code of Civil Procedure)	0	4,805
Promissory notes	28,833	25,965
<b>Total</b>	<b>146,006</b>	<b>145,627</b>

Contingent assets in the form of bonds include the bonds provided by banks and insurance companies for the benefit of ZUE to secure the Company's claims relating to subcontracted construction services and the repayment of advances.

In addition, the Company received promissory notes from counterparties to secure ZUE's claims against the counterparties in connection with advanced loans and to secure the repayment of advances and other assets under the contracts.

##### Contingent liabilities and security on property

	Balance at	Balance at
	30-09-2024	31-12-2023
Bonds	551,346	471,170
Guarantees	42,892	29,837
Promissory notes	318,401	273,797
Mortgages	178,529	171,529
Pledges	154,615	140,103
<b>Total</b>	<b>1,245,783</b>	<b>1,086,436</b>

Contingent liabilities in the form of bonds for the benefit of third parties include, in particular, bid bonds, performance bonds, defects liability bonds and advance payment bonds provided by insurance companies and banks to the Company's counterparties to secure their claims against the Company, mainly in connection with construction contracts and sales agreements. The insurance companies and the banks have recourse against the Company.

Contingent liabilities in the form of guarantees secure the bonds and credits provided to the Group entities by banks and insurance companies and guaranteed by ZUE as the Parent Company.

The liabilities to banks, lessors and strategic customers are secured by promissory notes.

Mortgages are additional security for the credit agreements with mBank S.A. and ING Bank Śląski S.A., the insurance agreement with PZU S.A., the limit agreement with PEKAO S.A. and the loan agreement with Agencja Rozwoju Przemysłu S.A.

Registered pledges have been established to secure the agreements with BNP Paribas Bank Polska S.A., PEKAO S.A., CaixaBank S.A. and Bank Gospodarstwa Krajowego and Agencja Rozwoju Przemysłu S.A. The pledged assets include wagons, cleaning machine, profiling machine, welder and piles drivers.

There is also financial pledge over the borrower's bank accounts to secure the agreements between the Company and mBank S.A.

#### 2.5.8. Liabilities incurred to purchase property, plant and equipment

There were no major agreements concerning capital expenditures on property, plant and equipment as at 30 September 2024 or 31 December 2023.

#### 2.5.9. Discontinued operations

No operations were discontinued within the meaning of IFRS 5 in the reporting period or the comparative period.

#### 2.5.10. Seasonal and cyclical nature of ZUE's operations

Construction and assembly operations are marked by the seasonality of production and sales. The topic has been discussed in detail in the note III 2.13 of the consolidated financial statements: Seasonal and cyclical nature of the Group's operations.

#### 2.5.11. Issue, redemption and repayment of debt and equity securities

No debt or equity securities were issued or redeemed or repaid by the Company in the reporting period.

#### 2.5.12. Dividend

On 6 May 2024, the Management Board of ZUE passed the resolution on recommendations to the Company's Ordinary General Meeting for allocating the net profit for the financial year 2023 of PLN 22,028 thousand in the following manner:

- 1) The portion of the net profit for the financial year 2023 of PLN 4,781 thousand should be paid as dividend (PLN 0.21 per share);
- 2) The residual net profit for the financial year 2023 of PLN 17,247 thousand should be allocated to reserve funds.

The Company's Supervisory Board gave a favourable opinion on the said proposal on 8 May 2024.

On 7 June 2024, the Ordinary General Meeting of ZUE S.A. passed the resolution on distribution of the Company's profit for the financial year 2023 whereby the dividend for 2023 of PLN 0.21 per share should be paid to the Company's shareholders. 12 September 2024 was the date on which the shareholders' right to dividend was set. The date of the dividend payment was 27 September 2024. The dividend was paid according to the resolution.

