



## **CURRENT REPORT 3 / 2023**

**13 March 2023**

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

Subject: Preliminary Financial Results for 2022.

### Content:

The Management Board of ZUE S.A. (the "Company," ZUE) inform that after they had finished on 13 March 2023 aggregating financial data for the purpose of preparation of the consolidated financial statements of the Company and the Capital Group for 2022, the decision was made to publish the preliminary financial results for the abovementioned period.

Preliminary financial results of ZUE for 2022 (the data for 2021 is shown in brackets):

- Sales revenue: PLN 831.9m (PLN 781.4m);
- Gross profit on sales: PLN 29.1m (PLN 29.9m);
- Operating profit: PLN 8.3m (PLN 13.7m);
- Net profit: PLN 10.2m (PLN 12.1m).

Preliminary financial results of the Group for 2022 (the data for 2021 is shown in brackets):

- Sales revenue: PLN 921.4m (PLN 851.5m);
- Gross profit on sales: PLN 42.8m (PLN 35m);
- Operating profit: PLN 18.1m (PLN 14.2m);
- Net profit: PLN 17.3m (PLN 11.8m).

In 2022, the Company's revenue climbed 6% year-on-year and its gross margin was 3.5%. The Group reported a gross margin of 4.6% and a growth in revenue by 8%. The Group's sales company posted a record-high net profit of PLN 5.5m as a result of which the annual consolidated net profit increased by 36%.

The consolidated results were also affected by adjusting the rules governing the measurement of assets and liabilities of Energopol, the acquired company, to the rules applicable to the Group (i.e. measurement according to the IFRS rules).



The adjustment value is (+) PLN 1.15m. These operations are for accounting purposes and do not influence the Group's liquidity.

The Company acquired 93.6% of shares in P.B.I Energopol sp. z o.o. on 23 November 2022. The Company informed about the event in the current report 59/2022. Following the transaction, the Group's offer of construction services has been extended mainly to include road building and maintenance services.

At the end of 2022, ZUE's cash at hand amounted to PLN 60.3m.

In 2022, the Company successfully won new contracts on the domestic market. They were mainly urban contracts, including long-term infrastructure contracts. The railway market struggled with a limited and delayed availability of the new contracts of key significance to the market and a slow transition from an investment to execution phase caused, among other things, by unclear situation about funding under the new EU perspective.

In the fourth quarter of 2022, the Company signed the first construction contracts for the upgrade of the Romanian railway lines. As a consequence, ZUE began to provide its basic services on the Romanian market. The contracts were signed together with the Romanian consortium member. The total amount of the contracts signed by the consortium is about PLN 966m, out of which 50% is attributable to ZUE. A branch was established by ZUE in Romania to ensure better coordination of works. The Company intends to win more contracts on the Romanian market.

The Company informs that at the date of publication of this current report, the backlog held by the companies within the Capital Group is worth more than PLN 1.8bn.

In addition, the tender with the net value of PLN 785m submitted by ZUE on the railway market was selected by PKP PLK S.A. as the most economically advantageous offer. The Company continues to submit tenders on the urban and railway markets.

ZUE informs that the financial audit of the annual reports for 2022 is pending and the preliminary financial results may change. Detailed information about the backlog and the final financial results will be provided in the reports of the Company and the Capital Group for 2022.