



LETTER FROM THE PRESIDENT OF ZUE S.A.

Ladies and Gentlemen,

I am proud to summarize another year of our activity and present our latest report to you. We have proved again that we are a flexible organisation able to adapt to changeable market conditions. Our strong foundations and extensive experience have enabled us to achieve very solid results. The Group's sales revenue in 2024 amounted to PLN 1,219.4 million and the net profit was PLN 10.8 million. We are also pleased to report a gross margin on sales of 4.1%.

This is the second consecutive year in which the ZUE Group has exceeded the one billion PLN revenue threshold. We are particularly pleased with this result as the past 12 months have been a time of numerous challenges for the industry, including delays in the announcement of tenders in the construction sector, which contributed to demanding business conditions. Nevertheless, our thoughtful strategy, efficient management, and the commitment of our employees have enabled us to deliver satisfactory results over the past year.

The ZUE Group's backlog is kept on a stable and safe level, which currently amounts to approximately PLN 1.1 billion. Such a solid contract base not only provides us with revenue predictability and financial stability but also serves as a strong foundation for further growth and for strengthening our position in a highly competitive market.

At present, the Group's focus is on further expanding of our backlog. We take part in most of major tender procedures announced by PKP PLK and cities. We have submitted the best bids in in two railway tenders in Poland and one in Romania with a combined net value of over PLN 850 million for ZUE. We also have three top-ranked bids in smaller tender processes.

Our backlog also includes previously acquired contracts of significant social and business importance, including one of the largest railway investments in the Silesian province (a contract with PKP PLK worth nearly one billion PLN) whose aim is to ensure better access to the railways, shorten travel times and improve the safety of goods and passengers. At the same time, in Warsaw, we are working on the construction of the underground fast tramway from the Kasprzaka Street to Wilanów. The project will improve public transportation and make it easier for passengers to reach the Warszawa Zachodnia station. We are proud to be part of the implementation of these strategic investments, which not only support infrastructure development but also contribute to the dynamic growth of the ZUE Group.

We are also consistently pursuing our strategy of international diversification carrying out projects both in Poland and in Romania. We are actively engaged in tenders within this market. As part of our plans for further development, we have established a new company in Romania, which will eventually replace our branch. We are also striving to enter other European markets. We have registered ZUE Bahnbau GmbH, a German company certified



to provide overhead contact line construction services in the German market and is currently undergoing the prequalification process for track construction, including rails and switches. We are constantly looking for new international opportunities expanding into new markets, which provides us with an ability to grow and become less dependent on the domestic market conditions.

We expect 2025 to be good to our industry. We are observing a revival in the announcement of tenders in the railway market, which creates an opportunity for further growth and the effective expansion of our backlog. First of all, PKP Polskie Linie Kolejowe S.A. are planning to announce tender procedures this year amounting to a total of approximately PLN 16 billion. It is also worth mentioning that the long-term modernization plan for Polish railways is underway. The National Railway Programme until 2030 valued at around PLN 80 billion for the 2021-2027 perspective and PLN 11 billion under the National Recovery Plan (NRP), is a continuation of the previous National Railway Program until 2023. The National Railway Program will be carried out with substantial support from EU funds.

We anticipate a revival in the tram market as well. The Green Transformation of Cities programme is part of the National Recovery Plan. At the present time, 15 urban centres in Poland have functioning tram services. The total length of these tram routes is about 900 km and virtually all urban centres have developed or are planning to develop rail systems by modernizing routes and building new ones. We also anticipate a rise in the number of orders in this sector.

It is noteworthy that smaller companies within the Group, namely Energopol (a road company) and Railway (a sales company) achieved positive results in 2024. NTB Systemy joined the Group in 2025. The acquisition of the company will bring additional know-how in the construction, modernization, and repair of tram tracks, particularly those based on structures incorporating chemical materials.

In 2025, we intend not only to seize the opportunities associated with the upcoming launch of investment programmes but also to continue our expansion into foreign markets. We believe that our strategy will enable us to strengthen the Group's market position and deliver satisfactory operational and financial performance. We look into the future with hope and new energy constantly strengthening our management team. The appointment of Magdalena Nowak to the Management Board as Vice President and Deputy CEO marks a significant step in this direction.

I would like to thank all our Employees, Clients, Partners and Shareholders for their trust and cooperation. We know that we are on the right track and heading in the right direction – towards further growth in the coming years.

Yours sincerely,

Wiesław Nowak
President of the Management Board of ZUE S.A.