



Dom Maklerski BDM S.A.

ZUE

ANALYTICAL REPORT - SUMMARY

ZUE has been showing negative y/y revenue growth since Q3'24 and this trend may continue in the coming quarters. Preliminary Q1'25 results additionally indicated that profitability is still problematic (likely impact of tramway contacts tendered before the outbreak). Despite the agreement with PKP PLK in April, the portfolio-to-revenue ratio remains low (1.2x vs last 10-year average: 2.0x). Prospects for its further strengthening have been complicated by the rejection of the company's lowest bid in the Jasto-Nowy Zagórz tender. The company is also so far unsuccessfully fighting in appeal processes in tenders where it submitted the second lowest prices (PLN 2.2bn in total). PKP PLK's pipeline for the coming weeks currently includes only large unit tenders (all > PLN1bn) - we expect ZUE to compete in consortia. The next broader pool of tenders in our view is more likely to be awarded in 2026. ZUE is positioning itself well for an investment revival in the tram market (significant EU funds reserved), but the number of available tenders is low for now. The company is also building exposure to foreign markets (currently mainly in Romania, the company is identifying Germany as a potential growth direction). The key to value creation, however, is first and foremost to build a sustainably profitable rail portfolio (after a final exit from weak contracts in the previous budget perspective). Under our current assumptions (return of >PLN1bn in revenue from 2026 and improved profitability from 2H'25), we set ZUE's target price at PLN 8.70, which implies leaving our Hold recommendation (previously: Hold, PLN 11.0; among other things, we lowered our 2025 assumptions due to a weak Q1'25). We assume that the company's share price will be primarily sensitive to information from PKP PLK's upcoming tenders in the coming weeks. The valuation does not take into account possible claims and valorisation from PKP PLK (filed lawsuits equivalent to c. PLN 5.5/share).

Recent period results

In 2024, the company posted revenue of PLN 1.22bn (-18% y/y) and net profit of PLN 10.7m (-49% y/y). At the end of Q4'24, net debt amounted to PLN 26m. According to preliminary data, in Q1'25 ZUE generated revenue of PLN 180m (-43% y/y), the negative growth is due to a decrease in its portfolio y/y), and a net loss of PLN 4.8m (vs. PLN +1.0m a year ago; we expected a loss of PLN -0.6m).

Backlog

The Q1'25 portfolio stands at PLN 1.3bn (vs. PLN 1.65bn a year ago), including the PLN 0.3bn contract signed with PKP PLK in April. The company had the lowest bid submitted for PKP PLK at ca. PLN 0.5bn (the value for the company in a consortium), but the contracting authority rejected it in April - ZUE has announced an appeal to the NAC. In turn, three other bids (for a total of PLN 2.2 billion) are in the second places - the company has announced an appeal, but at the moment PKP has selected the bidders from the first places in two cases (the company still has theoretical chances as long as the contracts have not been signed). For the coming months, PKP PLK's schedule envisages the submission of bids in six large tenders for around PLN 15 billion. Further new tenders that PKP PLK plans to announce (announced at PLN 15-16bn each in 2025 and 2026, of which ca. PLN 12bn has already been announced this year) will not be awarded until 2026, in our view. We estimate that the current backlog is dominated by rail contracts in Poland (mainly the Będzin-Katowice contract), followed by rail contracts in the Romanian market and city contracts (the number of new proceedings remains limited).

Segmental positioning

The company has exposure to the rail market (Poland, Romania + potentially other countries) and the tram market and, to a small extent, also to local roads (Energopol). There have also been plans to enter the PSE market in the past. In recent years, the company has had an approx. 5% share of PKP PLK's annual construction expenditure. Other customers (siding owners, cities, foreign markets - on average PLN 0.4bn/year over the past years, with high volatility) are also included.

