



ZUE Capital Group

CONSOLIDATED QUARTERLY REPORT
FOR 3 MONTHS ENDED 31 MARCH 2025

Cracow, 21 May 2025

Content of the consolidated quarterly report:

- I. Selected financial information of the ZUE Capital Group
- II. Selected financial information of ZUE S.A.
- III. Condensed Consolidated Financial Statements of the ZUE 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 ZUE 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.
NTB Systemy	NTB Systemy Sp. z o.o. with registered office in Serock, entered into the National Court Register maintained by the District Court for the Capital City of Warsaw in Warsaw, XIV Commercial Division of the National Court Register, under entry number KRS 0000730177, share capital of PLN 5,150 paid up in full. Subsidiary of ZUE.
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, share capital of EUR 80,000 paid up in full. Subsidiary of ZUE.
ZUE Construct	ZUE Construct S.R.L. with registered office in Cluj-Napoca, Romania, entered into the commercial register maintained by the District Court for Cluj-Napoca under entry number 50767159, share capital of RON 150,000 paid up in full. Subsidiary of ZUE.
ZUE Group, Group, Capital Group	ZUE Capital Group including at the end of the reporting period: ZUE, Railway gft, RTI, Energopol, NTB Systemy, ZUE Bahnbau, ZUE Construct.
PLN	Polish złoty.
EUR	Euro.
Act	Polish Companies Act (Consolidated text, Journal of Laws of 2024, item 18).

Share capital details as at 31 March 2025.

Contents

I.	SELECTED FINANCIAL INFORMATION OF THE ZUE CAPITAL GROUP	8
II.	SELECTED FINANCIAL INFORMATION OF ZUE S.A.	9
III.	CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUE CAPITAL GROUP	11
	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	11
	CONSOLIDATED STATEMENT OF FINANCIAL POSITION	12
	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	14
	CONSOLIDATED STATEMENT OF CASH FLOWS	15
	NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE CAPITAL GROUP	16
1.	General information	16
1.1.	Composition of the Capital Group	16
1.2.	Consolidated companies	17
1.3.	Changes in the Group's structure in 2025 and their effects	17
1.4.	Activities of the Capital Group	18
1.5.	Functional and reporting currency	18
2.	Operational information	19
2.1.	Sales markets	19
2.2.	Backlog	20
2.3.	Issuer's major achievements or failures in the reporting period	20
2.4.	Factors and events, including unusual factors and events, with significant influence on the Group's results 20	
2.5.	Major events in the reporting period	20
2.6.	Major events after the end of the reporting period	20
2.7.	Bonds, lines of credit and loans	21
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	21
2.9.	Factors which according to the Issuer may have influence on the Group's development and future performance	21
2.10.	Risks which according to the Group may have influence on the Group's future performance	21
2.11.	Influence of the situation in Ukraine on the Group's activities	22
2.12.	Seasonal and cyclical nature of the Group's operations	23
2.13.	Strategic objectives	23
3.	Corporate information	23
3.1.	Governing bodies of the Parent Company	23
3.2.	Share capital structure	24
3.3.	Treasury shares	24
3.4.	Shareholders of the Parent Company	24
3.5.	Shares and powers of members of members of the Issuer's management and supervisory bodies 24	
3.6.	Other information significant for the assessment of the Issuer's position	25
3.7.	Issue, redemption and repayment of debt and equity securities	25
3.8.	Dividend	25
4.	Financial information	26
4.1.	Statement by the Management Board of ZUE on financial projections	26
4.2.	Factors and events with significant influence on the Group's financial results for the first quarter of 2025 26	
4.3.	Notes to the statement of comprehensive income	28
4.3.1.	Revenue	28
4.3.2.	Operating expenses	29
4.3.3.	Other operating income	29
4.3.4.	Other operating expenses	30
4.3.5.	Finance income	30
4.3.6.	Finance costs	30
4.3.7.	Income tax	31
4.3.8.	Operating segments	32
4.4.	Contracts, provisions, write-downs and accruals	34
4.4.1.	Construction contracts	34
4.4.2.	Provisions	34
4.4.3.	Write-downs and allowances	35
4.4.4.	Accruals	36
4.5.	Trade and other receivables and payables	36
4.5.1.	Trade and other receivables	36

4.5.2.	Trade and other payables	37
4.6.	Bank credits, leases and management of capital.....	37
4.6.1.	Bank credits	37
4.6.2.	Leases.....	39
4.6.3.	Management of capital.....	39
4.7.	Other notes to the financial statements	40
4.7.1.	Goodwill.....	40
4.7.2.	Purchase and sale of property, plant and equipment and intangible assets	40
4.7.3.	Financial instruments	41
4.7.4.	Transactions with related parties	42
4.7.5.	Proceedings before court or arbitration or public administration authority at the date of preparation of this report	42
4.7.6.	Tax settlements	44
4.7.7.	Contingent assets and contingent liabilities and security on property.....	44
4.7.8.	Liabilities incurred to purchase property, plant and equipment.....	45
4.7.9.	Discontinued operations	45
4.8.	Other notes to the financial statements	45
4.8.1.	Use of the International Financial Reporting Standards	45
4.8.2.	Important accounting principles.....	46
4.8.3.	Sources of estimation uncertainty	48
IV.	CONDENSED SEPARATE FINANCIAL STATEMENTS OF ZUE S.A.	50
	SEPARATE STATEMENT OF COMPREHENSIVE INCOME.....	50
	SEPARATE STATEMENT OF FINANCIAL POSITION.....	51
	SEPARATE STATEMENT OF CHANGES IN EQUITY	53
	SEPARATE STATEMENT OF CASH FLOWS	54
	NOTES TO THE CONDENSED SEPARATE FINANCIAL STATEMENTS OF ZUE	55
1.	General information.....	55
1.1.	Core business of ZUE.....	55
1.2.	Functional and reporting currency.....	55
2.	Financial information	56
2.1.	Notes to the statement of comprehensive income.....	56
2.1.1.	Revenue	56
2.1.2.	Operating expenses.....	56
2.1.3.	Other operating income.....	57
2.1.4.	Other operating expenses	57
2.1.5.	Finance income.....	58
2.1.6.	Finance costs	58
2.1.7.	Income tax	58
2.1.8.	Operating segments.....	59
2.2.	Contracts, provisions, write-downs and accruals.....	60
2.2.1.	Construction contracts.....	60
2.2.2.	Provisions.....	60
2.2.3.	Write-downs and allowances	62
2.2.4.	Accruals.....	63
2.3.	Trade and other receivables and payables	63
2.3.1.	Trade and other receivables	63
2.3.2.	Trade and other payables	64
2.4.	Bank credits, leases and management of capital.....	64
2.4.1.	Bank credits	64
2.4.2.	Leases.....	66
2.4.3.	Management of capital.....	66
2.5.	Other notes to the financial statements	66
2.5.1.	Goodwill.....	66
2.5.2.	Purchase and sale of property, plant and equipment and intangible assets	67
2.5.3.	Financial instruments	67
2.5.4.	Transactions with related parties	68
2.5.5.	Major proceedings before court or arbitration or public administration authority at the date of preparation of this report	69
2.5.6.	Tax settlements	69
2.5.7.	Contingent assets and contingent liabilities and security on property.....	69
2.5.8.	Liabilities incurred to purchase property, plant and equipment.....	70
2.5.9.	Discontinued operations	70

2.5.10.	Seasonal and cyclical nature of the Company's operations.....	70
2.5.11.	Issue and redemption of debt and equity securities.....	70
2.5.12.	Dividend	70
2.6.	Other notes to the financial statements	70
2.6.1.	Use of the International Financial Reporting Standards	70
2.6.2.	Important accounting principles.....	71
2.6.3.	Sources of estimation uncertainty	72
3.	Approval of the condensed consolidated and separate financial statements.....	74
4.	Signatures	74

I. Selected financial information of the ZUE Capital Group

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

	31-03-2025	31-03-2025	31-12-2024	31-12-2024
	PLN '000	EUR '000	PLN '000	EUR '000
Non-current assets	211,902	50,647	214,214	50,132
Current assets	466,284	111,447	517,481	121,105
Total assets	678,186	162,094	731,695	171,237
Equity	201,547	48,172	206,351	48,292
Non-current liabilities	91,896	21,964	93,878	21,970
Current liabilities	384,743	91,958	431,466	100,975
Total equity and liabilities	678,186	162,094	731,695	171,237

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

	31-03-2025	31-03-2025	31-03-2024	31-03-2024
	PLN '000	EUR '000	PLN '000	EUR '000
Sales revenue	180,134	43,045	299,985	69,423
Cost of sales	174,709	41,748	287,419	66,515
Gross profit (loss) on sales	5,425	1,297	12,566	2,908
Operating profit (loss)	-4,544	-1,086	5,705	1,320
Gross profit (loss)	-6,035	-1,442	3,006	696
Net profit (loss) from continuing operations	-4,804	-1,148	932	216
Total comprehensive income	-4,804	-1,148	932	216

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

	31-03-2025	31-03-2025	31-03-2024	31-03-2024
	PLN '000	EUR '000	PLN '000	EUR '000
Cash flows from operating activities	-10,579	-2,528	-180,646	-41,806
Cash flows from investing activities	-964	-230	1,256	291
Cash flows from financing activities	-10,017	-2,394	-8,408	-1,946
Total net cash flows	-21,560	-5,152	-187,798	-43,461
Cash at the beginning of the period	52,676	12,328	223,555	51,416
Cash at the end of the period	30,478	7,285	35,642	8,287

Rules adopted to translate selected financial information into EUR:

Items	Exchange rate	31-03-2025	31-12-2024	31-03-2024
Items of assets, equity and liabilities	Mid exchange rate prevailing at the end of the reporting period	4.1839	4.2730	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	4.1848	n/a	4.3211
"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	4.1839	4.2730	4.3009

II. Selected financial information of ZUE S.A.

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

	31-03-2025	31-03-2025	31-12-2024	31-12-2024
	PLN '000	EUR '000	PLN '000	EUR '000
Non-current assets	206,274	49,302	207,854	48,644
Current assets	440,341	105,247	484,163	113,307
Total assets	646,615	154,549	692,017	161,951
Equity	194,389	46,461	198,741	46,511
Non-current liabilities	86,933	20,778	88,900	20,805
Current liabilities	365,293	87,310	404,376	94,635
Total equity and liabilities	646,615	154,549	692,017	161,951

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

	31-03-2025	31-03-2025	31-03-2024	31-03-2024
	PLN '000	EUR '000	PLN '000	EUR '000
Sales revenue	162,507	38,833	280,940	65,016
Cost of sales	158,564	37,890	269,939	62,470
Gross profit (loss) on sales	3,943	943	11,001	2,546
Operating profit (loss)	-4,573	-1,093	5,389	1,247
Gross profit (loss)	-5,711	-1,365	3,161	732
Net profit (loss) from continuing Operations	-4,352	-1,040	1,095	253
Total comprehensive income	-4,352	-1,040	1,095	253

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

	31-03-2025	31-03-2025	31-03-2024	31-03-2024
	PLN '000	EUR '000	PLN '000	EUR '000
Cash flows from operating activities	-4,889	-1,168	-177,909	-41,172
Cash flows from investing activities	-985	-235	3,403	788
Cash flows from financing activities	-12,520	-2,992	-8,231	-1,905
Total net cash flows	-18,394	-4,395	-182,737	-42,289
Cash at the beginning of the period	45,678	10,690	212,159	48,795
Cash at the end of the period	26,646	6,369	29,307	6,814

Rules adopted to translate selected financial information into EUR:

Items	Exchange rate	31-03-2025	31-12-2024	31-03-2024
Items of assets, equity and liabilities	Mid exchange rate prevailing at the end of the reporting period	4.1839	4.2730	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	4.1848	n/a	4.3211
"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	4.1839	4.2730	4.3009



ZUE Capital Group

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR 3 MONTHS ENDED 31 MARCH 2025

