



**THE BUDIMEX GROUP**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**for 1 quarter of 2024**

**prepared in accordance with  
International Financial Reporting Standards  
endorsed by the European Union**

## The BUDIMEX Group

The condensed consolidated financial statements for I quarter of 2024  
prepared in accordance with International Financial Reporting Standards



*(all amounts are expressed in PLN thousand)*

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(all amounts are expressed in PLN thousand)

### Consolidated statement of financial position

<b>ASSETS</b>	<b>31 March 2024</b> <i>not audited</i>	<b>31 December 2023</b> <i>audited</i>
<b>Non-current (long-term) assets</b>		
Property, plant and equipment	734 566	717 986
Intangible assets	126 505	131 112
Goodwill of subordinated entities	178 198	178 198
Investments in equity accounted entities	2 660	2 657
Investments in equity instruments	4 132	3 892
Retentions for construction contracts	56 748	67 631
Trade and other receivables	28 680	26 718
Receivables from service concession agreement	46 175	46 266
Other financial assets	37 716	16 890
Deferred tax assets	804 575	810 426
<b>Total non-current (long-term) assets</b>	<b>2 019 955</b>	<b>2 001 776</b>
<b>Current (short-term) assets</b>		
Inventories	626 766	607 977
Trade and other receivables	947 195	1 306 258
Retentions for construction contracts	99 020	91 726
Valuation of construction contracts	593 205	477 383
Current tax assets	10 223	420
Other financial assets	33 509	32 411
Cash and cash equivalents	4 016 859	3 900 290
<b>Total current (short-term) assets</b>	<b>6 326 777</b>	<b>6 416 465</b>
<b>TOTAL ASSETS</b>	<b>8 346 732</b>	<b>8 418 241</b>

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**Consolidated statement of financial position (cont.)**

<b>EQUITY AND LIABILITIES</b>	<b>31 March 2024</b> <i>not audited</i>	<b>31 December 2023</b> <i>audited</i>
<b>Equity</b>		
Issued capital	145 848	145 848
Share premium	80 199	80 199
Other reserves	54 555	54 555
Cumulative translation differences	1 830	2 471
Retained earnings	1 366 890	1 247 742
<b>Shareholders' equity attributable to the shareholders of the Parent</b>	<b>1 649 322</b>	<b>1 530 815</b>
<b>Equity attributable to non-controlling interests</b>	<b>41 918</b>	<b>39 483</b>
<b>Total equity</b>	<b>1 691 240</b>	<b>1 570 298</b>
<b>Liabilities</b>		
<b>Non-current (long-term) liabilities</b>		
Loans, borrowings and other external sources of finance	167 746	172 405
Retentions for construction contracts	235 488	244 196
Provision for long-term liabilities and other charges	659 148	656 385
Retirement benefits and similar obligations	13 366	13 366
Other financial liabilities	8 257	8 223
Deferred tax liabilities	1 231	1 633
<b>Total non-current (long-term) liabilities</b>	<b>1 085 236</b>	<b>1 096 208</b>
<b>Current (short-term) liabilities</b>		
Loans, borrowings and other external sources of finance	65 074	64 186
Trade and other payables	1 775 015	1 782 006
Retentions for construction contracts	214 341	226 816
Provisions for losses on construction contracts	783 585	771 947
Valuation of construction contracts	1 659 692	1 767 989
Deferred income	483 443	469 798
Provision for short-term liabilities and other charges	572 419	557 394
Current tax liability	12 422	107 471
Retirement benefits and similar obligations	2 539	2 539
Other financial liabilities	1 726	1 589
<b>Total current (short-term) liabilities</b>	<b>5 570 256</b>	<b>5 751 735</b>
<b>Total liabilities</b>	<b>6 655 492</b>	<b>6 847 943</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8 346 732</b>	<b>8 418 241</b>

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(all amounts are expressed in PLN thousand)