Performance forecasts, ratios

We estimate that in 2025, the company will have PLN 0.87bn in revenues and PLN 4.0m in net profit (a significant y/y drop in results, dictated among other things by a sizable loss in Q1'25). Currently, the ratio of backlog (despite an improvement in recent weeks) to revenue for the last Q4 is still at a historically low level. The prospect of rebuilding the backlog has improved in recent months, but potentially new contracts even in an optimistic scenario may already have limited impact in 2025. In 2026/27, we assume revenue of PLN 1.07bn / 1.32bn and net profit of PLN 14.7m / 24.7m, respectively. The company is trading at EV/EBITDA=8.0x for 2025 and 4.7x for 2026 under our assumptions.

	2022	2023	2024	2025F	2026F	2027
Sales [PLN m]	921,4	1 484,1	1 219,4	873,1	1 066,9	1 320,3
EBITDA [PLN m]	31,9	45,2	34,7	23,4	37,9	49,7
EBIT [PLN m]	18,1	30,4	19,1	6,6	20,6	32,5
Profit before tax [PLN m]	22,1	28,9	12,1	5,1	18,1	30,5
Net profit [PLN m]	16,4	21,0	10,7	4,0	14,7	24,7
Net debt (cash) [PLN m]	-14,6	-134,2	26,3	-17,9	-25,1	-26,6
P/BV	1,1	1,0	1,0	1,0	0,9	0,9
P/E	12,5	9,7	19,1	50,9	14,0	8,3
EV/EBITDA	6,0	1,6	6,7	8,0	4,7	3,6
EV/EBIT	10,5	2,3	12,1	28,3	8,7	5,5
DPS [PLN/sh.]	0,15	0,07	0,21	0,00	0,09	0,32

HOLD

(PREVIOUS: HOLD)

TARGET PRICE 8,70 PLN

19th MAY 2025, 07:30 CEST

DCF valuation [PLN]	8,65
Peer valuation [PLN]	8,91
Target price [PLN]	8,70
Price upside/downside	-2,2%
Cost of capital	14,9%
Price [PLN]	8,90
Market cap [PLNm]	205,0
No. of shares [mn]	23,0
Max. price 6M [PLN]	11,20
Min. price 6m [PLN]	7,02
Rate of return 3M	-19,1%
Rate of return 6M	16,2%
Rate of return 9M	-15,9%
Shareholders	
Nowak Wiesław	62,5%
Bankowy OFE	8,6%
Generali OFE	6,3%
ZUE	1,1%
Others	21,4%

Krzysztof Pado

pado@bdm.com.pl

tel. (0-32) 208-14-32

Dom Maklerski BDM S.A.

ul. 3-go Maja 23, 40-096 Katowice



Valuation summary

	Share	Valuation
DCF valuation	80%	8,65
Peer valuation:	20%	8,91
Target price [PLN]		8,70

Source: Dom Maklerski BDM S.A.

DCF valuation

	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F
Revenues [PLN m]	873,1	1 066,9	1 320,3	1 417,5	1 431,7	1 446,0	1 460,5	1 475,1	1 489,9	1 504,8
EBIT [PLN m]	6,6	20,6	32,5	38,2	40,2	42,2	44,3	45,0	45,8	46,5
Tax rate	20,0%	19,0%	19,0%	19,0%	19,0%	19,0%	19,0%	19,0%	19,0%	19,0%
Tax on EBIT [PLN m]	1,3	3,9	6,2	7,3	7,6	8,0	8,4	8,6	8,7	8,8
NOPLAT [PLN m]	5,3	16,7	26,3	30,9	32,5	34,2	35,9	36,5	37,1	37,7
Amortization [PLN m]	16,8	17,3	17,2	17,3	17,3	17,3	17,3	17,3	17,3	17,4
CAPEX [PLN m]	-14,5	-16,9	-17,3	-17,3	-17,3	-17,3	-17,4	-17,4	-17,4	-17,4
Working capital movement [PLN m]	41,1	-7,7	-18,3	-7,0	-1,1	-1,1	-1,2	-1,2	-1,2	-1,2
FCF [PLN m]	48,8	9,4	7,9	23,8	31,4	33,0	34,7	35,3	35,9	36,5
DFCF [PLN m]	45,0	7,6	5,6	14,7	16,9	15,5	14,2	12,6	11,1	9,8
Total DFCF [PLN m]	153,0									
Terminal value [PLN m]	265,3									
Discounted terminal value [PLN m]	71,6									
Enterprise value [PLN m]	224,6									
Net debt 2024 [PLN m]	26,3									
Own shares [PLN m]	2,4									
Minority interests [PLN m]	1,5									
Dividend [PLN m]	0,0									
Equity value [PLN m]	199,2									
Number of shares [m]	23,0									
Value per share [PLN]	8,65									