Cracow, 21 May 2025

III. Condensed consolidated financial statements of the ZUE Capital Group

Consolidated statement of comprehensive income

		Restated	
	Note	3 months ended 31-03-2025	3 months ended 31-03-2024
Continuing operations			
Sales revenue	4.3.1.	180,134	299,985
Cost of sales	4.3.2.	174,709	287,419
Gross profit (loss) on sales		5,425	12,566
General and administrative expenses	4.3.2.	9,113	7,888
Other operating income	4.3.3.	417	1,356
Other operating expenses	4.3.4.	1,273	329
Operating profit (loss)		-4,544	5,705
Finance income	4.3.5.	405	526
Finance costs	4.3.6.	1,896	3,225
Pre-tax profit (loss)		-6,035	3,006
Income tax	4.3.7.	-1,231	2,074
Net profit (loss) from continuing operations		-4,804	932
Net profit (loss)		-4,804	932
Other net comprehensive income			
Items that will not be reclassified subsequently to profit or loss:		0	0
Actuarial gains (losses) relating to defined benefit plans		0	0
Other total net comprehensive income		0	0
Total comprehensive income		-4,804	932
Number of shares		23,030,083	23,030,083
Consolidated net profit attributable to:			
Shareholders of the Parent Company		-4,757	960
Non-controlling interests		-47	-28
Net profit (loss) per share (PLN) attributable to shareholders of the Parent Company (basic and diluted)		-0.21	0.04
Total comprehensive income attributable to:			
Shareholders of the Parent Company		-4,757	960
Non-controlling interests		-47	-28

Consolidated statement of financial position

ASSETS	Note	31-03-2025	31-12-2024
Non-current assets			
Property, plant and equipment		66,248	67,927
Investment property		15,089	15,252
Intangible assets		1,717	1,891
Right-of-use assets		65,225	66,189
Goodwill	4.7.1.	31,437	31,172
Investments in subordinates		782	782
Deposits under construction contracts		6,967	7,958
Deferred tax assets	4.3.7.	21,650	20,226
Advanced loans		2,705	2,705
Other financial assets		82	112
Total non-current assets		211,902	214,214
Current assets			
Inventories		35,644	27,802
Trade and other receivables	4.5.1.	94,053	173,959
Valuation of long-term construction contracts	4.4.1.	271,626	223,923
Deposits under construction contracts		27,223	31,194
Advances		3,119	3,960
Current tax assets	4.3.7.	14	14
Advanced loans		588	588
Other assets		3,539	3,365
Cash and cash equivalents		30,478	52,676
Total current assets		466,284	517,481
Total assets		678,186	731,695

EQUITY AND LIABILITIES	Note	31-03-2025	31-12-2024
Equity			
Share capital		5,758	5,758
Share premium account		93,837	93,837
Treasury shares		-2,690	-2,690
Retained earnings		103,214	107,971
Total equity attributable to shareholders of the parent company		200,119	204,876
Equity attributable to non-controlling interests		1,428	1,475
Total equity		201,547	206,351
Non-current liabilities			
Long-term lease liabilities	4.6.2.	42,102	44,459
Deposits under construction contracts		22,961	23,203
Liabilities under employee benefits		1,881	1,881
Deferred tax liabilities	4.3.7.	789	578
Long-term provisions	4.4.2.	24,163	23,757
Total non-current liabilities		91,896	93,878
Current liabilities			
Trade and other payables	4.5.2.	66,643	112,169
Accruals	4.4.4.	135,501	117,718
Valuation of long-term construction contracts	4.4.1.	7,456	9,132
Deposits under construction contracts		30,077	32,953
Advances		61,697	74,590
Short-term loans and bank credits	4.6.1.	19,489	25,515
Short-term lease liabilities	4.6.2.	8,783	8,921
Other financial liabilities		36	36
Liabilities under employee benefits		49,865	44,040
Current tax liabilities	4.3.7.	0	0
Short-term provisions	4.4.2.	5,196	6,392
Total current liabilities		384,743	431,466
Total liabilities		476,639	525,344
Total equity and liabilities		678,186	731,695

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
Balance at 1 January 2025	5,758	93,837	-2,690	107,971	204,876	1,475	206,351
Change of interest in subsidiaries	0	0	0	0	0	0	0
Dividend	0	0	0	0	0	0	0
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	-4,757	-4,757	-47	-4,804
Other net comprehensive income	0	0	0	0	0	0	0
Total changes in equity	0	0	0	-4,757	-4,757	-47	-4,804
Balance at 31 March 2025	5,758	93,837	-2,690	103,214	200,119	1,428	201,547

	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
Balance at 1 January 2024	5,758	93,837	-2,690	101,758	198,663	1,412	200,075
Change of interest in subsidiaries	0	0	0	0	0	0	0
Dividend	0	0	0	0	0	0	0
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	960	960	-28	932
Other net comprehensive income	0	0	0	0	0	0	0
Total changes in equity	0	0	0	960	960	-28	932
Balance at 31 March 2024	5,758	93,837	-2,690	102,718	199,623	1,384	201,007

	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
Balance at 1 January 2024	5,758	93,837	-2,690	101,758	198,663	1,412	200,075
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	10,720	10,720	63	10,783
Other net comprehensive income	0	0	0	274	274	0	274
Total changes in equity	0	0	0	6,213	6,213	63	6,276
Balance at 31 December 2024	5,758	93,837	-2,690	107,971	204,876	1,475	206,351

Consolidated statement of cash flows

	3 months ended 31-03-2025	3 months ended 31-03-2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	-6,035	3,006
Adjustments for:		
Depreciation and amortisation	4,112	3,769
Foreign exchange gains / (losses)	638	115
Interest and share in profit (dividends)	866	571
Gain / (loss) on disposal of investments	-19	-927
Operating profit (loss) before changes in working capital	-438	6,534
Change in receivables and deposits under construction contracts	85,372	8,955
Change in inventories	-7,842	5,395
Change in provisions and liabilities under employee benefits	4,935	863
Change in payables and deposits under construction contracts	-48,817	-73,189
Change in valuation of construction contracts	-49,379	-103,498
Change in accruals	17,783	-9,528
Change in advances	-12,043	-10,613
Change in other assets	-150	-645
Income tax paid / (tax refund)	0	-4,920
NET CASH FROM OPERATING ACTIVITIES	-10,579	-180,646
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of property, plant and equipment and intangible assets	296	1,161
Purchase of property, plant and equipment and intangible assets	-437	-394
Purchase of financial assets in related parties	-1,300	0
Repayment of advanced loans	0	18
Interest received	265	471
Cash acquired in connection with the acquisition of a subsidiary	212	0
NET CASH FROM INVESTING ACTIVITIES	-964	1,256
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans and bank credits received	2,974	0
Repayment of loans and bank credits	-9,000	-2,500
Decrease in lease liabilities	-2,335	-4,606
Interest paid	-1,656	-1,302
NET CASH FLOWS FROM FINANCING ACTIVITIES	-10,017	-8,408
TOTAL NET CASH FLOWS	-21,560	-187,798
Net foreign exchange differences	-638	-115
TOTAL NET CASH FLOWS NET OF FOREIGN EXCHANGE DIFFERENCES	-22,198	-187,913
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	52,676	223,555
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, including:	30,478	35,642
- of limited availability	10,152	6,449

Notes to the condensed consolidated financial statements of the Capital Group

1. General information

1.1. Composition of the Capital Group

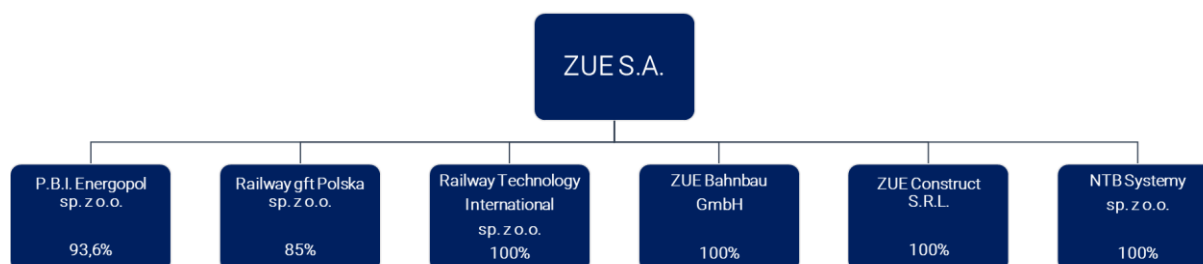
At the end of the reporting period, the Capital Group was composed of ZUE S.A. (the Parent Company), Railway Technology International Sp. z o.o., Railway gft Polska Sp. z o.o., Przedsiębiorstwa Budownictwa Inżynierskiego Energopol Sp. z o.o., NTB Systemy Sp. z o.o., ZUE Bahnbau GmbH and ZUE Construct S.R.L.

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 the financial statements:



Issuer's subsidiaries at the end of the reporting period:

Subsidiary – Przedsiębiorstwo Budownictwa Inżynierskiego Energopol Sp. z o.o. has operated in its current legal form since 11 September 2001. 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 0000042724.

Subsidiary – Railway gft Polska Sp. z o.o. was established on 21 October 2014. 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 0000532311.

Subsidiary – Railway Technology International Sp. z o.o. was established on 20 July 2011. 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 0000397032.

Subsidiary - ZUE Bahnbau GmbH was incorporated on 16 September 2024. Berlin (Germany) is the company's registered office. The company has been entered into the German commercial register maintained by the Charlottenburg District Court in Berlin under entry number HRB 267659 B.

Subsidiary - ZUE Construct S.R.L. was established on 25 October 2024. Cluj-Napoca (Romania) is the company's registered office. The company has been entered into the register of entrepreneurs maintained by the District Court for Cluj-Napoca under entry number 50767159.

Subsidiary – NTB Systemy Sp. z o.o. was established on 16 April 2018. Serock is the company's registered office. The company has been entered into the National Court Register maintained by the District Court for the Capital City of Warsaw in Warsaw, XIV Commercial Division of the National Court Register, under entry no. KRS 0000730177.

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.

1.2. Consolidated companies

Consolidated companies as at 31 March 2025:

Company name	Registered office	Interest as at		Consolidation method
		31 March 2025	31 December 2024	
ZUE	Cracow	Parent Company	Parent Company	
Railway gft	Cracow	85%	85%	Full
ENERGOPOL	Cracow	93.6%	93.6%	Full
NTB Systemy	Serock	100%	n/a	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 Construct	Cluj-Napoca	100%	100%	Excluded from a consolidation on the grounds of immateriality

In the reporting period, ZUE had the power to govern the financial and operating policy of Railway gft, Energopol, RTI, NTB Systemy, ZUE Bahnbau and ZUE Construct because as at 31 March 2025, it held a majority stake in the companies.

As at 31 March 2025, ZUE held 100% of shares in RTI, ZUE Bahnbau and ZUE Construct. However, the companies were excluded from a consolidation on the grounds of immateriality.

1.3. Changes in the Group's structure in 2025 and their effects

No major changes in the Group's structure occurred between the beginning of 2025 and the date of approval of these financial statements, except for the following changes.

On 4 February 2025, ZUE signed the agreement for the sale of shares in NTB Systemy Sp. z o.o. with registered office in Serock whereby ZUE acquired 100% of shares for the total amount of PLN 1300 thousand and gained control of the company. The company carries out the construction works performed under the contracts executed by ZUE. The transaction will improve ZUE's competitive position and will bring additional know-how in the field of construction, modernization, and maintenance of tram tracks, particularly those based on structures/systems incorporating chemical materials, including polyurethane compounds, epoxy resins, adhesives, paints, coatings, mats, and vibration-isolation absorbers.

Accordingly, NTB Systemy became a subsidiary of ZUE on 4 February 2025.

The following table presents the provisional accounting for the acquisition of NTB Systemy Sp. z o.o.

Acquisition of NTB Systemy	Provisional accounting for the acquisition as at 4 February 2025
% of shares	100%
Fair value of consideration	1,300
Assets of NTB Systemy	1,321
Liabilities of NTB Systemy	286
Net assets	1,035
Net assets attributable to ZUE	1,035
Goodwill as at the acquisition date	265

1.4. Activities of the Capital Group

The Group operates in the two aggregate operating segments:

- ❖ Construction activities conducted by ZUE, Energopol and NTB Systemy,
- ❖ Sales activities conducted by Railway gft.

Construction activities include:

- ✓ **Urban infrastructure**, including:
 - ❖ construction and modernisation of tramways, tram and trolleybus overhead power lines, traction substations, street lighting, cable lines, street signals, road systems, built-in structures and telecommunications;
 - ❖ the maintenance and ongoing servicing of tram infrastructure and street lighting.
- ✓ **Rail infrastructure**, including:
 - ❖ construction and modernization of: railway track systems, railway traction systems, railway control and telecommunications devices, traction substations, power lines, station facilities and engineering structures.
- ✓ **Road infrastructure**, including:
 - ❖ road works, bridge and road structures, reinforced concrete structures and other engineering structures.