### Consolidated income statement

	Note	3-month period ended 31 March	
		2024	2023
		<i>not audited</i>	
<b>Continuing operations</b>			
Net sales of finished goods, goods for resale, raw materials and services	4, 9	1 644 876	1 939 427
Cost of finished goods, goods for resale, raw materials and services sold		(1 448 618)	(1 765 233)
<b>Gross profit on sales</b>		<b>196 258</b>	<b>174 194</b>
Selling expenses	4	(3 027)	(2 976)
Administrative expenses	4	(83 524)	(77 116)
Other operating income	5	22 156	21 728
Other operating expenses	5	(16 885)	(13 502)
<b>Operating profit</b>		<b>114 978</b>	<b>102 328</b>
Finance income	6	54 896	55 752
Finance costs	6	(14 769)	(15 024)
Share in net profits / (losses) of equity accounted subordinates		3	14
<b>Gross profit</b>		<b>155 108</b>	<b>143 070</b>
Income tax	7	(33 525)	(33 135)
<b>Net profit from continuing operation</b>		<b>121 583</b>	<b>109 935</b>
<b>Net profit for the period</b>		<b>121 583</b>	<b>109 935</b>
<i>of which:</i>			
<b>attributable to the shareholders of the Parent</b>		<b>119 148</b>	<b>106 298</b>
<i>attributable to non-controlling interests</i>		2 435	3 637
<hr/>			
<i>Basic and diluted earnings per share attributable to the shareholders of the Parent (in PLN)</i>		4.67	4.16

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**Consolidated statement of comprehensive income**

	3-month period ended 31 March	
	2024	2023
		<i>not audited</i>
<b>Net profit for the period</b>	<b>121 583</b>	<b>109 935</b>
<b>Other comprehensive income which:</b>		
<i>Items to be reclassified to profit or loss upon satisfaction of certain conditions:</i>		
Cumulative translation differences	(641)	(164)
Income tax related to components of other comprehensive income	-	-
<i>Items not to be subsequently reclassified to profit or loss:</i>		
Actuarial gains/(losses)	-	-
Income tax related to components of other comprehensive income	-	-
<b>Other comprehensive income</b>	<b>(641)</b>	<b>(164)</b>
<b>Total comprehensive income for the period</b>	<b>120 942</b>	<b>109 771</b>
<i>of which:</i>		
<b>Attributable to the shareholders of the Parent</b>	<b>118 507</b>	<b>106 134</b>
<i>Attributable to non-controlling interests</i>	<i>2 435</i>	<i>3 637</i>

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(all amounts are expressed in PLN thousand)

### Consolidated statement of changes in equity

	Issued capital	Share premium	Other reserves	Cumulative translation differences	Retained earnings	Equity attributable to the shareholders of the Parent, total	Non-controlling interests	Total equity
<b>Balance as at 1 January 2024</b> <i>audited</i>	145 848	80 199	54 555	2 471	1 247 742	1 530 815	39 483	1 570 298
Profit for the period	-	-	-	-	119 148	119 148	2 435	121 583
Other comprehensive income	-	-	-	(641)	-	(641)	-	(641)
<b>Total comprehensive income</b>	-	-	-	(641)	119 148	118 507	2 435	120 942
<b>Balance as at 31 March 2024</b> <i>not audited</i>	145 848	80 199	54 555	1 830	1 366 890	1 649 322	41 918	1 691 240

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**Consolidated statement of changes in equity (cont.)**

	Issued capital	Share premium	Other reserves	Cumulative translation differences	Retained earnings	Equity attributable to the shareholders of the Parent, total	Non-controlling interests	Total equity
<b>Balance as at 1 January 2023</b> <i>Audited</i>	145 848	80 199	56 413	7 092	968 832	1 258 384	41 071	1 299 455
Profit for the period	-	-	-	-	106 298	106 298	3 637	109 935
Other comprehensive income	-	-	-	(164)	-	(164)	-	(164)
<b>Total comprehensive income</b>	-	-	-	(164)	106 298	106 134	3 637	109 771
<b>Balance as at 31 March 2023</b> <i>not audited</i>	145 848	80 199	56 413	6 928	1 075 130	1 364 518	44 708	1 409 226
Profit for the period	-	-	-	-	631 898	631 898	4 232	636 130
Other comprehensive income	-	-	(1 858)	(4 457)	-	(6 315)	-	(6 315)
<b>Calkowite dochody za okres</b>	-	-	(1 858)	(4 457)	631 898	625 583	4 232	629 815
Profit distribution - dividend	-	-	-	-	(459 286)	(459 286)	-	(459 286)
Payment of dividend to non-controlling shareholders	-	-	-	-	-	-	(13 377)	(13 377)
Establishment of a new subsidiary	-	-	-	-	-	-	3 920	3 920
<b>Balance as at 31 December 2023</b> <i>audited</i>	145 848	80 199	54 555	2 471	1 247 742	1 530 815	39 483	1 570 298



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**Consolidated statement of cash flows**