Terminal growth rate: +1,0%

WACC calculation

	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F
Risk-free rate	5,40%	5,40%	5,40%	5,40%	5,40%	5,40%	5,40%	5,40%	5,40%	5,40%
Risk premium	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%
Beta	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0	1,0
Credit premium	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%
Cost of equity	14,9%	14,9%	14,9%	14,9%	14,9%	14,9%	14,9%	14,9%	14,9%	14,9%
Contribution of equity	89,5%	92,1%	94,3%	95,9%	96,5%	97,3%	98,2%	99,0%	99,8%	100,0%
Cost of debt after tax	5,5%	5,6%	5,6%	5,6%	5,6%	5,6%	5,6%	5,6%	5,6%	5,6%
Contribution of debt	10,5%	7,9%	5,7%	4,1%	3,5%	2,7%	1,8%	1,0%	0,2%	0,0%
WACC	13,9%	14,2%	14,4%	14,5%	14,6%	14,7%	14,7%	14,8%	14,9%	14,9%

Source: Dom Maklerski BDM S.A.

DCF - sensitivity analysis

	Terminal growth rate				Terminal growth rate				Beta			
	0,00%	1,00%	2,00%		0,00%	1,00%	2,00%		0,9	1,0	1,1	
beta	0,9	9,09	9,38	9,72	Risk premium	8,5%	9,12	9,42	Risk premium	8,5%	10,17	9,42
	1,0	8,41	8,65	8,92		9,5%	8,41	8,65		9,5%	9,38	8,65
	1,1	7,82	8,02	8,24		10,5%	7,80	7,99		10,5%	8,69	7,99

Source: Dom Maklerski BDM S.A.

Peer valuation

	P/E			EV/EBITDA		
	2025F	2026F	2027F	2025F	2026F	2027F
Budimex	22,6	19,3	16,8	12,7	10,5	8,9
Mirbud	11,7	9,7	9,0	6,7	6,1	5,7
Torpol	12,7	10,6	10,2	5,2	4,1	3,8
Trakcja	15,9	13,4	11,6	6,7	6,0	5,2
Median	14,3	12,0	10,9	6,7	6,1	5,5
ZUE	50,9	14,0	8,3	8,0	4,7	3,6
Premium/discount	256%	17%	-24%	19%	-22%	-34%
Valuation [PLN/share]	2,5	7,6	11,7	7,6	11,0	13,0
Year's contribution	33%	33%	33%	33%	33%	33%
Average valuation [PLN/share]	7,3			10,5		
Multiple's contribution		50%		50%		
Value per share [PLN]	8,91					

Source: Dom Maklerski BDM S.A. BDM forecasts

Main risks:

- Dependence on main customers (PKP PLK)
- Level of investment in transport infrastructure in the CEE region.
- Risks related to the co-financing of project implementation from EU funds.
- Risks related to entering new markets (currently Romania).
- Risks related to the specific nature of the projects implemented.
- Relatively low barriers to entry, increase in competition
- Seasonality of results and weather factor
- Litigation