In 2025, the Group focuses on the provision of rail, urban and road infrastructure construction services.

Based on its own competences and resources, the Group has the capability to construct engineering structures as well as reinforced concrete works, including viaducts, bridges, culverts, retaining walls and acoustic screens.

As part of its **sales activities**, the Group offers materials and accessories necessary for the construction of tracks.

The financial data of 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 details.

2. Operational information

2.1. Sales markets

The Group's sales markets reflect the segments and the scope of the Group's activities.

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 (PLN m) attributable to ZUE
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.	812
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.	574
Creation of the Łomża – Białystok transport route through the upgrade and electrification of the Łomża – Śniadowo railway line no. 49 and the electrification and reconstruction of passenger facilities on the Śniadowo – Łapy railway line no. 36.	PKP PLK S.A.	329
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.	303
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	134
Reconstruction of the tramway along the Zwierzyńska 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.	108
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)	301

* 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 first quarter of 2025, the main customers of Railway gft outside the Group were: Track Tec KolTram Sp. z o.o., Przedsiębiorstwo Inżynieryjnych Robót Kolejowych "TOR-KRAK" Sp. z o.o.

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 1,316 million, including the contracted construction and assembly works performed by ZUE and Energopol worth PLN 1,298 million. The backlog relating to the supply of equipment and materials by Railway gft is PLN 18 million.

The companies within the Group actively participate in subsequent tenders.

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

In the first quarter of 2025, sales revenue generated by the Group was PLN 180,134 thousand – down by 40% compared to the analogous period of 2024 (ZUE: PLN 162,507 thousand – down by 42%). Gross margin on sales was 3% for the Group and 2.4% 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 30 January 2025, the Company learnt about the submission by the consortium of ZUE (the Leader) and Duna Polska S.A. (the Consortium) of the most economically advantageous tender in the tender procedure for the following project: "Design and execution of construction works for the task named: Upgrade of the railway line no. 108 between Jasło and Nowy Zagórz as part of the following project: "Upgrade of the railway line no. 108 between Jasło and Nowy Zagórz and the construction of the Jedlicze – Szebnie railway link." Contracting authority: PKP PLK S.A. Net value of the tender submitted by the Consortium including the options (ZUE's share – 50%): PLN 991.4 million (gross value: PLN 1,219.4 million). On 30 April 2025, the Company learnt about the rejection of the tender by PKP PLK S.A. **(Current reports 2/2025 and 10/2025)**

On 5 February 2025, the Company learnt about the submission by the consortium of the companies within the ZUE Capital Group (ZUE, ZUE Construct S.R.L.) of the most economically advantageous tender in the tender procedure on the Romanian market for the following project: "Design and execution of works for the project named: "Upgrade of the Dărmănești – Vicșani – Frontieră railway line – Stage 1, Electrification:" Part 2 – Bridge renovation works at km 0+522." Contracting authority: State-owned railway company operating in Romania under the company name "C.F.R." S.A. The net amount the contracting authority intended to spend on the project translated into PLN was about PLN 27 million. On 25 April 2025, the Company learnt about the cancellation of the abovementioned tender procedure by "C.F.R." S.A. **(Current reports 3/2025 and 9/2025)**

Financial issues:

On 17 March 2025, the Company published the preliminary financial results for 2024. **(Current report 5/2025)**

2.6. Major events after the end of the reporting period

On 17 April 2025, the Company's Management Board passed the resolution on recommendations to the Company's Ordinary General Meeting for allocating the entire net profit for the financial year 2024 of PLN 10,262 thousand to reserve funds. The Company's Supervisory Board gave a favourable opinion on the Board's proposal on 9 May 2025. **(Current reports 7/2025 and 11/2025)**

On 22 April 2025, the contract was concluded between ZUE and PKP PLK S.A. (the Contracting Authority) for the project named: "Design and execution of works for the project named: "Creation of the Łomża – Białystok transport route through the upgrade and electrification of the Łomża – Śniadowo railway line no. 49 and the electrification and reconstruction of passenger facilities on the Śniadowo – Łapy railway line no. 36" as part of the *Kolej+* until

2029 Programme for Supplementing Local and Regional Railway Infrastructure” (the Contract). The Company informed about the selection of the Company's bid as the most economically advantageous tender in the current report 4/2025. Net value of the tender submitted by ZUE (scope of the basic contract and under the option right): PLN 329.1 million (gross value: PLN 404.8 million). Anticipated project execution date: About 48 months. **(Current report 8/2025)**

On 12 May 2025, the Company published the preliminary financial results for the first quarter of 2025. **(Current report 14/2025)**

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 31 March 2025:

- The amount of available bond lines is PLN 626,102 thousand and EUR 16,794 thousand and RON 23,108 thousand for the Group and PLN 616,091 thousand, EUR 16,794 thousand and RON 23,108 thousand for ZUE; and
- The amount of available credit lines is PLN 99,941 thousand for the Group and PLN 96,865 thousand for ZUE.

In the reporting period:

- On 11 March 2025, a subsidiary and Bank Pekao S.A. entered into the overdraft agreement of PLN 3 million with the repayment date on 30 November 2025.

At the end of the reporting period, the amount of the loans granted by ZUE (net of write-downs) is PLN 12,183 thousand.

At the end of the reporting period, the amount of the loans granted by the Group (net of write-downs) is PLN 3,293 thousand.

No loans or bonds of significant total value were granted or provided in the first quarter of 2025 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:

- 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 Parent Company and the Capital Group for 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 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;
- Risk related to the war in Ukraine; and
- Risk related to equipment failure.

The effect of the situation in Ukraine on the Group's operations is discussed in section 2.11.

The Management Board Report on the activities of the Parent Company and the Capital Group for 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 2024.

2.11. 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 Group keeps monitoring the potential risks and cooperates with contracting authorities to minimize them.

The Group 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 Group has no assets in Russia, Belarus or Ukraine and does not conduct any activities in those countries.

The Group 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 in demand for building materials in Ukraine.

2.12. 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.

2.13. Strategic objectives

The main strategic goal for 2025-2027 is to make maximum use of the current EU perspective within the scope of its activities.

The strategic goals of the ZUE Group are to:

- maintain its position as one of the leaders on the railway communication infrastructure construction market,
- maintain its position as one of the leaders on the urban communication infrastructure construction market,
- develop its commercial activities connected with the distribution and production of track materials.

In the long term, the parallel goal is to develop its range of servicing and maintenance services for infrastructure for urban and railway infrastructure.

The Issuer expects to achieve its strategic goals primarily on the basis of organic growth, and it does not rule out the possibility of acquiring other entities in the future.

In 2025, the Issuer's activities in terms of strategy implementation are focused on obtaining further construction contracts and the proper implementation of contracts concluded in previous periods. Another of its goals is geographical diversification, which it hopes to achieve by offering services in other European countries.

When implementing strategic goals in individual time horizons the Group takes into account certain non-financial issues in particular respect for certain aspects of human rights, employee issues and its impact on both the local and the natural environment.

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

3. Corporate information

3.1. Governing bodies of the Parent Company

Composition of ZUE's Management and Supervisory Boards at the date of approval of these financial statements:

Management Board:

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

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 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 held, the Parent Company had the following shareholding structure at the date of preparation of this report:

Shareholder	Number of votes/shares at 21 May 2025	% of the share capital/total number of votes	Number of shares/votes according to the previous interim report ⁽¹⁾	% of the share capital/total number of votes
Wiesław Nowak	14,400,320	62.53%	14,400,320	62.53%
Funds managed by Generali PTE ⁽²⁾	1,461,659 ⁽²⁾	6.35%	1,461,659	6.35%
PKO Bankowy OFE	1,812,038 ⁽³⁾	7.87%	1,812,038	7.87%
Other	5,356,066 ⁽⁴⁾	23.26%	5,356,066	23.26%
Total	23,030,083	100	23,030,083	100

(1) Publication of the last interim report (consolidated report of the Group for 2024): 10 April 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 remains 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 remains 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 21 May 2025	Nominal value (PLN)	% of share capital / total number of votes	Changes in shareholding since the publication of the last interim report ⁽¹⁾
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	Management Board Vice-President	7,688	1,922	0.03	None

(1) Publication of the last interim report (Consolidated Report of the Group for 2024) 10 April 2025.

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 17 April 2025, the Company's Management Board passed the resolution on recommendations to the Company's Ordinary General Meeting for allocating the entire net profit for the financial year 2024 of PLN 10,262 thousand to reserve funds.

The Company's Supervisory Board gave a favourable opinion on the Board's proposal on 9 May 2025. The Company's Ordinary General Meeting is scheduled for 10 June 2025.

4. Financial information

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

No financial projections for the financial year 2025 were published by the Company.

4.2. Factors and events with significant influence on the Group's financial results for the first quarter of 2025

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

The Polish railway market is observing a revival in the announcement of tenders. New tender procedures are planned to be announced by the end of the year. The Company is actively engaged in tenders within both the tram and railway markets. In April 2025, the Company signed the construction contract with the net value of PLN 329 million. ZUE submits bids on the Polish and Romanian markets.

Discussion of major items of the profit and loss account

In the first quarter of 2025, the Group's revenue decreased year on year by 40% (ZUE – down by 42%).

Comparison of the results reported by the Group and ZUE:

	ZUE		GROUP	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Sales revenue	162,507	280,940	180,134	299,985
Cost of sales	158,564	269,639	174,709	287,419
Gross profit (loss) on sales	3,943	11,001	5,425	12,566
<i>Gross margin</i>	2.4%	3.9%	3.0%	4.2%
General and administrative expenses	7,689	6,632	9,113	7,888
Other operating income	414	1,340	417	1,356
Other operating expenses	1,241	320	1,273	239
Operating profit (loss) (EBIT)**	-4,573	5,389	-4,544	5,705
<i>EBIT margin**</i>	-2.8%	1.9%	-2.5%	1.9%
<i>EBITDA***</i>	-700	8,890	-432	9,474
<i>EBITDA margin**</i>	-0.4%	3.2%	-0.2%	3.2%
Finance income	724	792	405	526
Finance costs	1,862	3,020	1,896	3,225
Pre-tax profit (loss)	-5,711	3,161	-6,035	3,006
Income tax	-1,359	2,066	-1,231	2,074
Net profit (loss) from continuing operations	-4,352	1,095	-4,804	932
Net profit (loss)	-4,352	1,095	-4,804	932
<i>net margin</i>	-2.7%	0.4%	-2.7%	0.3%

* Operating profit + depreciation / amortisation.

** EBIT, EBITDA measures unspecified by the IFRS.

Discussion of major balance sheet items

The total assets and liabilities of the Group as at 31 March 2025 amounted to PLN 678,186 thousand. The total assets and liabilities of the Company as at 31 March 2025 amounted to PLN 646,615 thousand.

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

	Change compared to 31.12.2024	Balance at 31.03.2025	Description
Assets			
Trade and other receivables	-79,906	94,053	Accounting for certain completed construction works.
Valuation of long-term construction contracts	47,703	271,626	Difference between invoiced works under contracts and recognised sales.
Cash and cash equivalents	-22,198	30,478	Use of own resources to conduct operating activities.
Liabilities			
Trade and other payables	-45,526	66,643	Payment for the works carried out by subcontractors, supplied materials and performed services.
Accruals	17,783	135,501	Increase in provisions for subcontractors in connection with performed contracts.
Advances	-12,893	61,697	Accounting for advances received in connection with performed contracts.

Discussion of items of the Group's statement of cash flows

Negative cash flows mainly resulted from the repayment of financial liabilities (cash flows from financing activities).

	ZUE		Group	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Cash flows from operating activities	-4,889	-177,909	-10,579	-180,646
Cash flows from investing activities	-985	3,403	-964	1,256
Cash flows from financing activities	-12,520	-8,231	-10,017	-8,408
Total net cash flows	-18,394	-182,737	-21,560	-187,798
Cash and cash equivalents at the beginning of the period	45,678	212,159	52,676	223,555
Cash and cash equivalents at the end of the period	26,646	29,307	30,478	35,642

Discussion of results reported by segments

Similar to previous periods, construction activity is the main source of the Group's revenue.

	Construction	Sales	Exclusions	Total
Sales revenue	166,928	16,097	-2,891	180,134
Gross profit on sales	4,751	849	-175	5,425
Net profit	-4,428	-260	-116	-4,804

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 31-03-2025	Period ended 31-03-2024
Revenue from construction contracts	164,271	285,052
Revenue from the provision of services	1,515	1,958
Revenue from the sale of goods, raw and other materials	14,348	12,975
Total	180,134	299,985

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 includes the amount of PLN 29,821 thousand related to the contracts performed in Romania and the revenue from the provision of services includes the amount of PLN 82 thousand for the services provided in Slovakia.