### 2.6. Other notes to the financial statements

#### 2.6.1. Application of the International Financial Reporting Standards

##### Statement of compliance

The condensed separate financial statements have been drawn up in accordance with IAS 34 as at 30 September 2024 as endorsed by the European Union.

The separate financial statements for the nine months ended 30 September 2024 have been prepared according to the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and the conditions for recognizing information required under the law of a non-member state as equivalent.

##### Standards and amendments to the standards used for the first time in the reporting period

The following amendments to the existing standards issued by the International Accounting Standards Board and endorsed for use in the European Union come into force in 2024:

- **Amendments to IFRS 16 "Leases" – Lease Liability in Sale and Leaseback** (effective for annual periods beginning on or after 1 January 2024);
- **Amendments to IAS 1 "Presentation of Financial Statements: – Classification of Liabilities as Current or Non-Current"** (effective for annual periods beginning on or after 1 January 2024 with earlier application permitted);
- **Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments – Disclosures" – supplier finance arrangements** (effective for annual periods beginning on or after 1 January 2024).

According to the Company, the abovementioned amendments to the standards do not have any material impact on the separate financial statements.

## Standards and amendments to the standards adopted by the IASB but not yet endorsed by the EU

Amendments to the existing standards or the new standards issued by the International Accounting Standards Board (IASB) and not yet endorsed by the EU:

- **Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates"** – lack of exchangeability (effective for annual periods beginning on or after 1 January 2025);
- **IFRS 18 "Presentation and Disclosure in Financial Statements"** (effective for annual periods beginning on or after 1 January 2027);
- **IFRS 19 "Subsidiaries without Public Accountability"** – reduced disclosures in financial statements of eligible entities (effective for annual periods beginning on 1 January 2027);
- **Amendments to IFRS 9 and IFRS 7** – recognition of financial instruments and disclosures in financial statements (effective for annual periods beginning on 1 January 2026);
- **Annual improvements to accounting standards**, including IFRS 1 with regard to hedge accounting, IFRS 7 with regard to profit and loss on removal of instrument from the balance sheet, credit risk disclosures, IFRS 9 with regard to the end of recognition of lease liability and transaction price, IFRS 10 with regard to the "de facto agent" definition and IAS 7 with regard to a more precise presentation of flows with related parties (effective for annual periods beginning on 1 January 2026).

The Company does not expect that the abovementioned standards or amendments to the standards will have a material influence on the separate financial statements of ZUE.

### 2.6.2. Important accounting principles

#### 2.6.2.1. Going concern

The financial statements of ZUE have been prepared assuming that the Company will continue in operational existence for at least 12 months after the end of the reporting period. The most important factor influencing the Company's ability to continue in operational existence is the financial condition of ZUE. The key factors with an impact on the Company's ability to continue its operations include liquidity, proper backlog and market situation.

In the nine months ended 30 September 2024, the Company recognised the sales revenue of PLN 846.7m and the gross profit on sales of PLN 29.6m. As at 30 September 2024, the Company reported the total current assets of PLN 535.8m, including trade and other receivables of PLN 178.3m and the cash of approximately PLN 22.9m. At the end of the reporting period, the Company had the backlog worth approximately PLN 1,196m and was in the process of winning new contracts.

Therefore, the Management Board of the Company state that there are no significant going concern risks at the date of preparation of this report, no economic circumstances have occurred or no strategic decisions have been made, and these financial statements have been prepared assuming that the Company will continue in operational existence in the foreseeable future.

#### 2.6.2.2. Preparation basis

The Company prepared the quarterly separate financial statements according to the regulations set out in IAS 34 "Interim Financial Reporting" and applied the same principles to the current and comparative periods.

#### 2.6.2.3. Comparability of financial information

No changes in the presentation of financial information were made in the comparative periods, except for the following changes.

After they had considered the specific nature of accounting for international contracts performed by consortium, the Company decided to present revenue from recharged items and the associated expenses in the statement of comprehensive income according to their netted balance. Therefore, the comparative period data was restated and the current period data was presented according to this approach.

