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Independent statutory auditor's report

To the General Shareholders Meeting and Supervisory Board of ZUE S.A.

Report on the audit of the annual consolidated financial statements

Opinion

We have audited the annual consolidated financial statements of the capital group for which ZUE S.A. with its registered office in Cracow is the Parent ("Parent Company"), address: ul. Kazimierza Czapińskiego 3, 30-048 Cracow, which consist of the consolidated statement of financial position as at 31 December 2023 and the consolidated statement of comprehensive income, the consolidated statement of changes in equities, the consolidated statement of cash flows for the year ending on that day and the additional information describing the adopted accounting principles and other explanatory notes ("the consolidated financial statements").

In our opinion the accompanying consolidated financial statements:

- give a true and fair view of the asset and financial situation of the ZUE Group as at 31 December 2023 and its consolidated financial performance and consolidated cash flows for the financial year ending on that day pursuant to the International Financial Reporting Standards approved by the European Union and the adopted accounting principles (policy);
- comply, with respect to form and content, with the provisions of the law binding on the ZUE Group and the Articles of Association of the Parent Company;

This Opinion is consistent with the additional report to the Audit Committee, which we issued on 26 March 2024.

Basis for the Opinion

Our audit was conducted in accordance with the National Auditing Standards ("NAS") in the wording of the International Auditing Standards adopted by resolution of the National Council of Statutory Auditors on national auditing standards and other documents and the resolution of the Council of the Polish Audit Oversight Agency on national quality control standards and the National Auditing Standard 220 ("NAS") and pursuant to the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight ("the Act on Statutory Auditors") and the Regulation (EU) No. 537/2014 of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities ("the EU Regulation"). Our responsibility under afore-said standards is described hereunder in the section of our report entitled "*Responsibility of the statutory auditor for auditing of the consolidated financial statements*".

We are independent from the Companies within the Group in compliance with International Code of Ethics for Professional Accountants (including the International Independence Standards) developed by the Ethics Standards Board for Accountants ("IESBA Code") and adopted by resolution of the National Council of Statutory Auditors and other ethical requirements that apply to an audit of financial statements. We have fulfilled our ethical duties in compliance with the said requirements and the IESBA Code. During the audit the key statutory auditor and the audit firm remained independent from ZUE S.A. in compliance with the independence requirements set out in the Act on Statutory Auditors and in the EU Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current reporting period. They include the most significant identified risks of material misstatements, including the identified risks of material misstatement resulting from fraud. We addressed these matters in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we summarized our response to these risks and, when deemed appropriate, presented the most important observations relating to these risks. We do not provide a separate opinion on those matters.

Key audit matter	How our audit addressed the matter
<p>Revenue - measurement and recognition</p> <p>This matter was deemed key due to the value, dynamics and the risk of recognising the revenue not in accordance with IFRS 15. Revenues come mostly from the implementation of contracts with customers relating to the construction of railway and urban infrastructure, they are one of the main assessment factors of the Group's operations.</p> <p>Revenues from pending services are recognised in accordance with the method for measuring progress towards complete satisfaction of a performance obligation based on expenditures under IFRS 15, determined as a ratio of costs incurred to estimated costs necessary to implement the contract.</p> <p>This measurement has a significant impact on the level of the net result. Furthermore, the revenue value is determined based on estimates, which increases the risk of misstatement of the financial statements.</p>	<p>Our audit procedures, with regard to afore-described key audit matter, comprised among others:</p> <ul style="list-style-type: none">– an assessment of conformity of the accounting policy used by the ZUE Groups relating to recognition of revenue with relevant financial reporting standards,– tests of control relating to approval and recognition of particular types of revenues from sales,– tests of control relating to preparation, updating and approval of budgets, being the basis for measurement of pending construction contracts,– an assessment of effectiveness of internal controls as regards recognition and measurement of revenues from sales,– an assessment of feasibility of pending construction contracts,– an assessment of correctness of the level of completion of pending services, as accepted for the measurement,– agreeing upon the sample of revenues from sales to be chosen for the source documentation confirming the execution of the service and also confirming the transfer of ownership of products,– obtaining confirmations for the selected sample of invoice payment after the balance sheet day for the key recipients of services rendered by the ZUE Group in the audited year,– an assessment of adequacy of disclosures in the additional information to the extent of recognising revenues