Concentration of revenues exceeding 10% of the total sales revenue

	Period ended	
	31-03-2025	31-03-2024
Counterparty A	70,850	77,749
Counterparty B	24,979	124,413
Counterparty C	27,789	
Counterparty D	20,422	

After restating the comparative data and presenting the revenues from re-invoiced items and the corresponding costs on a net basis in the statement of comprehensive income, the revenues from counterparty C in the comparative period no longer exceed the 10% threshold of total sales revenues and, therefore, have not been included in the above note.

4.3.2. Operating expenses

	Period ended 31-03-2025	Period ended 31-03-2024
Change in products	-2,870	-1,086
Depreciation and amortization	4,112	3,769
Consumption of materials and energy, including:	34,013	76,237
- <i>consumption of materials</i>	31,915	72,210
- <i>consumption of energy</i>	2,098	4,027
Contracted services	94,770	160,314
Employee benefits expense, including:	38,775	34,973
- <i>salaries and wages</i>	31,032	27,656
- <i>social security and other benefits</i>	7,743	7,317
Taxes and charges	848	695
Other expenses	1,293	8,898
Value of goods and materials sold	12,881	11,507
Total	183,822	295,307

	Period ended 31-03-2025	Period ended 31-03-2024
Cost of sales	174,709	287,419
General and administrative expenses	9,113	7,888
Total	183,822	295,307

Depreciation and amortisation

	Period ended 31-03-2025	Period ended 31-03-2024
Depreciation of property, plant and equipment	2,329	2,378
Depreciation of right-of-use assets	1,431	1,062
Amortisation of intangible assets	174	151
Depreciation of investments in real property	178	178
Total	4,112	3,769

4.3.3. Other operating income

	Period ended 31-03-2025	Period ended 31-03-2024
Gain on disposal of assets:	19	927
Gain on disposal of non-current assets	19	927
Other operating income:	398	429
Damages and penalties	5	215
Release of allowances for receivables	6	14
Refund of the costs of court proceedings	115	4
Substitute performance	252	170
Release of write-downs of inventories	5	0
Other	15	26
Total	417	1,356

4.3.4. Other operating expenses

	Period ended 31-03-2025	Period ended 31-03-2024
Loss on disposal of assets:	0	0
Loss on disposal of non-current assets	0	0
Other operating expenses:	1,273	329
Donations	10	11
Damages and penalties	0	4
Making of allowances on receivables	904	2
Costs of litigations	74	129
Substitute performance	252	170
Other	33	13
Total	1,273	329

4.3.5. Finance income

	Period ended 31-03-2025	Period ended 31-03-2024
Interest income:	317	501
Interest on bank deposits	278	496
Interest on loans	0	5
Interest on receivables	39	0
Other finance income:	88	25
Foreign exchange gains	0	5
Discounting of long-term items	88	0
Financial guarantees	0	1
Release of write-downs of advanced loans	0	18
Other	0	1
Total	405	526

4.3.6. Finance costs

	Period ended 31-03-2025	Period ended 31-03-2024
Interest expense:	1,207	1,042
Interest on bank credits	73	110
Interest on loans	0	261
Interest on lease liabilities	1,053	665
Interest on trade and other payables	81	6
Other finance costs:	689	2,183
Foreign exchange losses	683	1,092
Discounting of long-term items	5	1,091
Other	1	0

Total	1,896	3,225
-------	-------	-------

4.3.7. Income tax

Income tax recognised in the statement of comprehensive income

	Period ended 31-03-2025	Period ended 31-03-2024
Current income tax	0	0
Deferred tax	-1,231	2,074
Total tax expense (income)	-1,231	2,074

Income tax according to effective interest rate

	31-03-2025	31-03-2024
Gross profit (loss)	-6,035	3,006
Income tax at the applicable rate of 19%	-1,148	571
Effect of tax recognition of:	-243	1,503
- Utilization of prior-year tax losses	0	70
- Expenses non-deductible under tax regulations and tax-deductible expenses not recognized in accounting (permanent differences)	196	836
- Revenues not recognised as revenues under tax regulations and tax revenues not recognized in accounting (permanent differences)	-6	555
- Difference due to the application of local tax rates - 16% Romania	-445	1,292
- Tax losses for which no deferred tax asset has been recognised	160	0
Income tax according to effective tax rate	-1,231	2,074
effective tax rate	20%	69%

Current tax assets and liabilities

	31-03-2025	31-12-2024
Current tax assets		
Tax refundable	14	14
Current tax liabilities		
Tax payable	0	0

Deferred tax

	31-03-2025	31-03-2024
Deferred tax balance at the beginning of the period	19,648	21,037
Increase/decrease in balance on acquisition/sale of company shares	-18	0
Temporary differences relating to deferred tax assets:	59,634	90,735
Provisions for costs and accruals	30,912	50,107
Discounting of receivables	417	658
Operating lease liabilities	8,221	3,521
Write-downs	765	539
Warranties and insurance premiums recognised over time	1,731	2,447
Tax work in progress	16,098	29,106
Valuation of long-term contracts	1,417	6,003
Other	73	-1,646
Temporary differences relating to deferred tax liabilities:	55,281	78,979
Valuation of long-term contracts	32,119	60,419
Difference between the carrying and tax amount of property, plant and equipment and intangible assets	19,875	15,449
Discounting of payables	2,462	3,111
Other	825	0
Unused tax losses and other tax credits to be carried forward:	16,508	7,207
Tax losses	16,508	7,207
Total temporary differences relating to deferred tax assets:	76,142	97,942
Total temporary differences relating to deferred tax liabilities:	55,281	78,979
Deferred tax balance at the end of the period	20,861	18,963
Change in deferred tax, including:	1,231	-2,074
- recognised in income	1,231	-2,074
- recognised in equity	0	0

Deferred tax recognised in equity arises 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; and
- Sales.

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 segment covers the works carried out by ZUE, Energopol and NTB Systemy. 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. NTB Systemy deals with the construction, modernization, and maintenance of tram tracks, particularly those based on structures/systems incorporating chemical materials, including polyurethane compounds, epoxy resins, adhesives, paints, coatings, mats, and vibration-isolation absorbers.

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

The accounting principles applied to the segments are the same as the principles contained 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 segment results for the first quarter of 2025:

	Construction	Sales	Exclusions	Total
Sales revenue	166,928	16,097	-2,891	180,134
including:				
Revenue from external customers	166,524	13,610	0	180,134
Inter-segment revenues	404	2,487	-2,891	0
including:				
Revenue from construction contracts	164,271	0	0	164,271
Revenue from the provision of services	1,919	1	-405	1,515
Revenue from the sale of goods, raw and other materials	738	16,096	-2,486	14,348
Gross profit	4,751	849	-175	5,425
Finance income / costs	-1,230	-262	1	-1,491
Interest received	436	0	-171	265
Interest paid	-1,695	-131	170	-1,656
Pre-tax profit	-5,595	-297	-143	-6,035
Income tax	-1,167	-37	-27	-1,231
Net profit	-4,428	-260	-116	-4,804
Depreciation and amortisation	4,094	18	0	4,112
Property, plant and equipment	66,105	143	0	66,248
Non-current assets	218,547	346	-6,991	211,902
Total assets	671,033	25,813	-18,660	678,186
Total liabilities	469,293	18,987	-11,641	476,639

In the reporting period, the Group provided services in Poland and abroad. Revenue from construction contracts includes PLN 29,821 thousand relating to the contracts performed in Romania and PLN 82 thousand relating to the contracts performed in Slovakia.

Operating segment results for the first quarter of 2024:

Restated

	Construction	Sales	Exclusions	Total
Sales revenue	289,429	12,679	-2,123	299,985
including:				
Revenue from external customers	289,235	10,750	0	299,985
Inter-segment revenues	194	1,929	-2,123	0
including:				
Revenue from construction contracts	285,052	0	0	285,052
Revenue from the provision of services	2,147	5	-194	1,958
Revenue from the sale of goods, raw and other materials	2,230	12,674	-1,929	12,975
Gross profit	11,716	805	45	12,566
Finance income / costs	-2,455	-244	0	-2,699

Interest received	631	0	-160	471
Interest paid	-1,313	-149	160	-1,302
Pre-tax profit	3,196	-246	56	3,006
Income tax	2,060	3	11	2,074
Net profit	1,136	-249	45	932
Depreciation and amortisation	3,745	24	0	3,769
Property, plant and equipment	68,383	229	0	68,612
Non-current assets	198,051	466	-5,994	192,523
Total assets	780,899	23,298	-13,183	791,014
Total liabilities	580,550	16,690	-7,233	590,007

In the reporting period, the Group provided its services in Poland and abroad. Revenue from construction contracts includes the amount of PLN 39,981 thousand relating to the contracts performed in Romania and PLN 1,253 thousand relating to the contract performed in Latvia.

4.4. Contracts, provisions, write-downs and accruals

4.4.1. Construction contracts

	31-03-2025	31-12-2024
Assets (selected balance sheet data)	330,122	282,347
- Valuation of long-term construction contracts	271,626	223,923
- Advances paid for ongoing contracts	3,079	3,960
- Deposits under construction contracts withheld by customers	34,190	39,152
- Inventories	21,227	15,312
Liabilities (selected balance sheet data)	284,903	285,016
- Valuation of long-term construction contracts	7,456	9,132
- Provisions for contract costs	134,696	116,332
- Advances received for ongoing contracts	61,697	74,590
- Deposits under construction contracts withheld for suppliers	53,038	56,156
- Provisions for warranty claims	26,661	26,232
- Provisions for expected losses on contracts	1,355	2,574

4.4.2. Provisions

Change in provisions

Provisions	01-01-2025	Created	Used	Released	Reclassified	31-03-2025	Item
Long-term provisions:	25,638	1,168	646	0	-116	26,044	
Provisions for employee benefits	1,881	0	0	0	0	1,881	Liabilities under employee benefits (long-term)
Provisions for warranty claims	23,757	1,168	646	0	-116	24,163	Long-term provisions
Other provisions	0	0	0	0	0	0	Long-term provisions
Short-term provisions:	37,598	9,372	3,028	1,468	116	42,590	
Provisions for employee benefits	31,206	9,298	2,977	133	0	37,394	Liabilities under employee benefits (short-term)
Provisions for warranty	2,475	0	22	71	116	2,498	Short-term

claims							provisions
Provision for loss on contracts	2,574	45	0	1,264	0	1,355	Short-term provisions
Other provisions	1,343	29	29	0	0	1,343	Short-term provisions
Total provisions:	63,236	10,540	3,674	1,468	0	68,634	

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 is due to the increase in the progress of works on contracts. The result of the increase in the progress of works is the incurred costs. With the increasing progress of works on loss-making projects, a loss provision is gradually released.

Comparative information:

Provisions	01-01-2024	Created	Used	Released	Reclassified	31-03-2024	Item
Long-term provisions:	22,663	7,676	1,598	367	-2,736	25,638	
Provisions for employee benefits	2,056	192	0	367	0	1,881	Liabilities under employee benefits (long-term)
Provisions for warranty claims	20,607	7,484	1,598	0	-2,736	23,757	Long-term provisions
Other provisions	0	0	0	0	0	0	Long-term provisions
Short-term provisions:	56,450	34,047	24,463	31,172	2,736	37,598	
Provisions for employee benefits	40,852	26,353	23,899	12,100	0	31,206	Liabilities under employee benefits (short-term)
Provisions for warranty claims	1,144	10	564	851	2,736	2,475	Short-term provisions
Provision for loss on contracts	14,454	6,341	0	18,221	0	2,574	Short-term provisions
Other provisions	0	1,343	0	0	0	1,343	Short-term provisions
Total provisions:	79,113	41,723	26,061	31,539	0	63,236	

4.4.3. Write-downs and allowances

Change in write-downs and allowances

Write-downs and allowances	01-01-2025	Creation	Use	Release	31-03-2025
Write-downs and allowances:	34,890	1,810	0	280	36,420
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	135	0	0	0	130
Allowances on trade receivables in connection with the increase of credit risk	31,942	1,810	0	275	33,477
Allowances on trade receivables for expected credit losses	250	0	0	0	250
Write-downs of deposits	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 advanced loans	1,499	0	0	0	1,499
Total:	34,890	1,810	0	280	36,420

Allowances for trade receivables of PLN 33.5 million include:

- Debit notes issued by the Group for penalties, damages and substitute performance of PLN 30.2 million – the amount is presented for disclosure purposes only as the debit notes do not constitute revenue for the Group at the time of their issuance, the biggest items are the notes issued in prior years of PLN 29.6 million;
- Receivables under court and enforcement cases of PLN 1.4 million;
- Doubtful debt of PLN 1.9 million.