	2022	2023	2024	2025F	2026F	2027F
EPS, Adj+	0,71	0,91	0,47	0,17	0,64	1,07
Revenue [PLN m]	921,4	1 484,1	1 219,4	873,1	1 066,9	1 320,3
Gross Margin %	4,6%	3,8%	4,1%	5,0%	5,4%	5,5%
EBIT [PLN m]	18,1	30,4	19,1	6,6	20,6	32,5
EBITDA [PLN m]	31,9	45,2	34,7	23,4	37,9	49,7
Net Income Adj+ [PLN m]	16,4	21,0	10,7	4,0	14,7	24,7
Net Debt [PLN m]	-14,6	-134,2	26,3	-17,9	-25,1	-26,6
BPS	7,79	8,63	8,90	9,07	9,62	10,37
DPS	0,15	0,07	0,21	0,00	0,09	0,32
Return on Equity %	9,1%	10,6%	5,2%	1,9%	6,6%	10,3%
Return on Assets %	2,4%	2,3%	1,5%	0,6%	2,0%	3,1%
Depreciation [PLN m]	9,9	10,2	9,3	11,7	12,1	12,1
Amortization [PLN m]	0,6	0,6	0,6	0,1	0,1	0,1
Free Cash Flow [PLN m]	-54,1	142,6	-118,1	44,1	13,6	12,4
CAPEX [PLN m]	4,8	8,2	5,5	14,5	16,9	17,3

RESEARCH DEPARTMENT:

Maciej Bobrowski
Director
tel. (032) 208 14 12
e-mail: maciej.bobrowski@bdm.pl
[strategy, industry, media/entertainment, TMT](#)

Krzysztof Pado
Deputy Director
Investment Adviser
tel. (032) 208 14 35
e-mail: krzysztof.pado@bdm.pl
[oil&gas, construction, building materials, real estate](#)

Anna Tobiasz
Junior analyst
Investment Adviser
tel. (032) 208 14 35
e-mail: anna.tobiasz@bdm.pl

Andrzej Wodecki
Junior analyst
Investment Adviser
tel. (032) 208 14 39
e-mail: andrzej.wodecki@bdm.pl

INSTITUTIONAL SALES DEPARTMENT:

Leszek Mackiewicz
Director
tel. (022) 62-20-848
e-mail: leszek.mackiewicz@bdm.pl

Piotr Dedecjus
tel. (022) 62-20-100
e-mail: piotr.dedecjus@bdm.pl

Maciej Fink-Finowicki
tel. (022) 62-20-855
e-mail: maciej.fink-finowicki@bdm.pl

Piotr Komorowski
tel. (022) 62-20-851
e-mail: piotr.komorowski@bdm.pl

Tomasz Grzeszczyk
tel. (022) 62-20-854
e-mail: tomasz.grzeszczyk@bdm.pl

Ratings and price targets history:

rating	price target	previous rating	previous target price	report date	report date (hour)	price	WIG
Hold	8,70	Hold	11,0	19.05.2025*	07:30 CEST	8,90	103 150
Hold	11,0	Hold	11,0	19.02.2025*	08:48 CEST	11,20	94 651
Hold	11,0	Hold	11,1	22.08.2024*	11:55 CEST	10,60	84 528
Hold	11,1	Accumulate	8,43	22.04.2024*	14:28 CEST	11,10	84 109
Accumulate	8,43	Buy	7,76	04.01.2024*	09:55 CEST	7,86	77 054
Buy	7,76	relaunch	---	12.09.2023*	13:45 CEST	5,62	66 241
Buy	11,8	---	---	17.02.2017	14:39 CEST	9,94	58 348

* The report was prepared by Dom Maklerski BDM at the request of the WSE as part of the Exchange's Analytical Coverage Support Programme.

Explanations of terminology:

EBIT - earnings before interest and tax
 EBITDA — earnings before interest, taxes, depreciation, and amortization
 Net debt – interest bearing debt minus cash and equivalents
 WACC - weighted average cost of capital
 CAGR - cumulative average annual growth
 EPS - earnings per share
 DPS - dividend per share
 CEPS - net profit plus depreciation per share
 EV – market capitalization plus interest bearing debt minus cash and equivalents
 EV/S – market capitalization / sales
 EV/EBITDA – EV / sales
 P/EBIT – market capitalization / EBIT
 MC/S – market capitalization / sales
 P/E – market capitalization / net profit
 P/BV – market capitalization / book value
 P/CE - market capitalization / net profit plus depreciation
 ROE – net profit / equity
 ROA - net income / assets
 Gross margin - gross profit on sales / sales
 EBITDA margin – EBITDA / sales
 EBIT margin – EBIT / sales
 Net margin – net profit / sales