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	from sales from the measurement of pending construction contracts.
Goodwill impairment analysis	
<p>The ZUE Group is obliged to test goodwill for impairment annually. We evaluated goodwill impairment testing as a key audit matter due to the significant carrying amount of goodwill and also due to significant assumptions and estimates made by the Management Board of the Parent Company in the conducted goodwill impairment test, such as: forecasted future cash flows of revenues and costs, weighted average capital cost, growth rate, discount rate, marginal growth rate, which depend on the future market and economic conditions.</p> <p>The Management Board of ZUE S.A. presented assumptions relating to the goodwill tested for impairment, as well as the results and disclosures relating to the test of goodwill allocation to cashgenerating unit in Note 7.6 of the accompanying financial statements.</p>	<p>Our audit procedures, with regard to afore-described key audit matter, comprised among others:</p> <ul style="list-style-type: none">– an assessment of identification of cash-generating units to which goodwill is allocated,– an analysis and assessment of the test conducted by the Management Board. <p>Our procedures comprised an assessment of goodwill impairment model, a verification of the model and the assumptions and estimates made by the Management Board of ZUE S.A. for testing purposes, including but not limited to:</p> <ul style="list-style-type: none">– a comparison of the key assumptions underlying the conducted test with market indexes, costs, the achieved margin and cash flows and, where possible, with external data,– a verification of the mathematical correctness of the calculations made as part of the test,– an evaluation of forecasts of the Parent Company’s Management Board on the basis of realisation of the future forecasts relating to ended periods;– an evaluation of the sensitivity analysis made by the Parent Company’s Management Board– We also evaluated correctness and completeness of disclosures made in the financial statements of ZUE S.A. with regard to goodwill impairment test, as well as disclosures with regard to the sensitivity analysis of that test.

Responsibility of the Parent Company’s Management Board and the Supervisory Board for the consolidated financial statements

The Management Board of ZUE S.A. is responsible for preparing the consolidated financial statements that give a true and fair view of the asset and financial situation and the financial performance of the Group in compliance with the International Financial Reporting Standards approved by the European Union, the adopted accounting principles (policy) and with the legal regulations binding on the Group and the Parent Company’s Articles of Association, as well as for internal control, which the Parent

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Company's Management Board finds necessary for preparation of the consolidated financial statements that are free from any material misstatement caused by fraud or error.

In preparing the consolidated financial statements, the Parent Company's Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, where applicable, matters related to going concern and using the going concern basis of accounting, except in the situation where the Management Board either intends to liquidate the Group or to discontinue operations, or has no realistic alternative for such liquidation or discontinuation.

The Management Board of ZUE S.A. and members of the Supervisory Board are obliged to ensure that the consolidated financial statements meet the requirements provided for in the Accounting Act of 29 September 1994 ("the Accounting Act"). Members of the Parent Company's Supervisory Board are responsible for supervising the financial reporting process.

Responsibility of the statutory auditor for auditing of the consolidated financial statements

Our objective is to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of those consolidated financial statements.

The concept of materiality is applied by the statutory auditor both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the consolidated financial statements and in forming the opinion in the auditor's report. Hence all auditor's assertions and statements contained in the auditor's report are made with the contemplation of the qualitative and quantitative materiality levels established in accordance with auditing standards and auditor's professional judgement.

The scope of the audit does not include assurance on the future profitability of the Group nor effectiveness of conducting business matters now and in the future by the Parent Company's Management Board.

Throughout the audit in accordance with NAS, we exercise professional judgement and maintain professional scepticism and we also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control,
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent Company's Management Board,

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- conclude on the appropriateness of the Parent Company’s Management Board’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor’s report, however, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient and appropriate evidence for auditing of financial information of business units or operations within the Group in order to give an opinion on the consolidated financial statements. We are responsible for managing, overseeing and conducting the Group’s audit and we are solely responsible for our opinion on the audit.

We communicate with the Parent Company’s Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to endanger our independence, and where applicable, related safeguards.

From the matters communicated to the Parent Company’s Audit Committee, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other information, including Report on the activities of the Group

Other information consists of the report on the activities of the Group for the financial year ended 31 December 2023 (“the Report on the activities of the Group”) and the corporate governance statement and the statement on non-financial information, referred to in Article 55 sec. 2b of the Accounting Act, which are separate parts of that Report, and the Annual Report for the financial year ended 31 December 2023 (“the Annual Report”) (together the “Other Information”).