	<b>3-month period ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	<i>not audited</i>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Gross profit</b>	<b>155 108</b>	<b>143 070</b>
<b>Adjustments for:</b>		
Depreciation/ amortization	38 682	38 978
Share in net (profits) of equity accounted companies	(3)	(14)
Foreign exchange losses	(2 640)	8
Interest and shares in profits (dividends)	3 231	2 708
(Profit) on investing activities	(3 180)	(1 879)
Change in valuation of derivative financial instruments	2 834	(9 188)
Change in provisions and liabilities arising from retirement benefits and similar obligations	17 825	(3 589)
Other adjustments	(568)	629
<b>Operating profit before changes in working capital</b>	<b>211 289</b>	<b>170 723</b>
Change in receivables and retentions for construction contracts	358 876	(115 653)
Change in inventories	(18 789)	6 403
Change in retentions for construction contracts and in liabilities, except for loans and borrowings	(16 684)	106 580
Change in deferred income	13 645	177 463
Change in valuation of construction contracts and in provision for losses on construction contracts	(212 481)	(79 718)
Change in cash and cash equivalents of restricted use	(16 501)	20 016
Income tax paid	(132 929)	(73 015)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>186 426</b>	<b>212 799</b>

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**Consolidated statement of cash flows (continued)**

	3-month period ended 31 March	
	2024	2023
	<i>not audited</i>	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of intangible assets and property, plant and equipment	1 692	3 775
Purchase of intangible assets and property, plant and equipment	(43 715)	(38 528)
Loans granted	(24 650)	(60)
Proceeds from the liquidation of a related party	-	3 118
Contribution of capital to unconsolidated entities	(234)	-
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>(66 907)</b>	<b>(31 695)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of loans and borrowings	(1 553)	(1 218)
Dividends paid to non-controlling shareholders	-	(245)
Payment of lease liabilities	(16 579)	(21 022)
Interest paid	(3 479)	(2 265)
Other finance (inflows) / expenditure	102	178
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	<b>(21 509)</b>	<b>(24 572)</b>
<b>TOTAL NET CASH FLOW</b>	<b>98 010</b>	<b>156 532</b>
Foreign exchange differences on cash and cash equivalents, net	2 058	(253)
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE (note 3.2)</b>	<b>3 877 894</b>	<b>3 221 410</b>
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE (note 3.2)</b>	<b>3 977 962</b>	<b>3 377 689</b>

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### 1. Organization of the Budimex Group and changes in the Group structure

#### 1.1. The Parent Company

The parent company of the Budimex Group is Budimex SA (the „Parent Company”), which main area of business is building, rendering of management and advisory services for the Budimex Group companies.

The main areas of the business activities of the Group are widely understood construction-assembly services realized in the system of general execution at home and abroad, services and production. Budimex SA serves in the Group as an advisory, management and financial center. Realization of these three functions is to facilitate:

- efficient flow of information within Group structures,
- strengthening the efficiency of cash and financial management of individual Group companies,
- strengthening market position of the entire Group.

#### 1.2. Entities subject to consolidation

As at 31 March 2024, 31 December 2023 and 31 March 2023 the following entities were subject to consolidation:

Company name	Registered office	% in the share capital as at		
		31 March 2024	31 December 2023	31 March 2023
<b>Parent company:</b>				
Budimex SA	Warsaw / Poland			
<b>Subsidiaries:</b>				
Mostostal Kraków SA	Cracow / Poland	100.00%	100.00%	100.00%
Mostostal Kraków Energetyka Sp. z o.o.	Cracow / Poland	100.00%	100.00%	100.00%
Budimex Bau GmbH	Berlin / Germany	100.00%	100.00%	100.00%
Budimex Budownictwo Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	100.00%
Budimex Kolejnictwo SA	Warsaw / Poland	100.00%	100.00%	100.00%
FBSerwis SA	Warsaw / Poland	100.00%	100.00%	100.00%
FBSerwis A Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	100.00%
FBSerwis B Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	100.00%
FBSerwis Karpatia Sp. z o.o.	Tarnów / Poland	100.00%	100.00%	100.00%
FBSerwis Wrocław Sp. z o.o.	Bielany Wrocławskie / Poland	100.00%	100.00%	100.00%
FBSerwis Dolny Śląsk Sp. z o.o.	Ścinawka Dolna / Poland	100.00%	100.00%	100.00%
FBSerwis Odbiór Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	100.00%
FBSerwis Paliwa Alternatywne Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	100.00%
JZE Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	100.00%
Budimex Most Wschodni SA	Warsaw / Poland	100.00%	100.00%	100.00%
Circular Construction SA	Warsaw / Poland	100.00%	100.00%	100.00%
Budimex Mobility SA	Warsaw / Poland	100.00%	100.00%	100.00%
Budimex Slovakia s.r.o.	Bratislava / Slovakia	100.00%	100.00%	100.00%
Magnolia Energy Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	100.00%
Zakład Przetwarzania Odpadów Zawisty Sp. z o.o.	Ostrołęka / Poland	100.00%	100.00%	100.00%
Fotowoltaika HIG XIV Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	100.00%
RailBX GmbH	Berlin / Germany	100.00%	100.00%	100.00%
Budimex F Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	100.00%
Budimex A Sp. z o.o. <sup>1</sup>	Warsaw / Poland	100.00%	100.00%	100.00%