Explanation of ratings:

Buy – we believe that the security will reach the target price in the recommended period, which significantly exceeds the current market price (at least + 15%);
 Accumulate – we believe that the security will reach the target price in the recommended period, which exceeds the current market price (in the range of +5 to + 14.99%);
 Hold – we believe that a security in the recommended period will fluctuate around the target price, which is close to the current market price (in the range from -4.99% to + 4.99%);
 Reduce – we believe that the security will reach the target price in the recommended period, which is lower than the market price (range of decline from 5% to 14.99%);
 Sell – we believe that a security in the recommended period will reach the target price, which is significantly lower than the market price (suggested erosion of the value exceeds 15%).
 Target price – the theoretical price which, in our opinion, should reach a security in the recommended period; This price is the result of the company's value (eg based on DCF, comparative and other valuations), market conditions and the industry as well as other factors subjectively considered by the analyst.
 Recommendations made by BDM are binding for 12 months from the issue date or until the target level is reached, unless they are updated during this period of time.

The strengths and weaknesses of the valuation methods used in the report:

DCF – the most popular and the most effective of the valuation methods - it is based on the discounting of future cash flows generated by the company. The disadvantage is the high sensitivity to changes in the basic financial parameters forecast in the model (interest rates, exchange rates, profits, residual value).
 DDM – the method is based on discounting future cash flows from dividends. The advantage of the valuation is the inclusion of future financial results and cash flows from dividends. The main disadvantages are the high sensitivity to changes in the basic financial parameters forecasted in the model (capital cost, profits, residual value) and the risk of changing the dividend payment policy.
 Comparative – the method is based on current and forecasted market multipliers of companies from the industry or related industries, which better than DCF shows the current market situation. The main disadvantages are the difficulty in choosing the right companies for comparison, the risk of ineffective valuation of companies compared at a given moment, as well as high volatility (along with price fluctuations).

Distribution of BDM's recommendations in 2Q'25*:			, distribution of BDM's recommendations for the companies which BDM has supplied with investment banking services within the last 12 months	
	numbers	%	numbers	%
Buy	4	50%	0	0%
Accumulate	1	13%	0	0%
Hold	3	38%	0	0%
Reduce	0	0%	0	0%
Sell	0	0%	0	0%

* detailed list of all analytical reports (recommendations) published by BDM during the last 12 months is included at <https://www.bdm.pl/analizy-i-informacje/analizy/historia-rekomendacji>

A Legal note:

This report (hereinafter also referred to as an analysis, a document) has been prepared in compliance with Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 (on market abuse), Commission Delegated Regulation (EU) 2016/958 and Commission Delegated Regulation (EU) 2017/565.

The report constitutes an investment research within the meaning of art. 36 §1 of Commission Delegated Regulation (EU) 2017/565.

The report has been prepared by Dom Maklerski BDM S.A. (hereinafter BDM S.A.) within the Exchange Analytical Coverage Support Programme (<https://www.gpw.pl/gpwpa>). BDM S.A. is a party to the „Agreement on the provision of analytical report services” concluded with the Warsaw Stock Exchange Company („GPW”), on the basis of which BDM provides services of analytical coverage of the Issuer for the term of the Agreement. Under the agreement BDM obtains remuneration from GPW. All materials prepared by BDM within the framework of co-operation are available at <https://www.bdm.pl/program-wsparcia-pokrycia-analitycznego-gpw>.

The report has been prepared and made available for distribution by BDM.

GPW shall be a copyright holder to this report from the date of its publication. The report can be published and made available without limitation by GPW through any mass communication media as decided by GPW.