Change in loss allowances on receivables

Change in allowances for trade receivables influencing the profit or loss includes the release of allowances of PLN 6 thousand and the creation of allowances of PLN 904 thousand. The remaining balance is for presentation purposes only and arises, *inter alia*, from the debit notes issued by the Group for the penalties and damages that are not the Group's revenue at the time of their issuance.

Comparative information:

Write-downs and allowances	01-01-2024	Creation	Use	Release	31-12-2024
Write-downs and allowances:	37,554	11,488	10,101	4,051	34,890
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	134	0	0	135
Allowances on trade receivables in connection with the increase of credit risk	34,299	11,234	10,101	3,490	31,942
Allowances on trade receivables for expected credit losses	250	120	0	120	250
Write-downs of deposits	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 advanced loans	1,940	0	0	441	1,499
Total:	37,554	11,488	10,101	4,051	34,890

4.4.4. Accruals

	31-12-2025	31-12-2024
Provisions for contract costs	134,696	116,332
Other accruals	805	1,386
Total	135,501	117,718

4.5. Trade and other receivables and payables

4.5.1. Trade and other receivables

	31-03-2025	31-12-2024
Trade receivables	118,452	201,977
Allowances for trade receivables in connection with the increase of credit risk	-33,477	-31,942
Allowances for trade receivables for expected credit losses	-250	-250
Budgetary receivables other than corporate income tax	5,275	0
Other receivables	4,053	4,174
Total trade and other receivables	94,053	173,959

The item "Other receivables" includes the security provided in connection with the financing agreement of PLN 4,000 thousand.

Concentration of (gross) trade receivables that exceed 10% of total receivables

	31-03-2025	31-12-2024
Counterparty A	25,464	70,164
Counterparty B	15,670	24,539
Counterparty C	16,542	

The concentration of credit risk is limited due to the fact that the creditability of the abovementioned Counterparties A, B and C assessed, *inter alia*, by analysing their financial standing, is high and the fact that the counterparty meets additional requirements concerning the settlement of the EU funds. The Counterparties have been the Company's customers for many years. The State Treasury holds a majority stake in the Counterparty A as a result of which the Counterparty's creditworthiness is even higher. The Counterparties B and C are owned by local government units. Therefore, the Management Board of the Company believe there is no need to create additional provisions.

4.5.2. Trade and other payables

	31-03-2025	31-12-2024
Trade payables	63,385	98,616
Budgetary liabilities other than corporate income tax	2,910	13,058
Other payables	348	495
Total trade and other payables	66,643	112,169

4.6. Bank credits, leases and management of capital

4.6.1. Bank credits

	31-03-2025	31-12-2024
Long-term	0	0
Bank credits	0	0
Short-term	19,489	25,515
Bank credits	19,489	25,515
Total	19,489	25,515

Summary of credit agreements as at 31 March 2025

No.	Bank	Description	Principal/limit according to the agreement as at 31-03-2025	Amount of available loans/credits as at 31-03-2025	Use as at 31-03-2025	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		120	1M WIBOR + margin	June 2025
	including:	guarantee sublimit	25,000	24,880	120		
		non-revolving working capital credit	25,000	24,880	0		
3	Alor Bank S.A.	Multicurrency credit limit agreement	75,000		30,000	1M WIBOR + margin	
	including:	guarantee sublimit	75,000	45,000	30,000		June 2025
		overdraft	1,500	1,500	0		June 2026
4	Alor Bank S.A.	Revolving credit facility agreement	28,000	11,485	16,515	1M WIBOR + margin	June 2025
5	BFF Polska S.A.	Master mandate agreement	24,000	24,000	0	1M WIBOR + margin	June 2025
6	Bank	Multiproduct line	30,000	30,000	0	1M WIBOR +	December

	Millennium S.A.	agreement				margin	2025
	including:	revolving credit sublimit	20,000	20,000	0		
		guarantee line	30,000	30,000	0		
7	mBank S.A.	Working capital credit	3,050	76	2,974	1M WIBOR + margin	June 2025
8	Bank Pekao S.A.	Overdraft agreement	3,000	3,000	0	1M WIBOR + margin	November 2025
	Total amount of available loans and credits			99,941			
	Total debt arising from loans and credits				19,489		
	Total use for guarantees				30,120		

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

Types of security and liabilities under credit 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 a guarantee expiring after 36 months;
 - c) Financial pledge on cash kept on customer's 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) Security deposit established each time for a guarantee expiring after 36 months.
4. Revolving credit facility 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.
5. Master mandate agreement:
 - a) Remuneration in the form of a right to cash consideration arising from receivables.
6. Multiproduct line agreement:
 - a) Statement on submission to enforcement;
 - b) Contractual mortgage up to PLN 48,000 thousand on the real estate in Cracow owned by a subsidiary;
 - c) Subsidiary's statement on submission to enforcement;
 - d) Power of attorney to the bank account.
7. Working capital credit:
 - a) ZUE's guarantee;
 - b) Financial pledge on cash kept on bank accounts;
 - c) Statement on submission to enforcement;
 - d) ZUE's statement on submission to enforcement.
8. Overdraft agreement:
 - a) Power of attorney to the bank accounts;
 - b) Blank promissory note with declaration;
 - c) Statement on submission to enforcement;
 - d) ZUE's guarantee;
 - e) ZUE's statement on submission to enforcement.

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

- Bank Pekao – Overdraft agreement (item 8) – on 11 March 2025, a subsidiary signed the overdraft agreement of PLN million to be repaid by 30 November 2025.

The following changes occurred after the end of the reporting period:

- Alior Bank – Multicurrency credit limit agreement (item 3) – on 30 April 2025, a portion of the credit of PLN 6 million was repaid by the Company.

Comparative information:

No.	Bank	Description	Principal/limit according to the agreement as at 31-12-2024	Amount of available loans/credits as at 31-12-2024	Use as at 31-12-2024	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		13,123	1M WIBOR + margin	June 2025
	including:	guarantee sublimit	25,000	11,877	13,123		
		non-revolving working capital credit	25,000	11,877	0		
3	Alior Bank S.A.	Multicurrency credit limit agreement	75,000		30,000	1M WIBOR + margin	
	including:	guarantee sublimit	75,000	45,000	30,000		June 2025
		overdraft	1,500	1,500	0		June 2026
4	Alior Bank S.A.	Revolving credit facility agreement	40,000	14,485	25,515	1M WIBOR + margin	June 2025
5	BFF Polska S.A.	Master mandate agreement	24,000	24,000	0	1M WIBOR + margin	June 2025
6	Bank Millennium S.A.	Multiproduct line agreement	30,000	30,000	0	1M WIBOR + margin	December 2025
	including:	revolving credit sublimit	20,000	20,000	0		
		guarantee line	30,000	30,000	0		
7	mBank S.A.	Working capital credit	3,050	3,050	0	1M WIBOR + margin	June 2025
	Total amount of available loans and credits			89,912			
	Total debt arising from loans and credits				25,515		
	Total use for guarantees				43,123		

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

4.6.2. Leases

Lease liabilities

	31-03-2025	31-12-2024
Long-term lease liabilities	42,102	44,459
Short-term lease liabilities	8,783	8,921
Total	50,885	53,380

The Group's lease liabilities in the first quarter of 2025 increased by PLN 231 thousand. No leased assets were purchased by the Group in the first quarter of 2025.

No leaseback agreements were entered into by the Group in the reporting period.

4.6.3. Management of capital

	31-03-2025	31-12-2024
Long- and short-term loans and bank credits	19,489	25,515
Long- and short-term lease liabilities	50,885	53,380
Long- and short-term other financial liabilities	36	36
Total financial liabilities	70,410	78,931
Cash and cash equivalents	30,478	52,676
Net debt	39,932	26,255
Equity	201,547	206,351
Net debt to equity ratio	19.81%	12.72%

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 required for day-to-day operations, the schedule of contract/order financing, the cost of capital and the risks associated with each class of the capital.

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

Positive net debt is due to the fact that the amount of total financial liabilities at the end of the first quarter of 2025 was higher than the amount of cash at the Group following the allocation of funds to the production process.

The information on the financial ratios contained in this report is monitored on a regular basis and presented in subsequent interim reports. The definitions of alternative measures are derived from the layout of individual line items presented in the 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 information 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 segment.

The goodwill of NTB Systemy arises from the acquisition of 100% of NTB Systemy shares and the control taken on 4 February 2025. The acquisition of NTB Systemy was accounted for on the basis of the information contained in the separate financial statements of NTB Systemy as at 31 December 2025 and was recognised for the first time in these condensed consolidated financial statements of the Capital Group.

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

At cost	31-03-2025	31-12-2024
Goodwill of PRK	31,172	31,172
Goodwill of NTB Systemy	265	0
Balance at the end of the reporting period	31,437	31,172

Goodwill impairment test

After it has considered external circumstances influencing a long-term market capitalization of the Company below the carrying amount, the Group carries out tests for the impairment of assets. The impairment tests carried out as at 31 December 2024 according to IAS 36 *Impairment of Assets* revealed no indication of impairment of the carrying amount of the Company's assets. As at 31 March 2025, the Group 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 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 437 thousand.

As at 31 March 2025, net liabilities incurred to purchase property, plant and equipment amounted to PLN 144 thousand.

As at 31 March 2024, net liabilities incurred to purchase property, plant and equipment amounted to PLN 160 thousand.

Major investments in property, plant and equipment and intangible assets made by the Group in the reporting period included, first of all, complete overhauls of vehicles (mainly wagons) of PLN 206 thousand.

In the first quarter of 2025, the Group sold the property, plant and equipment and intangible assets whose net carrying amount was PLN 0 thousand. In the first quarter of 2024, the Group sold the property, plant and equipment and intangible assets with the total net carrying amount of PLN 326 thousand.

4.7.3. Financial instruments

The following table sets out the carrying amounts of the Group's financial instruments broken down by individual classes and categories of assets and liabilities.

Balance as at 31 March 2025

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
Deposits under construction contracts (before discount)	36,292	0	0	0	59,638
Trade receivables	118,452	0	0	0	0
Other receivables	4,053	0	0	0	0
Other financial liabilities	0	0	0	0	36
Advanced loans	4,792	0	0	0	0
Cash and cash equivalents	0	30,478	0	0	0
Loans and bank credits	0	0	0	0	19,489
Lease liabilities	0	0	0	0	50,885
Trade payables	0	0	0	0	63,385
Total	163,589	30,478	0	0	193,433

The Group did not make any changes to the classification of financial instruments, nor were there any transfers between the different levels of the fair value hierarchy in the reporting period.

The fair value of financial assets and liabilities measured at amortised cost is similar to their carrying amount.

Balance as at 31 December 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
Deposits under construction contracts (before discount)	41,686	0	0	0	62,965
Trade receivables	201,977	0	0	0	0
Other receivables	4,174	0	0	0	0
Other financial liabilities	0	0	0	0	36
Advanced loans	4,792	0	0	0	0
Cash and cash equivalents	0	52,676	0	0	0
Loans and bank credits	0	0	0	0	25,515
Lease liabilities	0	0	0	0	53,380
Trade payables	0	0	0	0	98,616
Total	252,629	52,676	0	0	240,512

The Group did not make any changes to the classification of financial instruments, nor were there any transfers between the different levels of the fair value hierarchy in the reporting period.

4.7.4. Transactions with related parties

	Receivables		Payables	
	31-03-2025	31-12-2024	31-03-2025	31-12-2024
RTI	0	0	0	0
Wiesław Nowak	0	0	0	0
Family Foundation	1	1	0	0
Total	1	1	0	0

	Revenues		Purchases	
	31-03-2025	31-03-2024	31-03-2025	31-03-2024
RTI	1	1	0	0
Wiesław Nowak	0	0	0	0
Family Foundation	1	1	0	0
Total	2	2	0	0

	Advanced loans		Finance income (interest on loans)	
	31-03-2025	31-12-2024	31-03-2025	31-03-2024
RTI	0	0	0	0
Wiesław Nowak	0	0	0	0
Family Foundation	0	0	0	0
Total	0	0	0	0

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 concerned the rental of rooms.