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Company name	Registered office	% in the share capital as at		
		31 March 2024	31 December 2023	31 March 2023
Budimex O Sp. z o.o. <sup>1</sup>	Warsaw / Poland	100.00%	100.00%	100.00%
Budimex P Sp. z o.o. <sup>1</sup>	Warsaw / Poland	100.00%	100.00%	100.00%
Budimex R Sp. z o.o. <sup>1</sup>	Warsaw / Poland	100.00%	100.00%	100.00%
PPUH Konstalex Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	-
Green Waste Management 1 Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	-
Green Waste Management 2 Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	-
Green Waste Management 3 Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	-
Green Waste Management 4 Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	-
Green Waste Management 5 Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	-
Green Waste Management 6 Sp. z o.o.	Warsaw / Poland	100.00%	100.00%	-
FBSerwis Kamieński Sp. z o.o.	Kamieński / Poland	80.00%	80.00%	80.00%
Budimex Parking Wrocław Sp. z o.o.	Warsaw / Poland	51.00%	51.00%	51.00%
BxF Energia Sp. z o.o.	Warsaw / Poland	51.00%	51.00%	-

<sup>1</sup>) Companies consolidated from December 2023 due to the commencement of operating activities.

As at 31 March 2024, 31 December 2023 and 31 March 2023 stand-alone data of Budimex SA and other Group companies, which are partners in consortiums (treated as joint operations according to IFRS 11), included their share in assets, liabilities, revenue and expenses of the following joint operations:

Joint operation name	Share in the issued capital and in the number of votes (%)		
	31 March 2024	31 December 2023	31 March 2023
ARGE Brücke Oderberg	100.00%	100.00%	100.00%
ARGE Brücke Wittstock	100.00%	100.00%	100.00%
ARGE Oberkrämmer	100.00%	100.00%	-
ARGE Campus Düppel	100.00%	100.00%	-
ARGE Wollin	100.00%	100.00%	-
ARGE Delmenhorst	100.00%	100.00%	-
Budimex SA Cadagua SA III s.c. <sup>1</sup>	99.90%	99.90%	99.90%
Budimex SA Cadagua SA IV s.c.	99.90%	99.90%	99.90%
Budimex SA Cadagua SA V s.c.	99.90%	99.90%	99.90%
Budimex SA Sygnity SA Sp.j.	67.00%	67.00%	67.00%
Budimex SA Técnicas Reunidas SA Turów s.c.	50.00%	50.00%	50.00%
Budimex - Gülermak s.c. <sup>2</sup>	50.00%	-	-
E.R.B. Rail JV PS	37.50%	37.50%	-
Budimex SA Ferrovial Agroman SA 2 s.c.	-	-	95.00%

<sup>1</sup>) on 22 April 2024, the partners of Budimex SA Cadagua SA III s.c. agreed on the dissolution of the company on 30 April 2024 due to the achievement of economic objectives for which the company was established.

<sup>2</sup>) The company was established on the basis of a civil partnership agreement concluded between Budimex SA, Gülermak Sp. z o.o. and Gülermak Ağır Sanayi İnşaat ve Taahhüt Şirketi Spółka Akcyjna Oddział w Polsce on 29 February 2024..

As at 31 March 2024, 31 December 2023 and 31 March 2023 equity accounted companies included:

Associate	Share		
	31 March 2024	31 December 2023	31 March 2023
Promos Sp. z o.o.	26.31%	26.31%	26.31%

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### 1.3. Description of the changes in the composition of the Group together with the indication of their consequences

In the 3-month period ended 31 March 2024 there were no other changes in the Group structure, except the ones described below.

#### **Establishment of *Budimex – Gülermak s.c.***

On 29 February 2024, Budimex SA, Gülermak Sp. z o.o. and Gülermak Ağır Sanayi İnşaat ve Taahhüt Şirketi Spółka Akcyjna Oddział w Polsce, jointly established a civil partnership agreement, in which Budimex SA cash contribution is PLN 5 thousand, and the cash contribution of Gülermak Sp. z o.o. and Gülermak Ağır Sanayi İnşaat ve Taahhüt Şirketi Spółka Akcyjna Oddział w Polsce is PLN 2.5 thousand each. Budimex SA has been set as the company leader. Budimex SA's share in the company's profits and losses is 50%.