In addition, in the statement of financial position the Company excluded certain mutual consortium settlements in assets under the item "Valuation of long-term construction contracts" and in liabilities under the item "Accruals." The comparative period data was restated.

The following table sets out the effect of changes on the separate statement of comprehensive income:

	Restated	Approved	Effect of changes
Continuing operations	9 months ended	9 months ended	
	30-09-2023	30-09-2023	
Sales revenue	814,543	824,065	-9,522
Cost of sales	790,198	799,720	-9,522
Gross profit (loss) on sales	24,345	24,345	0
Operating profit (loss)	11,841	11,841	0
Pre-tax profit (loss)	14,885	14,885	0
Net profit (loss) from continuing operations	11,047	11,047	0
Net profit (loss)	11,047	11,047	0
Other net comprehensive income			
Total other net comprehensive income	-105	-105	0
Total comprehensive income	10,942	10,942	0

The following table sets out the effect of changes on the separate statement of financial position:

	Restated	Approved	Effect of changes
	31-12-2023	31-12-2023	
<b>ASSETS</b>			
Non-current assets			
Total non-current assets	186,390	186,390	0
Current assets			
Valuation of long-term construction contracts	213,792	243,339	-29,547
Total current assets	693,115	722,662	-29,547
Total assets	879,505	909,052	-29,547
<b>EQUITY AND LIABILITIES</b>			
Equity			
Total equity	192,986	192,986	0
Non-current liabilities			
Total non-current liabilities	107,968	107,968	0
Current liabilities			
Accruals	167,066	196,613	-29,547
Total current liabilities	578,551	608,098	-29,547
Total liabilities	686,519	716,066	-29,547
Total equity and liabilities	879,505	909,052	-29,547

#### 2.6.2.4. Applied accounting principles

These quarterly separate financial statements for the nine months ended 30 September 2024 have been prepared according to the same accounting principles and measurement methods as those applied in the last annual financial statements of the Company as at 31 December 2023. The financial statements for the financial year ended 31 December 2023 contain a detailed description of the accounting principles adopted by the Company.

These quarterly separate financial statements do not contain all the information or disclosures required in the case of annual financial statements and they should be read together with the annual financial statements of ZUE.

#### 2.6.3. Sources of estimation uncertainty

The preparation of financial statements in conformity with the IFRS requires the Management Board of the Company to make judgments, estimates and assumptions that affect the adopted principles and reported assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates relate, *inter alia*, to:

Impairment of goodwill (note 2.5.1.)

Useful economic lives of non-current assets

Loss allowances on receivables (note 2.2.3.)

Provisions (note 2.2.2.)

Valuation of long-term construction contracts (note 2.2.1.)

Deferred income tax (note 2.1.7.)

Contingent assets and contingent liabilities and security on property (note 2.5.7.)

Uncertainty over tax settlements (note 2.5.6.)

Revisions to estimates occurred in the reporting period with reference to construction contracts accounted for using percentage-of-completion method – the revision was influenced by the review of the construction contract budgets, which entailed a change in the planned income and expenses relating to the performed contracts. The said revisions did not have any material influence on the Company's performance in the reporting period.

## Approval of the condensed consolidated and separate financial statements

These condensed consolidated financial statements and the condensed separate financial statements for the nine months ended 30 September 2024 were approved for publication by the Management Board of ZUE on 14 November 2024.

### 3. Signatures

The financial statements have been prepared by:

Marzena Filarek – Chief Accountant

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#### Signatures of the management personnel:

Wiesław Nowak – Management Board President

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Magdalena Nowak – Management Board Vice-President

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Anna Mroczek – Management Board Vice-President

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Jerzy Czeremuga – Management Board Vice-President

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Maciej Nowak – Management Board Vice-President

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Marcin Wiśniewski – Management Board Vice-President

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Cracow, 14 November 2024