Responsibility of the Parent Company’s Management Board and the Supervisory Board

The Management Board of ZUE S.A. is responsible for drawing up Other information in accordance with the law.

The Management Board of ZUE S.A. and members of the Parent Company’s Supervisory Board are obliged to ensure the Report on the activities of the Group with its separate parts satisfies the requirements stipulated in the Accounting Act.

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Responsibility of the statutory auditor

Our opinion from the audit of the consolidated financial statements does not cover the Other information. In connection with our audit of the consolidated financial statements our responsibility is to read the Other information and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements, or our knowledge obtained in our audit, or otherwise appears to be materially misstated.

If, based on the work performed, we identify a material misstatement in Other information, we are obliged to inform about it in our audit report. In accordance with the requirements of the Act on Statutory Auditors, it is also our responsibility to issue an opinion as to whether the Report on the activities of the Group has been prepared in compliance with the law and whether it is consistent with the information disclosed in the consolidated financial statements.

Moreover, we are obliged to inform whether the Group provided the required information in its corporate governance statement.

We have obtained the Report on the activities of the Group before the date of this auditor's report, and the Annual Report will be available after this date. Should we identify any material misstatement in the Annual Report, we are obliged to inform the Parent Company's Supervisory Board about this fact.

Opinion on the Report on the Activities of the Group

Based on the work performed during the audit, in our opinion, the Report on the activities of the Group:

- has been prepared in accordance with Article 49 of the Accounting Act and § 71 of the Regulation of the Minister of Finance of 29 March 2018 on Current And Periodic Information Published By Issuers Of Securities And The Rules Of Equal Treatment Of The Information Required By The Laws Of Non-Member States ("the Current Information Regulation"),
- is consistent with the information disclosed in the consolidated financial statements.

Moreover, based on our knowledge of the ZUE Group and its business environment obtained in the course of the audit, we have not detected any material misstatements in the Report on the activities of the Group.

Opinion on the corporate governance statement

In our opinion, in the corporate governance statement the Group included the information specified in § 70 sec. 6 item 5 of the Current Information Regulation.

In addition, in our opinion, the information specified in § 70 sec. 6 item 5 (c)-(f), (h) and (i) of the said Regulation as included in the corporate governance statement, is consistent with the applicable provisions of law and with information included in the financial statements.

Information on non-financial information

In accordance with the requirements of the Act on Statutory Auditors, we confirm that the Parent Company has prepared a statement on non-financial information, as referred to in Article 55 sec. 2b of the Accounting Act, as a separate section of the Report on the activities of the Group.

We have not performed any assurance work pertaining to the statement on non-financial information and we do not give any assurance in respect thereof.

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Report on other requirements of law and regulations

Opinion on the compliance of the consolidated financial statements prepared in the single electronic reporting format with the requirements of the regulations on technical standards on the specification of a single electronic reporting format

As part of our audit of the consolidated financial statements we were engaged to perform a reasonable assurance engagement in order to express an opinion on whether the consolidated financial statements of the Group as at 31 December 2023 and for the year then ended prepared in the single electronic reporting format included in the reporting package named GrupaZUE-2023-12-31-pl.zip ("the consolidated financial statements in the ESEF format") were tagged in accordance with the requirements specified in the Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("the ESEF Regulation").

Identification of criteria and description of the subject matter of the engagement

The consolidated financial statements in the ESEF format were prepared by the Management Board of ZUE S.A. in order to meet the tagging requirements and technical requirements of a single electronic reporting format which are specified in the ESEF Regulation.

The subject matter of our assurance engagement is the compliance verification of the consolidated financial statements in the ESEF format against the requirements of the ESEF Regulation, while the requirements specified in these regulations represent, in our opinion, applicable criteria for us to express an opinion.

Responsibility of the Parent Company's Management Board and the Supervisory Board

The Management Board of ZUE S.A. is responsible for the preparation of the consolidated financial statements in the ESEF format in accordance with the tagging requirements and technical conditions of a single electronic reporting format which are specified in the ESEF Regulation. Such responsibility includes the selection and application of appropriate XBRL tags using the taxonomy specified in the said regulations.

The Management Board's responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the consolidated financial statements in the ESEF format that is free from material non-compliance with requirements specified in the ESEF Regulation.

Members of ZUE S.A.'s Supervisory Board are responsible for overseeing the financial reporting process, including the preparation of the financial statements in the format required by applicable law.