The subject of the company's activity is the joint performance of an procurement awarded by PKP Polskie Linie Kolejowe SA with its registered office in Warsaw for: "design (within the SRK industry) and comprehensive execution of construction works on railway line No. 104 on section D Limanowa - Klęczany siding as part of project entitled "Modernization of railway line No. 104 Chabówka - Nowy Sącz, on the section Chabówka - Rabka Zaryte - Mszana Dolna and Limanowa - Klęczany - Nowy Sącz".

The company's financial data will be recognized in accordance with IFRS 11 as a joint operation.

#### **Establishment of *Budimex S Sp. z o.o.***

On 19 March 2024, Budimex SA, as the sole shareholder, founded Budimex S Sp. z o.o.. Til the date of preparation of these condensed financial statements Budimex S Sp. z o.o. has not been registered in the National Court Register. The company was not consolidated due to the lack of operating activity.

#### **Establishment of *Budimex T Sp. z o.o.***

On 19 March 2024, Budimex SA, as the sole shareholder, founded Budimex T Sp. z o.o.. Til the date of preparation of these condensed financial statements Budimex T Sp. z o.o. has not been registered in the National Court Register. The company was not consolidated due to the lack of operating activity.

#### **Purchase of shares of *Developres Zielona Energia Sp. z o.o.***

On 25 April 2024, a subsidiary of Budimex SA, BXF Energia Sp. z o. o. concluded with a natural person an agreement for the purchase of 100 shares in Developres Zielona Energia Sp. z o.o. with a total nominal value of PLN 5 thousand, representing 100.00% of the share capital and entitling to 100.00% of votes at the company's shareholders' meeting.

The purchase price for the shares of SPV was set at PLN 34 780 thousand and will be paid in accordance with the schedule and the principles set out in the purchase agreement.

On 25 April 2024 BXF Energia Sp. z o.o. paid the appropriate part of the price for the shares in accordance with the concluded agreement and took control over Developres Zielona Energia Sp. z o.o. As at the date of approval of these consolidated financial statements for publication, the accounting for the acquisition of control is not complete. BXF Energia Sp. z o.o. did not take over the bookkeeping and thus there is no data on the basis of which it could be possible to prepare even a preliminary version of the purchase settlement.

The purchase of shares in Developres Zielona Energia Sp. z o.o. will be recognized by the Group as an acquisition of a group of assets and liabilities that do not constitute a business.

Until the date of the authorization of these consolidated financial statements for publication, there were no other significant events that should be subject to disclosure.

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## 2. Shareholders of the Parent Company

According to the information held by Budimex SA, the shareholding structure of Budimex SA as at the report date was as follows:

Shareholder	Type of shares	Number of shares	% of the share capital	Number of votes	% of voting rights at the AGM
Ferrovial Construction International SE	ordinary	12 801 654	50.14%	12 801 654	50.14%
Allianz OFE	ordinary	2 551 331	9.99%	2 551 331	9.99%
Nationale-Nederlanden OFE	ordinary	2 371 487	9.29%	2 371 487	9.29%
Other shareholders	ordinary	7 805 626	30.58%	7 805 626	30.58%
<b>Total</b>		<b>25 530 098</b>	<b>100.00%</b>	<b>25 530 098</b>	<b>100.00%</b>

The above data presents the shareholding structure as at the last General Meeting of Shareholders of 18 May 2023, taking into account the information contained in the current report No. 39/2023 of 13 June 2023.

## 3. Principles applied for the purpose of preparation of condensed consolidated financial statements

### 3.1. Accounting policies and basis of preparing the condensed consolidated financial statements of the Budimex Group

These condensed consolidated financial statements were prepared in accordance with IAS 34 "Interim Financial Reporting" and appropriate accounting standards applicable for preparation of the interim consolidated financial statements adopted by the European Union issued and effective when preparing the interim consolidated financial statements applying the same principles for the current and comparable period. Details of accounting policies adopted by the Group were described in the consolidated financial statements of the Group for the year ended 31 December 2023, published on 10 April 2024.

The condensed consolidated financial statements were prepared on the assumption that the Parent Company and all entities included in the Budimex Group will continue as a going concern in the foreseeable future. In the reporting period and as at the date of preparation of these financial statements no circumstances were noted that would indicate a threat to ability to continue as a going concern.

#### **Amendments to standards effective in the current period**

The Group for the first time adopted amendments to standards listed below:

- Amendments to IAS 1 „Presentation of Financial Statements” – “*Classification of Liabilities as Current or Non-current*”, “*Classification of Liabilities as Current or Non-current - Deferral of Effective Date*” and “*Non-Current Liabilities with Covenants*”,
- Amendments to IFRS 16 „Leases” – “*Lease Liability in a Sale and Leaseback*”.