This report does not constitute an investment, legal, accounting advice or any other, and BDM shall not be responsible for damages arising from or connected with the use of the data presented in the report or the use of any elements of the report by recipients. The report or any copy of it cannot be disseminated, directly or indirectly, in the United States, Canada, Australia or Japan, or transmitted to citizens or residents of a state where its distribution can be restricted by law, which does not limit the possibility of publishing the report on internet websites of the Issuer, BDM or GPW. Persons who disseminate this document should be aware of the necessity to comply with such restrictions.

The document can be intended for professional or institutional customers of BDM as well as for other BDM qualified customers entitled to receive general recommendations based on agreements for brokerage services. This report can also reach other entities through media distribution channels based on a decision of the manager of the analysis department. The fact that a recipient has obtained this report does not mean that he shall be treated as a BDM customer. The compilation cannot be published or copied without a prior written consent of BDM.

Persons who will receive this report and who are not professional customers or qualified investors should consult an independent financial advisor before making any investment decision based on this analysis in order to obtain any necessary and crucial explanations concerning the contents of this analysis.

To prepare this analytical report BDM has not considered individual needs or situations of customers. BDM is not obliged to guarantee that a financial instrument or financial instruments covered by this report are appropriate for a given investor.

Opinions of an analyst and any recommendations included in this report neither constitute an investment, legal, accounting or tax advice or a statement that any investment strategy is adequate or appropriate because of individual circumstances concerning the customer, nor constitute personal recommendation.

The analysis is for information purposes only and does not constitute an advertisement or an offer or an invitation to subscribe or purchase financial instruments.

An investor should be aware that each investment decision in the capital market is subject to numerous risks that finally can result in a financial loss suffered by him. The return rate on individual investments can fluctuate depending on various factors beyond the control of the investor. Therefore, a customer who makes a single investment decision should not only check currency and correctness of individual assumptions made by the analyst in the report but also to have an independent assessment and own analysis (also based on scenarios other than the ones presented in the report) taking into consideration the level of acceptable risk. When deciding on activity on the capital market the investor should take into consideration the fact that the investment portfolio structure (diversification of investment through possessing more than one financial instrument) can reduce risk exposure to an individual instrument bringing a negative rate of return in a given period. At the same time, however, it can lead to limitation of a positive rate of return the investor could achieve in the case of a single financial instrument in a given time period. The investor should be aware that the investment portfolio structure and any investment strategy for the stock market do not guarantee the achievement of a positive rate of return and do not protect him against final loss.

For the first time this report has been made available to the public on 19.05.2025 (07:30 CET). Date of preparing the report is the date of making it accessible. Before the recommendation was made accessible, information included in it had been confidential.

The prices of the financial instruments listed in the document have been taken from the real-time pricing as provided by Bloomberg. Data concerning financial instrument prices used in the report could be loaded to 24 hours before the moment of completing the report.

Detailed list of all analytical reports (recommendations) published by BDM during the last 12 months is included in a cyclical “Monthly Report”.

In the opinion of BDM this report has been prepared observing principles of methodological correctness and objectivity on the basis of sources available to the public which BDM considers reliable. The sources of information used in recommendation are all data related to financial instruments concerned and available to an analyst, including current and periodic reports of the company, current and periodic reports of entities used for comparative valuation, business reports, press releases and other. However, BDM S.A., in no case, guarantees the accuracy and completeness of this report, in particular should sources on the basis of which the report was prepared prove to be inaccurate, incomplete or not fully consistent with the facts. The forecasts presented in the report are solely based on the analysis made by BDM without consultations with companies or other entities and are based on a number of assumptions which could prove to be wrong in the future. BDM does not guarantee that the presented forecasts will prove right.

Recommendations made by BDM are binding for 12 months from the issue date or until the target level is reached, unless they are updated during this period of time.

Any opinions, forecasts or estimates made in the report are merely an expression of analyst assessment as of the day of preparation of the report and at any moment they can be changed without notice. BDM does not guarantee that the opinions or assumptions made by an analyst/analysts and included in this report are compatible with other analysis prepared by BDM. BDM updates issued recommendations depending on the market situation and analyst assessment, and the frequency of such updates is not defined.

According to BDM this report has been made with due diligence and reliability. However, BDM shall not be held liable for any damages incurred as a result of decisions made on the basis of information included in this report.