Remuneration of key management personnel

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

4.7.5. 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: "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 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 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 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 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. The case is pending.

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 Gołbki/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."

In all of these cases, the Defendant filed a defence requesting that the claims be dismissed. All cases are pending. 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.

Two inflation claims in the total amount of approximately PLN 7m 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. On 24 October 2024, the Court delivered a judgment fully upholding the claims set out in the statement of claim. The judgment was appealed against by the defendant. 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 31 March 2025 or 31 December 2024.

4.7.7. Contingent assets and contingent liabilities and security on property

Contingent assets

	31-03-2025	31-12-2024
Bonds	96,262	118,244
Promissory notes	19,753	19,872
Total	116,015	138,116

Contingent assets arising from bonds include the bonds provided by banks and insurance companies for the benefit of the companies within the Group to secure their claims relating to subcontracted construction services and the repayment of advances.

The Group also received promissory notes from counterparties which serve as security for ZUE's claims against these entities in respect of loans advanced, the repayment of advances and other security provided under concluded contracts.

Contingent liabilities and security on property

	31-03-2025	31-12-2024
Bonds	457,496	537,109
Guarantees	51,885	42,892
Promissory notes	324,215	343,278
Mortgages	226,529	226,529
Pledges	171,616	174,871
Total	1,231,741	1,324,679

Contingent liabilities arising from bonds for the benefit of third parties primarily include bid bonds, performance bonds, defects liability bonds and advance repayment 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 arising from guarantees serve as security for credits, bonds and leases provided to the Group companies 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., ING Bank Śląski S.A. and Millennium S.A., the insurance agreement with PZU S.A. and the guarantee limit agreement with PEKAO S.A.

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

There is also a financial pledge over the funds kept on the Borrower's bank accounts to secure the agreements between the companies within the Group 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 31 March 2025 or 31 December 2024.

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. Use 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 31 March 2025 as endorsed by the European Union.

The consolidated financial statements for the three months ended 31 March 2025 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 2025:

- **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).

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:

- **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);
- **Amendments to IFRS 9 and IFRS 7** – contracts referencing nature-dependent electricity (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).

According to the Group's estimates, the abovementioned standards, excluding IFRS 18, or amendments to the standards would not have any material influence on the consolidated financial statements if they were used by the Group as at the balance sheet date. As regards IFRS 18, the Company analyses the influence of the new standard, however the preliminary analyses indicate that the scope and presentation of financial information may differ from the current financial statements.

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 three months ended 31 March 2025, the Group recognised the sales revenue of PLN 180.1 million and the gross profit on sales of PLN 5.4 million. As at 31 March 2025, the Group reported the total current assets of PLN 466.3 million, including trade and other receivables of PLN 94.1 million and the cash of approximately PLN 30.5 million. At the end of the reporting period, the Group had the backlog worth approximately PLN 1,316 million and was in the process of obtaining 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 re-invoiced items and the associated expenses in the statement of comprehensive income according to their netted balance. Accordingly, the comparative period data was restated and the current period data was presented in line with the above approach.

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

	Restated 3 months ended 31-03-2024	Approved 3 months ended 31-03-2024	Effect of changes
Continuing operations			
Sales revenue	299,985	316,182	-16,197
Cost of sales	287,419	303,616	-16,197
Gross profit (loss) on sales	12,566	12,566	0
Operating profit (loss)	5,705	5,705	0
Pre-tax profit (loss)	3,006	3,006	0
Net profit (loss) from continuing operations	932	932	0
Net profit (loss)	932	932	0
Other net comprehensive income			
Total other net comprehensive income	0	0	0
Total comprehensive income	932	932	0

4.8.2.4. Applied accounting principles

These quarterly consolidated financial statements for the three months ended 31 March 2025 have been prepared according to the same accounting principles and measurement methods as those used in the last annual financial statements of the Group as at 31 December 2024. The financial statements for the financial year ended 31 December 2024 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 to make judgments, estimates and assumptions that affect the adopted policies 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, among other things, to:

Impairment of goodwill (note 4.7.1.)

Useful economic lives of non-current assets

Loss allowances for 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.)

No revisions to estimates occurred in the reporting period.



ZUE S.A.

CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR 3 MONTHS ENDED 31 MARCH 2025

Cracow, 21 May 2025

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

Separate statement of comprehensive income

Restated

Continuing operations	Note	3 months ended 31-03-2025	3 months ended 31-03-2024
Sales revenue	2.1.1.	162,507	280,940
Cost of sales	2.1.2.	158,564	269,939
Gross profit (loss) on sales		3,943	11,001
General and administrative expenses	2.1.2.	7,689	6,632
Other operating income	2.1.3.	414	1,340
Other operating expenses	2.1.4.	1,241	320
Operating profit (loss)		-4,573	5,389
Finance income	2.1.5.	724	792
Finance costs	2.1.6.	1,862	3,020
Pre-tax profit (loss)		-5,711	3,161
Income tax	2.1.7.	-1,359	2,066
Net profit (loss) from continuing operations		-4,352	1,095
Net profit (loss)		-4,352	1,095
Other net comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gains (losses) relating to defined benefit plans		0	0
Other total net comprehensive income		0	0
Total comprehensive income		-4,352	1,095
Number of shares		23,030,083	23,030,083
Net profit (loss) per share (PLN) (basic and diluted)		-0.19	0.05
Total comprehensive income per share (PLN)		-0.19	0.05

Separate statement of financial position

ASSETS	Note	31-03-2025	31-12-2024
Non-current assets			
Property, plant and equipment		62,272	63,971
Investment property		8,550	8,665
Intangible assets		1,717	1,891
Right-of-use assets		63,773	64,945
Goodwill	2.5.1.	31,172	31,172
Investments in subordinates		7,894	6,594
Deposits under construction contracts		6,703	7,782
Deferred tax assets	2.1.7.	21,488	20,129
Advanced loans		2,705	2,705
Total non-current assets		206,274	207,854
Current assets			
Inventories		20,818	14,940
Trade and other receivables	2.3.1.	84,888	155,343
Valuation of long-term construction contracts	2.2.1.	264,860	220,339
Deposits under construction contracts		27,181	31,164
Advances		3,079	3,960
Current tax assets	2.1.7.	0	0
Advanced loans		9,478	9,478
Other assets		3,391	3,261
Cash and cash equivalents		26,646	45,678
Total current assets		440,341	484,163
Total assets		646,615	692,017

EQUITY AND LIABILITIES	Note	31-03-2025	31-12-2024
Equity			
Share capital		5,758	5,758
Share premium account		93,837	93,837
Treasury shares		-2,690	-2,690
Retained earnings		97,484	101,836
Total equity		194,389	198,741
Non-current liabilities			
Long-term lease liabilities	2.4.2.	39,097	41,257
Deposits under construction contracts		22,848	23,005
Liabilities under employee benefits		1,688	1,688
Long-term provisions	2.2.2.	23,300	22,950
Total non-current liabilities		86,933	88,900
Current liabilities			
Trade and other payables	2.3.2.	54,864	91,118
Accruals	2.2.4.	134,368	115,222
Valuation of long-term construction contracts	2.2.1.	7,456	9,132
Deposits under construction contracts		30,155	32,758
Advances		61,697	74,590
Short-term loans and bank credits	2.4.1.	16,515	25,515
Short-term lease liabilities	2.4.2.	8,291	8,501
Other financial liabilities		36	36
Liabilities under employee benefits		48,085	42,483
Current tax liabilities		0	0
Short-term provisions		3,826	5,021
Total current liabilities		365,293	404,376
Total liabilities		452,226	493,276
Total equity and liabilities		646,615	692,017

Separate statement of changes in equity

	Share capital	Share premium account	Treasury shares	Retained earnings	Total equity
Balance at 1 January 2025	5,758	93,837	-2,690	101,836	198,741
Dividend	0	0	0	0	0
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	-4,352	-4,352
Other net comprehensive income	0	0	0	0	0
Total changes in equity	0	0	0	-4,352	-4,352
Balance at 31 March 2025	5,758	93,837	-2,690	97,484	194,389

	Share capital	Share premium account	Treasury shares	Retained earnings	Total equity
Balance at 1 January 2024	5,758	93,837	-2,690	96,081	192,986
Dividend	0	0	0	0	0
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	1,095	1,095
Other net comprehensive income	0	0	0	0	0
Total changes in equity	0	0	0	1,095	1,095
Balance at 31 March 2024	5,758	93,837	-2,690	97,176	194,081

	Share capital	Share premium account	Treasury shares	Retained earnings	Total equity
Balance at 1 January 2024	5,758	93,837	-2,690	96,081	192,986
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	10,262	10,262
Other net comprehensive income	0	0	0	274	274
Total changes in equity	0	0	0	5,755	5,755
Balance at 31 December 2024	5,758	93,837	-2,690	101,836	198,741

Separate statement of cash flows

	3 months ended 31-03- 2025	3 months ended 31-03-2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	-5,711	3,161
Adjustments for:		
Depreciation and amortisation	3,873	3,501
Foreign exchange gains / (losses)	638	115
Interest and share in profit (dividends)	526	208
Gain / (loss) on disposal of investments	-18	-898
Operating profit (loss) before changes in working capital	-692	6,087
Change in receivables and deposits under construction contracts	75,239	14,757
Change in inventories	-5,878	7,968
Change in provisions and liabilities under employee benefits	4,758	723
Change in payables and deposits under construction contracts	-39,123	-78,076
Change in valuation of construction contracts	-46,197	-100,585
Change in accruals	19,146	-12,356
Change in advances	-12,012	-10,894
Change in other assets	-130	-613
Income tax paid / (tax refund)	0	-4,920
NET CASH FROM OPERATING ACTIVITIES	-4,889	-177,909
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of property, plant and equipment and intangible assets	296	1,120
Purchase of property, plant and equipment and intangible assets	-417	-366
Purchase of financial assets in related parties	-1,300	0
Repayment of advanced loans	0	2,018
Interest received	436	631
NET CASH FROM INVESTING ACTIVITIES	-985	3,403
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans and bank credits	-9,000	-2,500
Decrease in lease liabilities	-2,225	-4,539
Interest paid	-1,295	-1,192
NET CASH FLOWS FROM FINANCING ACTIVITIES	-12,520	-8,231
TOTAL NET CASH FLOWS	-18,394	-182,737
Net foreign exchange differences	-638	-115
TOTAL NET CASH FLOWS NET OF FOREIGN EXCHANGE DIFFERENCES	-19,032	-182,852
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	45,678	212,159
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, including:	26,646	29,307
- of limited availability	9,460	5,725

Notes to the condensed separate financial statements of ZUE

1. General information

1.1. Core business of ZUE

ZUE's core business has not changed.

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 details.

2. Financial information

2.1. Notes to the statement of comprehensive income

2.1.1. Revenue

	Period ended 31-03-2025	Period ended 31-03-2024
Revenue from construction contracts	160,069	276,778
Revenue from the provision of services	1,711	1,935
Revenue from the sale of goods, raw and other materials	727	2,227
Total	162,507	280,940

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 includes the amount of PLN 29,821 thousand related to the contracts performed in Romania and the revenue from the provision of services includes the amount of PLN 82 thousand for the services provided in Slovakia.

The biggest portion of the Company's revenue is derived from long-term construction contracts. The entire revenue is presented by the Company in a single reporting segment: construction activity.

Concentration of revenue exceeding 10% of total sales revenue

	Period ended	
	31-03-2025	31-03-2024
Counterparty A	70,767	77,733
Counterparty B	23,729	123,737
Counterparty C	27,789	
Counterparty D	20,422	

After restating the comparative data and presenting the revenues from re-invoiced items and the corresponding costs on a net basis in the statement of comprehensive income, the revenues from counterparty C in the comparative period no longer exceed the 10% threshold of total sales revenues and, therefore, have not been included in the above note.