The above amendments to the standards did not have any material impact on the Group's accounting policy applied so far.

#### **Standards and amendments to standards issued by IASB but not yet adopted by the EU**

The IFRSs endorsed by the EU do not differ materially from regulations adopted by the International Accounting Standards Board (IASB), except for the below standards and amendments to Standards, which as at the date of the preparation of these consolidated financial statements were not yet adopted for use:

- IFRS 18 “Presentation and Disclosure in Financial Statements” (effective for annual periods beginning on or after 1 January 2027),
- IFRS 14 „Regulatory Deferral Accounts” – according to the decision of the European Union, endorsement process of the standard in its draft form will not be initiated before the publication of standard's final version (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IFRS 10 „Consolidated Financial Statements” and IAS 28 „Investments in Associates and Joint Ventures” – “*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*” –

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the work leading to the endorsement of these changes was postponed by the EU indefinitely – the date of amendments becoming effective was postponed indefinitely by the IASB,

- Amendments to IAS 7 "Statements of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" – „Supplier Finance Arrangements” (effective for annual periods beginning on or after 1 January 2024),
- 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).

The above mentioned standards and amendments to standards would not have any material impact on the condensed consolidated financial statements, had these been applied by the Group at the reporting date.

### 3.2. Cash recognised in the cash flow statement

The Group recognizes cash of restricted use (including mainly cash of the consortia in the portion attributable to other consortium members, cash representing security for bank guarantees and split payment bank accounts) in the statement of financial position under cash and cash equivalents. For the purpose of the statement of cash flow – the balance of cash at the beginning and at the end of the reporting period is reduced by cash of restricted use, and its change in the statement of financial position is recognized under cash flow from operating activities.

	31 March 2024	31 December 2023	31 March 2023
Cash recognised in the statement of financial position	4 016 859	3 900 290	3 385 632
Cash and cash equivalents of restricted use	(38 897)	(22 396)	(7 943)
<b>Cash recognised in the statement of cash flow</b>	<b>3 977 962</b>	<b>3 877 894</b>	<b>3 377 689</b>

## 4. Net sales of finished goods and services, selling expenses, administrative expenses and profitability

Sale of construction-assembly services in Poland is characterized by seasonality mainly connected with atmosphere conditions and the highest revenues are usually achieved in the second and third quarter, while the lowest – in the first quarter.

In the 3-month of 2024 construction-assembly production in Poland expressed in fixed prices decreased by 10.8% compared to the corresponding period of the prior year, while sales of the construction segment of the Budimex Group on the home market decreased by 19.6% on the corresponding period.

### Net sales and profitability

	3 months ended		
	31 March 2024	31 March 2023	Change in %
Net sales of finished goods and services	1 644 876	1 939 427	(15.19%)
Gross profit on sales	196 258	174 194	12.67%
<b>Gross profitability on sales</b>	<b>11.93%</b>	<b>8.98%</b>	<b>2.95 p.p.</b>
Operating profit	114 978	102 328	12.36%
<b>Operating profitability</b>	<b>6.99%</b>	<b>5.28%</b>	<b>1.71 p.p.</b>
Operating profit in construction segment	95 410	80 785	18.10%
<b>Operating profitability in construction segment</b>	<b>6.74%</b>	<b>4.69%</b>	<b>2.05 p.p.</b>
Operating profit in service segment	19 568	21 543	(9.17%)
<b>Operating profitability in service segment</b>	<b>8.35%</b>	<b>9.90%</b>	<b>(1.55 p.p.)</b>
Gross profit	155 108	143 070	8.41%
<b>Gross profitability</b>	<b>9.43%</b>	<b>7.38%</b>	<b>2.05 p.p.</b>
Net profit	121 583	109 935	10.60%
<b>Net profitability</b>	<b>7.39%</b>	<b>5.67%</b>	<b>1.72 p.p.</b>

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### Selling expenses and administrative expenses

	3 months ended		Change in %
	31 March 2024	31 March 2023	
Selling expenses	(3 027)	(2 976)	1.71%
Administrative expenses	(83 524)	(77 116)	8.31%
<b>Total selling &amp; administrative expenses</b>	<b>(86 551)</b>	<b>(80 092)</b>	<b>8.06%</b>
<b>Share of selling &amp; administrative expenses in net sales of finished goods and services</b>	<b>5.26%</b>	<b>4.13%</b>	<b>1.13 p.p.</b>