The report was not transferred to the issuer prior to its publication.

An analyst (analysts) preparing this document receives a fixed remuneration and the BDM Management Board has the right to grant them additional remuneration. Additional remuneration may indirectly depend on the results of other services offered by BDM, including investment banking services, but it shall not depend directly on financial results resulting from other services, including financial banking, which have been or could have been reached by BDM.

BDM is not obliged to take any actions which could cause financial instruments that are the subject of the valuation contained in this document to be valued by the market in accordance with the valuation contained in this document.

The investor should assume that BDM employees or proxies or shareholders may hold long or short positions in the issuer’s shares or other financial instruments related to the issuer’s shares; this particularly concerns the situation of holding not more than 5% of the capital, and they may also carry out transactions on them as proxies.

Each of the above-mentioned persons could carry out transaction relating to the financial instruments concerned prior to this publication. At the same time, however, the instruments concerned are entered in the restrictive list for employees of the Analysis Department immediately at the start of work on the report.

We have not identified significant conflicts of interest between BDM and persons associated with BDM and the financial instrument issuer. If a conflict of interest arises BDM shall manage it by applying the principles defined in the “Policy of management of conflicts of interest at the BDM S.A.”. We point out that as for 19.05.2025:

- BDM states and assures that BDM is not involved financially in financial instruments of the Issuer.
- BDM is not a holder of net long or short positions exceeding the threshold of 0,5 % of the total issued share capital of the issuer,
- The person that participated in preparing recommendation is not a holder of net long or short positions exceeding the threshold of 0,5 % of the total issued share capital of the issuer,
- The issuer does not hold shares exceeding 5 % of the BDM issued share capital,
- BDM is not a market maker or liquidity provider in the financial instruments of the issuer,
- BDM has not been lead manager or co-lead manager over the previous 12 months of any publicly disclosed offer of financial instruments of the issuer;
- BDM is not a party to an agreement with the issuer relating to the provision of investment banking services pursuant to art. 69 §2 and 4 of the Act on Trading in Financial Instruments dated 25th July 2005,
- BDM is not a party to an agreement with the issuer relating to the provision of investment banking services pursuant to section A and B of Annex I to the Directive 2014/65/EU of the European Parliament and of the Council (hereinafter the Directive 2014/65/EU),
- BDM is not a party to an agreement with the issuer relating to the production of the recommendation,
- There is other significant financial interest that BDM or its related affiliates have in relation to the issuer of financial instruments*
- There are other significant connections between BDM or its related affiliates and the issuer of financial instruments**
- The person affiliated with BDM who was involved in the preparation of recommendations did not receive or purchase the shares of the issuer, to whom the recommendation relates directly or indirectly, prior to public offering of such shares,
- The person affiliated with BDM who was involved in the preparation of recommendations declares that they respect internal regulations and are subject to organizational and technical solutions and information barriers established by BDM to eliminate any conflicts of interest concerning recommendations and to avoid them,
- The person affiliated with BDM who was involved in the preparation of recommendations was not rewarded in any form by the issuer, to whom the recommendation relates directly or indirectly, or was not directly connected with any possible transactions concerning services defined in art. 69 §2 and 4 of the Act on Trading in Financial Instruments dated 25th July 2005.

*BDM is a party to the “ANALYTICAL REPORT PREPARATION SERVICES AGREEMENT” concluded with the WSE.

**BDM acts as an issue sponsor for ZUE

According to the best knowledge of the party recommending upon the publication of the report there are no other connections between BDM and the company described in this report that the party preparing this report would know of. However, the investor should be aware that the list disclosing conflicts of interest is long and that in the future there may occur situations leading to conflicts of interest which have not been identified or disclosed at the moment of publication of the report concerned. Especially, the investor should assume that BDM may submit an offer for services to a company or other companies mentioned in this report.

BDM is subject to supervision by the Polish Financial Supervision Commission.

This document is a summary of a full version of the report prepared in Polish. In case of any disputes the Polish version shall prevail.