2.1.2. Operating expenses

	Period ended 31-03-2025	Period ended 31-03-2024
Change in products	-2,770	-703
Depreciation and amortization	3,873	3,501
Consumption of materials and energy, including:	33,226	74,994
- <i>consumption of materials</i>	31,436	71,208
- <i>consumption of energy</i>	1,790	3,786
Contracted services	93,282	154,689
Employee benefits expense, including:	36,094	32,667
- <i>salaries and wages</i>	28,820	25,754
- <i>social security and other benefits</i>	7,274	6,913
Taxes and charges	778	634
Other expenses	1,239	8,843
Value of goods and materials sold	531	1,946
Total	166,253	276,571

	Period ended 31-03-2025	Period ended 31-03-2024
Cost of sales	158,564	269,939
General and administrative expenses	7,689	6,632
Total	166,253	276,571

Depreciation and amortisation

	Period ended 31-03-2025	Period ended 31-03-2024
Depreciation of property, plant and equipment	2,210	2,192
Depreciation of right-of-use assets	1,359	1,028
Amortisation of intangible assets	174	151
Depreciation of investments in real property	130	130
Total	3,873	3,501

2.1.3. Other operating income

	Period ended 31-03-2025	Period ended 31-03-2024
Gain on disposal of assets:	18	898
Gain on disposal of non-current assets	18	898
Other operating income:	396	442
Damages and penalties	5	215
Release of allowances for receivables	6	14
Refund of the costs of court proceedings	115	4
Substitute performance	252	170
Other	18	39
Total	414	1,340

2.1.4. Other operating expenses

	Period ended 31-03-2025	Period ended 31-03-2024
Loss on disposal of assets:	0	0
Loss on disposal of non-current assets	0	0
Other operating expenses:	1,241	320
Donations	10	11
Making of allowances on receivables	904	0
Costs of litigations	74	129
Substitute performance	252	170
Other	1	10
Total	1,241	320

2.1.5. Finance income

	Period ended 31-03-2025	Period ended 31-03-2024
Interest income:	488	661
Interest on bank deposits	278	496
Interest on loans	171	165
Interest on receivables	39	0
Other finance income:	236	131
Discounting of long-term items	87	0
Financial guarantees	149	112
Release of write-downs of advanced loans	0	18
Other	0	1
Total	724	792

2.1.6. Finance costs

	Period ended 31-03-2025	Period ended 31-03-2024
Interest expense:	1,040	862
Interest on bank credits	0	20
Interest on loans	0	261
Interest on lease liabilities	963	577
Interest on trade and other payables	77	4
Other finance costs:	822	2,158
Loss on disposal of investments	0	0
Foreign exchange losses	655	1,092
Discounting of long-term items	0	1,066
Financial guarantees	167	0
Total	1,862	3,020

2.1.7. Income tax

Income tax recognised in the statement of comprehensive income

	Period ended 31-03-2025	Period ended 31-03-2024
Current income tax	0	0
Deferred tax	-1,359	2,066
Total tax expense (income)	-1,359	2,066

Income tax according to effective interest rate

	31-03-2025	31-03-2024
Gross profit (loss)	-5,711	3,161
Income tax at the applicable rate of 19%	-1,085	601
Effect of tax recognition of:	-274	1,465
- Expenses non-deductible under tax regulations and tax-deductible expenses not recognized in accounting (permanent differences)	165	173

- Revenues not recognised as revenues under tax regulations and tax revenues not recognized in accounting (permanent differences)	-6	-1
- Difference due to the application of local tax rates - 16% Romania	-445	1,291
Income tax according to effective tax rate	-1,359	2,066
effective tax rate	24%	65%

Current tax assets and liabilities

	31-03-2025	31-12-2024
Current tax assets		
Tax refundable	0	0
Current tax liabilities		
Tax payable	0	0

Deferred tax

	31-03-2025	31-03-2024
Deferred tax balance at the beginning of the period	20,129	21,692
Temporary differences relating to deferred tax assets:	57,108	88,586
Provisions for costs and accruals	30,021	48,792
Discounting of receivables	387	639
Operating lease liabilities	7,557	2,872
Write-downs	738	537
Warranties and insurance premiums recognised over time	1,710	2,414
Tax work in progress	15,249	28,991
Valuation of long-term contracts	1,417	6,002
Other	29	-1,661
Temporary differences relating to deferred tax liabilities:	51,774	76,167
Valuation of long-term contracts	30,833	59,890
Difference between the carrying and tax amount of property, plant and equipment and intangible assets	17,705	13,239
Discounting of payables	2,411	3,038
Interest	0	0
Other	825	0
Unused tax losses and other tax credits to be carried forward:	16,154	7,207
Tax losses	16,154	7,207
Total temporary differences relating to deferred tax assets:	73,262	95,793
Total temporary differences relating to deferred tax liabilities:	51,774	76,167
Deferred tax balance at the end of the period	21,488	19,626
Change in deferred tax, including:	1,359	-2,066
- recognised in income	1,359	-2,066
- recognised in equity	0	0

Deferred tax recognised in equity arises 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

	31-03-2025	31-12-2024
Assets (selected balance sheet data)	322,641	278,185
- Valuation of long-term construction contracts	264,860	220,339
- Advances paid for ongoing contracts	3,079	3,960
- Deposits under construction contracts withheld by customers	33,884	38,946
- Inventories	20,818	14,940
Liabilities (selected balance sheet data)	283,140	281,538
- Valuation of long-term construction contracts	7,456	9,132
- Provisions for contract costs	133,858	114,082
- Advances received for ongoing contracts	61,697	74,590
- Deposits under construction contracts withheld for suppliers	53,003	55,763
- Provisions for warranty claims	25,772	25,398
- Provisions for expected losses on contracts	1,354	2,573

2.2.2. Provisions

Change in provisions

Provisions	01-01-2025	Created	Used	Released	Reclassified	31-03-2025	Item
Long-term provisions:	24,638	1,108	646	0	-112	24,988	
Provisions for employee benefits	1,688	0	0	0	0	1,688	Liabilities under employee benefits (long-term)
Provisions for warranty claims	22,950	1,108	646	0	-112	23,300	Long-term provisions
Other provisions	0	0	0	0	0	0	Long-term provisions
Short-term provisions:	35,427	9,053	2,804	1,468	112	40,320	
Provisions for employee benefits	30,406	9,008	2,787	133	0	36,494	Liabilities under employee benefits (short-term)
Provisions for warranty claims	2,448	0	17	71	112	2,472	Short-term provisions
Provision for loss on contracts	2,573	45	0	1,264	0	1,354	Short-term provisions
Other provisions	0	0	0	0	0	0	Short-term provisions
Total provisions:	60,065	10,161	3,450	1,468	0	65,308	

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 is due to the increase in the progress of works on contracts. The result of the increase in the progress of works is the incurred costs. With the increasing progress of works on loss-making projects, a loss provision is gradually released.

Comparative information:

Provisions	01-01-2024	Created	Used	Released	Reclassified	31-12-2024	Item
Long-term provisions:	21,767	7,376	1,598	339	-2,568	24,638	
Provisions for employee benefits	1,867	160	0	339	0	1,688	Liabilities under employee benefits (long-term)
Provisions for warranty claims	19,900	7,216	1,598	0	-2,568	22,950	Long-term provisions
Other provisions	0	0	0	0	0	0	Long-term provisions
Short-term provisions:	55,647	31,618	23,302	31,104	2,568	35,427	
Provisions for employee benefits	40,058	25,267	22,887	12,032	0	30,406	Liabilities under employee benefits (short-term)
Provisions for warranty claims	1,136	10	415	851	2,568	2,448	Short-term provisions
Provision for loss on contracts	14,453	6,341	0	18,221	0	2,573	Short-term provisions
Other provisions	0	0	0	0	0	0	Short-term provisions
Total provisions:	77,414	38,994	24,900	31,443	0	60,065	

2.2.3. Write-downs and allowances

Change in write-downs and allowances

Write-downs and allowances	01-01-2025	Creation	Use	Release	31-03-2025
Write-downs and allowances:	34,009	1,810	0	275	35,544
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
Allowances on trade receivables in connection with the increase of credit risk	31,196	1,810	0	275	32,731
Allowances on trade receivables for expected credit losses	250	0	0	0	250
Write-downs of deposits	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 advanced loans	1,499	0	0	0	1,499
Total:	34,009	1,810	0	275	35,544

Allowances for trade receivables of PLN 32.7 million include:

- Debit notes issued by the Company for penalties, damages and substitute performance of PLN 29.4 million - the amount is presented for disclosure purposes only as the debit notes do not constitute revenue for the Company at the time of their issuance, the biggest items are the notes issued in prior years of PLN 28.8 million;
- Receivables under court and enforcement cases of PLN 1.4 million;
- Doubtful debt of PLN 1.9 million.

Change in loss allowances on receivables

Change in allowances for trade receivables influencing the profit or loss includes the release of allowances of PLN 6 thousand and the creation of allowances of PLN 904 thousand. The remaining balance is for presentation purposes only and arises, *inter alia*, from the debit notes issued by ZUE for the penalties and damages that are not the Company's revenue at the time of their issuance.

Comparative information:

Write-downs and allowances	01-01-2024	Creation	Use	Release	31-12-2024
Write-downs and allowances:	37,541	10,620	10,101	4,051	34,009
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
Allowances on trade receivables in connection with the increase of credit risk	34,287	10,500	10,101	3,490	31,196
Allowances on trade receivables for expected credit losses	250	120	0	120	250
Write-downs of deposits	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 advanced loans	1,940	0	0	441	1,499
Total:	37,541	10,620	10,101	4,051	34,009

2.2.4. Accruals

	31-03-2025	31-12-2024
Provisions for contract costs	133,858	114,082
Other accruals	510	1,140
Total	134,368	115,222

2.3. Trade and other receivables and payables

2.3.1. Trade and other receivables

	31-03-2025	31-12-2024
Trade receivables	108,584	182,615
Allowances for trade receivables in connection with the increase of credit risk	-32,731	-31,196
Allowances for trade receivables for expected credit losses	-250	-250
Budgetary receivables other than corporate income tax	5,247	0
Other receivables	4,038	4,174
Total trade and other receivables	84,888	155,343

The item "Other receivables" includes the security provided in connection with the financing agreement of PLN 4,000 thousand.

Concentration of (gross) trade receivables that exceed 10% of total receivables

	31-03-2025	31-12-2024
Counterparty A	25,464	70,164
Counterparty B	15,670	24,539
Counterparty C	16,542	

The concentration of credit risk is limited due to the fact that the creditability of the abovementioned Counterparties A, B and C assessed, *inter alia*, by analysing their financial standing, is high and the fact that the counterparty meets additional requirements concerning the settlement of the EU funds. The Counterparties have been the Company's customers for many years. The State Treasury holds a majority stake in the Counterparty A as a result of which the

Counterparty's creditworthiness is even higher. The Counterparties B and C are owned by local government units. Therefore, the Management Board of the Company believe there is no need to create additional provisions.

2.3.2. Trade and other payables

	31-03-2025	31-12-2024
Trade payables	53,065	79,668
Budgetary liabilities other than corporate income tax	1,484	10,985
Other payables	315	465
Total trade and other payables	54,864	91,118

2.4. Bank credits, leases and management of capital

2.4.1. Bank credits

	31-03-2025	31-12-2024
Long-term	0	0
Bank credits	0	0
Short-term	16,515	25,515
Bank credits	16,515	25,515
Total	16,515	25,515

Summary of credit agreements as at 31 March 2025

No.	Bank	Description	Principal/limit according to the agreement as at 31-03-2025	Amount of available loans/credits as at 31-03-2025	Use as at 31-03-2025	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		120	1M WIBOR + margin	June 2025
	including:	guarantee sublimit	25,000	24,880	120		
		non-revolving working capital credit	25,000	24,880	0		
3	Alior Bank S.A.	Multicurrency credit limit agreement	75,000		30,000	1M WIBOR + margin	
	including:	guarantee sublimit	75,000	45,000	30,000		June 2025
		overdraft	1,500	1,500	0		June 2026
4	Alior Bank S.A.	Revolving credit facility agreement	28,000	11,485	16,515	1M WIBOR + margin	June 2025
5	BFF Polska S.A.	Master mandate agreement	24,000	24,000	0	1M WIBOR + margin	June 2025
6	Bank Millennium S.A.	Multiproduct line agreement	30,000	30,000	0	1M WIBOR + margin	December 2025
	including:	revolving credit sublimit	20,000	20,000	0		
		guarantee line	30,000	30,000	0		
	Total amount of available loans and credits			96,865			
	Total debt arising from loans and credits				16,515		
	Total use for guarantees				30,120		

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

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

1. and 2. Multiproduct line master agreement:

- Contractual joint mortgage on the real estate in Cracow;
- Security deposit established each time for a guarantee expiring after 36 months;

- c) Financial pledge on cash kept on customer's 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) Security deposit established each time for a guarantee expiring after 36 months.
- 4. Revolving credit facility 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.
- 5. Master mandate agreement:
 - a) Remuneration in the form of a right to cash consideration arising from receivables.
- 6. Multiproduct line agreement:
 - a) Statement on submission to enforcement;
 - b) Contractual mortgage up to PLN 48,000 thousand on the real estate in Cracow owned by a subsidiary;
 - c) Subsidiary's statement on submission to enforcement;
 - d) Power of attorney to the bank account.