## 5. Other operating income and expenses

### Other operating income

	3 months ended	
	31 March 2024	31 March 2023
Reversal of impairment write-downs against receivables	9 372	6 080
Penalties/ compensations awarded	4 700	4 457
Statute-barred liabilities written-off	338	-
Gains on derivative financial instruments	6 987	9 531
Subsidies received	172	6
Gains on the sale of non-financial non-current assets	251	1 091
Other	336	563
<b>Total</b>	<b>22 156</b>	<b>21 728</b>

### Other operating expenses

	3 months ended	
	31 March 2024	31 March 2023
Impairment write-downs against receivables	(5 933)	(7 043)
Creation of provision for penalties and other sanctions	(4 413)	-
Creation of provision for litigation	(135)	(656)
Compensations and liquidated damages paid	(1 988)	(3 248)
Loss on derivative financial instruments	(3 382)	(642)
Donations given	(642)	(587)
Court charges and executions, costs of legal proceedings	(132)	(427)
Other	(260)	(899)
<b>Total</b>	<b>(16 885)</b>	<b>(13 502)</b>

## 6. Finance income and costs

### Finance income

	3 months ended	
	31 March 2024	31 March 2023
Interest earned	51 102	54 345
Valuation of receivables from service concession arrangement	713	717
Gains on derivative financial instruments	650	165
Foreign exchange gains	2 430	335
Other	1	190
<b>Total</b>	<b>54 896</b>	<b>55 752</b>



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### Finance costs

	3 months ended	
	31 March 2024	31 March 2023
Interest expense	(3 905)	(3 442)
Discount of retentions for construction contracts	(3 843)	(3 314)
Cost of bank commissions and guarantees	(6 875)	(7 234)
Loss on derivative financial instruments	-	(343)
Loss on liquidation of a non-consolidated entity	-	(394)
Other	(146)	(297)
<b>Total</b>	<b>(14 769)</b>	<b>(15 024)</b>

All valued derivative instrument contracts (presented both in the operating and financing activity) were classified as level 2 in the fair value hierarchy. During the 3 months ended 31 March 2024, there was no transfer between Level 1 and Level 2 of fair value measurements, and no transfer into and out of Level 3 of fair value measurement. The fair value of financial instruments owned by the Group companies is similar to their carrying value.

## 7. Other important information on activity of the Budimex Group in the period of I quarter 2024

### Provisions for liabilities and other charges

	31 March 2024	31 December 2023
Provisions for litigation	35 727	35 698
Provisions for penalties and other sanctions	342 959	331 441
Provisions for warranty repairs	743 624	739 910
Provisions for land reclamation	57 113	56 844
Provisions for waste storage fee	30 863	28 976
Other provisions	21 281	20 910
<b>Total</b>	<b>1 231 567</b>	<b>1 213 779</b>
<i>of which:</i>		
- long-term	659 148	656 385
- short-term	572 419	557 394

### Income tax in the income statement

	31 March 2024	31 March 2023
Income tax – current	(28 076)	(47 417)
Income tax – deferred	(5 449)	14 282
<b>Income tax in the income statement</b>	<b>(33 525)</b>	<b>(33 135)</b>

### Other information

	3 months ended	
	31 March 2024	31 March 2023
Value of property, plant and equipment and intangible assets purchased or started to be leased:	47 561	42 580
- of which: plant and machinery	12 009	1 606

As at 31 March 2024 contractual obligations made by the Group for the purchase of property, plant and equipment amounted to PLN 58 522 thousand. As at 31 December 2023, the Group's contractual investment commitments amounted to PLN 24 412 thousand and related primarily to the purchase of means of transport, and plant and machinery.

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In the first 3 months of 2024, the Budimex Group recorded a decrease in trade and other receivables, which were at a record level at the end of 2023, due to their settlement by contractors, which also resulted in an increase in the Group's cash balance at the end of March 2024. The significant change in income tax settlements was a consequence of the final tax settlement for 2023. The Group also recorded an increase in the balance of the valuation of construction contracts ("under-invoicing"), which was dictated by factors such as: natural business cycle, seasonality of construction works, and a relatively low level of under-invoicing at the end of 2023 resulting from the high level of invoicing on several key railway contracts. In turn, the reduction in the level of valuation of construction contracts presented in the liabilities of the Group's consolidated statement of financial position ("over-invoicing ") results from the settlement of prepaid stages of work on railway and road contracts. The increase in the balance of other long-term financial assets results from granting long-term loans to Group companies, not included in the consolidation scope.

Apart from that, there were no other significant changes in the consolidated statement of financial position.