Responsibility of the statutory auditor

Our objective was to issue an opinion about whether the consolidated financial statements in the ESEF format were tagged in accordance with the requirements specified in the ESEF Regulation.

We conducted our engagement in accordance with the National Standard on Assurance Engagements for the audit of consolidated financial statements prepared in the single electronic reporting format 3001PL (hereinafter: "KSUA 3001PL") and, where applicable, in accordance with National Standard on Assurance Engagements Other Than Audit or Review (Z) as per International Standard on Assurance Engagements 3000 (revised) - "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, (hereinafter: "KSUA 3000 (Z)").

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That standard requires that the auditor plan and perform procedures to obtain reasonable assurance about whether the consolidated financial statements in the ESEF format were prepared in accordance with specified criteria.

Reasonable assurance is a high level of assurance, but it is not guaranteed that the assurance engagement conducted in accordance with KSUA 3001PL and, where applicable, in accordance with KSUA 3000 (Z) will always detect material misstatement.

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor has considered internal controls relevant to the preparation of the consolidated financial statements in the ESEF format in accordance with the specified criteria in order to design procedures that are appropriate, which provide the auditor with sufficient and appropriate evidence under the circumstances. The assessment of internal control system was not performed for the purpose of expressing an opinion on effectiveness of such control.

Summary of the work performed

Procedures planned and performed by us included in particular:

- obtaining an understanding of the process of preparation of the consolidated financial statements in the ESEF format comprising the process of selection and application of XBRL tags by the Company and maintaining compliance with the ESEF Regulation, including an understanding of the operation of internal control relevant to this process,
- agreeing the tagged information (on the sample selected) included in the consolidated financial statements in the ESEF format to the audited consolidated financial statements;
- assessing, using a professional IT tool, compliance with the technical conditions on the specification of a single electronic reporting format, evaluating the completeness of tagging of information in the consolidated financial statements in the ESEF format using XBRL tags;
- assessing whether the used XBRL tags from the taxonomy specified in the ESEF Regulation were properly applied and that taxonomy extensions were used where the relevant elements have not been identified in the primary taxonomy specified in the ESEF Regulation;
- assessing whether the applied taxonomy extensions were correctly anchored in the primary taxonomy specified in the ESEF Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to express our opinion on compliance of the tagging with the requirements of the ESEF Regulation.

Ethical requirements, including independence

While performing the assurance engagement, the statutory auditor and the audit firm have complied with the independence requirements and other ethical requirements as specified by the IESBA Code. The IESBA Code is based on the fundamental principles related to integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. We have also complied with other independence and ethical requirements which are applicable to such assurance engagement in Poland.

Quality control requirements

The audit firm applies national standards on quality control. In accordance with the requirements of national standards on quality control, the audit firm designed, implemented and applied a quality

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management system, including policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion on compliance with the ESEF Regulation

The statutory auditor's opinion is based on the matters described above, therefore the opinion should be read while taking these matters into consideration.

In our opinion, the accompanying consolidated financial statements in the ESEF format were prepared in all significant aspects in accordance with the requirements laid down in the ESEF Regulation.

Statement Concerning Provision of Non-Audit Services

To the best of our knowledge and belief, we declare that the non-audit services we have provided to the ZUE Group are in accordance with the laws and regulations applicable in Poland and that we have not provided any non-audit services that are prohibited under Article 5(1) of the EU Regulation and Article 136 of the Act on Statutory Auditors.

The non-audit services that we have provided to the ZUE Group in the audited period are listed in Note 51 of the Report of ZUE S.A.'s Management Board on the activities of ZUE S.A.'s Parent Company and ZUE Capital Group for the year 2023.

Selection of the audit firm

We have been selected to audit the consolidated financial statements of the Group by way of resolution of the Parent Company's Supervisory Board of 30 June 2023. It's the fifth time we have audited the Group's financial statements.

The key statutory auditor responsible for the audit, the result of which is this independent statutory auditor's report is Ewa Sieklińska acting on behalf of Polinvest-Audit Sp. z o.o. having its registered office in Cracow address: ul. Łukasiewicza 1, entered in the list of audit firms under number 1806, on behalf of whom the key statutory auditor has audited the financial statements.

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Ewa Sieklińska key statutory auditor No. 9771

Cracow; 26 March 2024