No changes were made in the reporting period to particular credit agreements signed by the Company.

The following changes occurred after the end of the reporting period:

- Alior Bank – Multicurrency credit limit agreement (item 3) – on 30 April 2025, a portion of the credit of PLN 6 million was repaid by the Company.

Comparative information:

No.	Bank	Description	Principal/limit according to the agreement as at 31-12-2024	Amount of available loans/credits as at 31-12-2024	Use as at 31-12-2024	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		13,123	1M WIBOR + margin	June 2025
	including:	guarantee sublimit	25,000	11,877	13,123		
		non-revolving working capital credit	25,000	11,877	0		
3	Alior Bank S.A.	Multicurrency credit limit agreement	75,000		30,000	1M WIBOR + margin	
	including:	guarantee sublimit	75,000	45,000	30,000		June 2025
		overdraft	1,500	1,500	0		June 2026
4	Alior Bank S.A.	Revolving credit facility agreement	40,000	14,485	25,515	1M WIBOR + margin	June 2025
5	BFF Polska S.A.	Master mandate agreement	24,000	24,000	0	1M WIBOR + margin	June 2025
6	Bank Millennium S.A.	Multiproduct line agreement	30,000	30,000	0	1M WIBOR + margin	December 2025
	including:	revolving credit sublimit	20,000	20,000	0		
		guarantee line	30,000	30,000	0		
	Total amount of available loans and credits			86,862			
	Total debt arising from loans and credits				25,515		

	Total use for guarantees			43,123		
--	---------------------------------	--	--	---------------	--	--

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

2.4.2. Leases

Lease liabilities

	31-03-2025	31-12-2024
Long-term lease liabilities	39,097	41,257
Short-term lease liabilities	8,291	8,501
Total	47,388	49,758

The Company's lease liabilities in the first quarter of 2025 increased by PLN 231 thousand. No leased assets were purchased by the Company in the first quarter of 2025.

No leaseback agreements were entered into by the Company in the reporting period.

2.4.3. Management of capital

	31-03-2025	31-12-2024
Long- and short-term loans and bank credits	16,515	25,515
Long- and short-term lease liabilities	47,388	49,758
Long- and short-term other financial liabilities	36	36
Total financial liabilities	63,939	75,309
Cash and cash equivalents	26,646	45,678
Net debt	37,293	29,631
Equity	194,389	198,741
Net debt to equity ratio	19.18%	14.91%

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 required for day-to-day operations, 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, 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 the amount of total financial liabilities at the end of the first quarter of 2025 was higher than the amount of cash at the Company following the allocation of funds to the production process.

The information on the financial ratios contained in this report is monitored on a regular basis and presented in subsequent interim reports. The definitions of alternative measures are derived from the layout of individual line items presented in the 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	31-03-2025	31-12-2024
Goodwill of PRK	31,172	31,172
Balance at the end of the reporting period	31,172	31,172

ZUE merged with PRK on 20 December 2013. The control of PRK was taken 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 arise 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 has considered external circumstances influencing a long-term market capitalization of the Company below the carrying amount, the Company carries out tests for the impairment of assets. The impairment tests carried out as at 31 December 2024 according to IAS 36 *Impairment of Assets* revealed no indication of impairment of the carrying amount of the Company's assets. As at 31 March 2025, 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 417 thousand.

As at 31 March 2025, net liabilities incurred to purchase property, plant and equipment amounted to PLN 144 thousand.

As at 31 March 2024, net liabilities incurred to purchase property, plant and equipment amounted to PLN 160 thousand.

Major investments in property, plant and equipment and intangible assets made by the Company in the reporting period included, first of all, complete overhauls of vehicles (mainly wagons) of PLN 206 thousand.

In the first quarter of 2025, the Company sold the property, plant and equipment and intangible assets whose net carrying amount was PLN 0 thousand. In the first quarter of 2024, the Company sold the property, plant and equipment and intangible assets with the total net carrying amount of PLN 266 thousand.

2.5.3. Financial instruments

The following table sets out the carrying amounts of the Company's financial instruments broken down by individual classes and categories of assets and liabilities.

Balance as at 31 March 2025

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
Deposits under construction contracts (before discount)	35,923	0	0	0	59,516
Trade receivables	108,584	0	0	0	0
Other receivables	4,038	0	0	0	0
Other financial liabilities	0	0	0	0	36
Advanced loans	13,682	0	0	0	0
Cash and cash equivalents	0	26,646	0	0	0
Loans and bank credits	0	0	0	0	16,515
Lease liabilities	0	0	0	0	47,388
Trade payables	0	0	0	0	53,065
Total	162,227	26,646	0	0	176,520

The Company did not make any changes to the classification of financial instruments, nor were there any transfers between the different levels of the fair value hierarchy in the reporting period.

The fair value of financial assets and liabilities measured at amortised cost is similar to their carrying amount.

Balance as at 31 December 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
Deposits under construction contracts (before discount)	41,413	0	0	0	62,483
Trade receivables	182,615	0	0	0	0
Other receivables	4,174	0	0	0	0
Other financial liabilities	0	0	0	0	36
Advanced loans	13,682	0	0	0	0
Cash and cash equivalents	0	45,678	0	0	0
Loans and bank credits	0	0	0	0	25,515
Lease liabilities	0	0	0	0	49,758
Trade payables	0	0	0	0	79,668
Total	241,884	45,678	0	0	217,460

The Company did not make any changes to the classification of financial instruments, nor were there any transfers between the different levels of the fair value hierarchy in the reporting period.

2.5.4. Transactions with related parties

	Receivables		Payables	
	31-03-2025	31-12-2024	31-03-2025	31-12-2024
Railway gft	100	99	1,874	5
NTB Systemy	7	0	462	0
RTI	0	0	0	0
Energopol	88	98	275	107
Wiesław Nowak	0	0	0	0
Family Foundation	1	1	0	0
Total	196	198	2,611	112

	Revenues		Purchases	
	31-03-2025	31-03-2024	31-03-2025	31-03-2024
Railway gft	140	139	2,487	1,930
NTB Systemy	12	0	0	0
RTI	1	1	0	0
Energopol	123	164	454	33
Wiesław Nowak	0	0	0	0
Family Foundation	1	1	0	0
Total	277	305	2,941	1,963

	Advanced loans		Finance income (interest on loans)	
	31-03-2025	31-12-2024	31-03-2025	31-03-2024
Railway gft	3,000	3,000	58	59
NTB Systemy	0	0	0	0
RTI	0	0	0	0
Energopol	5,890	5,890	113	101
Wiesław Nowak	0	0	0	0
Family Foundation	0	0	0	0
Total	8,890	8,890	171	160

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, along with utilities and telephone services;
- Financial services;
- Cost recharge;
- Servicing and repair of vehicles;
- Lease of stacking yard; and
- Other services.

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, along with utilities;
- Transport and equipment services;
- Cost recharge;
- Financial services; and
- Other services.

ZUE is the parent company of the Group and, if needed, it guarantees the subsidiaries' obligations. Guarantees are additional security for credit agreements and bonds provided to subsidiaries. The total amount of the abovementioned guarantees as at 31 March 2025 is PLN 51,885 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 are related to the Company's operational activity.

Court cases are described in detail in the note III 4.7.5. of these 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 31 March 2025 or 31 December 2024.

2.5.7. Contingent assets and contingent liabilities and security on property

Contingent assets

	31-03-2025	31-12-2024
Bonds	94,963	116,340
Promissory notes	28,643	28,762
Total	123,606	145,102

Contingent assets arising from bonds include the bonds provided by banks and insurance companies for the benefit of the Company to secure its claims relating to subcontracted construction services and the repayment of advances.

The Company also received promissory notes from counterparties which serve as security for ZUE's claims against these entities in respect of loans advanced, the repayment of advances and other security provided under concluded contracts.

Contingent liabilities and security on property

	31-03-2025	31-12-2024
Bonds	437,307	516,157
Guarantees	51,885	42,892
Promissory notes	290,367	313,930
Mortgages	178,529	178,529
Pledges	152,866	156,121
Total	1,110,954	1,207,629

Contingent liabilities arising from bonds for the benefit of third parties primarily include bid bonds, performance bonds, defects liability bonds and advance repayment 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 arising from guarantees serve as security for credits, bonds and leases provided to the Group companies 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., ING Bank Śląski S.A. and Millennium S.A., the insurance agreement with PZU S.A. and the guarantee limit agreement with PEKAO S.A.

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

There is also a financial pledge over the funds kept on 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 31 March 2025 or 31 December 2024.

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 the Company'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 2.12: Seasonal and cyclical nature of the Group's operations.

2.5.11. Issue and redemption of debt and equity securities

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

2.5.12. Dividend

On 17 April 2025, the Company's Management Board passed the resolution on recommendations to the Company's Ordinary General Meeting for allocating the entire net profit for the financial year 2024 of PLN 10,262 thousand to reserve funds.

The Company's Supervisory Board gave a favourable opinion on the Board's proposal on 9 May 2025. The Company's Ordinary General Meeting is scheduled for 10 June 2025.

2.6. Other notes to the financial statements

2.6.1. Use 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 31 March 2025 as endorsed by the European Union.

The separate financial statements for the three months ended 31 March 2025 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 2025:

- **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).

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:

- **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);
- **Amendments to IFRS 9 and IFRS 7** – contracts referencing nature-dependent electricity (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).

According to the Company's estimates, the abovementioned standards, excluding IFRS 18, or amendments to the standards would not have any material influence on the financial statements if they were used by the Company as at the balance sheet date. As regards IFRS 18, the Company analyses the influence of the new standard, however the preliminary analyses indicate that the scope and presentation of financial information may differ from the current financial statements.

2.6.2. Important accounting principles

2.6.2.1. Going concern

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

In the three months ended 31 March 2025, the Company recognised the sales revenue of PLN 162.5 million and the gross profit on sales of PLN 3.9 million. As at 31 March 2025, the Company reported the total current assets of PLN 440.3 million, including trade and other receivables of PLN 84.9 million and the cash of approximately PLN 26.6 million. At the end of the reporting period, the Company had the backlog worth approximately PLN 1,298 million and was in the process of obtaining 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 re-invoiced items and the associated expenses in the statement of comprehensive income according to their netted balance. Accordingly, the comparative period data was restated and the current period data was presented in line with the above approach.

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

	Restated 3 months ended 31-03-2024	Approved 3 months ended 31-03-2024	Effect of changes
Continuing operations			
Sales revenue	280,940	297,137	-16,197
Cost of sales	269,939	286,136	-16,197
Gross profit (loss) on sales	11,001	11,001	0
Operating profit (loss)	5,389	5,389	0
Pre-tax profit (loss)	3,161	3,161	0
Income tax	2,066	2,066	0
Net profit (loss) from continuing operations	1,095	1,095	0
Net profit (loss)	1,095	1,095	0
Total comprehensive income	1,095	1,095	0

2.6.2.4. Applied accounting principles

These quarterly separate financial statements for the three months ended 31 March 2025 have been prepared according to the same accounting principles and measurement methods as those used in the last annual financial statements of ZUE as at 31 December 2024. The financial statements for the financial year ended 31 December 2024 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 to make judgments, estimates and assumptions that affect the adopted policies 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, among other things, to:

Impairment of goodwill (note 2.5.1.)

Useful economic lives of non-current assets

Loss allowances for 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.)

No revisions to estimates occurred in the reporting period.

3. Approval of the condensed consolidated and separate financial statements

These condensed consolidated and separate financial statements for the three months ended 31 March 2025 were approved for publication by the Management Board of ZUE on 21 May 2025.

4. Signatures

The financial statements have been prepared by:

Marlena Filaret – Chief Accountant

Signatures of the management personnel:

Wiesław Nowak – Management Board President

Magdalena Nowak – Management Board Vice-President

Anna Mroczek – Management Board Vice-President

Jerzy Czeremuga – Management Board Vice-President

Maciej Nowak – Management Board Vice-President

Marcin Wiśniewski – Management Board Vice-President

Cracow, 21 May 2025