### **8. Operating segments**

For the management purposes the Group has been divided into segments based on the products and services offered. The Group operates in the following operating segments:

- construction business,
- service activities.

Construction business covers rendering of widely understood construction-assembly services at home and abroad and is realised by the following Group companies:

- Budimex SA
- Mostostal Kraków SA
- Mostostal Kraków Energetyka Sp. z o.o.
- Budimex Bau GmbH
- Budimex Budownictwo Sp. z o.o.
- Budimex Kolejnictwo SA
- RailBX GmbH
- Budimex Slovakia s.r.o.
- PPUH Konstalex Sp. z o.o

The segment of service activities comprises comprehensive services in the field of municipal waste management, comprehensive road maintenance, lighting infrastructure extension and management, and technical operation (maintenance) of buildings, also in the form of public-private partnership (PPP). This segment also includes electricity generation from renewable energy sources. Classified to this segment were the following entities:

- Budimex Parking Wrocław Sp. z o.o.
- FBSerwis SA
- FBSerwis A Sp. z o.o.
- FBSerwis B Sp. z o.o.
- FBSerwis Dolny Śląsk Sp. z o.o.
- FBSerwis Wrocław Sp. z o.o.
- FBSerwis Karpatia Sp. z o.o.
- FBSerwis Kamieński Sp. z o.o.
- FBSerwis Odbiór Sp. z o.o.
- FBSerwis Paliwa Alternatywne Sp. z o.o.
- JZE Sp. z o.o.
- Budimex Most Wschodni SA
- Circular Construction SA
- Magnolia Energy Sp. z o.o.

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- Zakład Przetwarzania Odpadów Zawisty Sp. z o.o.
- Fotowoltaika HIG XIV Sp. z o.o.
- Budimex Mobility SA
- Budimex F Sp. z o.o.
- Budimex A Sp. z o.o.
- Budimex O Sp. z o.o.
- Budimex P Sp. z o.o.
- Budimex R Sp. z o.o.
- BxF Energia Sp. z o.o.
- Green Waste Management 1 Sp. z o.o.
- Green Waste Management 2 Sp. z o.o.
- Green Waste Management 3 Sp. z o.o.
- Green Waste Management 4 Sp. z o.o.
- Green Waste Management 5 Sp. z o.o.
- Green Waste Management 6 Sp. z o.o.

Segment performance is evaluated based on sales revenue, gross profit (loss) on sales, operating profit (loss) and net profit (loss) for the period.

The results of segments for the first quarter of 2024 are presented in the table below:

Segment name	Construction business	Service activities	Consolidation adjustments	Consolidated value
External sales	1 412 295	232 581	-	1 644 876
Inter-segment sales	3 064	1 673	(4 737)	-
<b>Total sales of finished goods, goods for resale and raw materials</b>	<b>1 415 359</b>	<b>234 254</b>	<b>(4 737)</b>	<b>1 644 876</b>
<b>Gross profit on sales</b>	<b>158 893</b>	<b>38 314</b>	<b>(949)</b>	<b>196 258</b>
Selling expenses	(3 027)	-	-	(3 027)
Administrative expenses	(69 974)	(14 499)	949	(83 524)
Other operating income/(expenses), net	9 518	(4 247)	-	5 271
<b>Operating profit</b>	<b>95 410</b>	<b>19 568</b>	<b>-</b>	<b>114 978</b>
Finance income/ (costs), net	39 502	1 170	(545)	<b>40 127</b>
Shares in profits of equity accounted subordinates	-	3	-	<b>3</b>
Income tax expense	(26 655)	(6 973)	103	<b>(33 525)</b>
<b>Net profit</b>	<b>108 257</b>	<b>13 768</b>	<b>(442)</b>	<b>121 583</b>

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The results of segments for the first quarter of 2023 are presented in the table below:

Segment name	Construction business	Service activities	Consolidation adjustments	Consolidated financial data
External sales	1 723 640	215 787	-	1 939 427
Inter-segment sales	521	1 837	(2 358)	-
<b>Total sales of finished goods, goods for resale and raw materials</b>	<b>1 724 161</b>	<b>217 624</b>	<b>(2 358)</b>	<b>1 939 427</b>
<b>Gross profit on sales</b>	<b>138 098</b>	<b>36 686</b>	<b>(590)</b>	<b>174 194</b>
Selling expenses	(2 976)	-	-	(2 976)
Administrative expenses	(64 784)	(12 922)	590	(77 116)
Other operating income/ (expenses), net	10 447	(2 221)	-	8 226
<b>Operating profit</b>	<b>80 785</b>	<b>21 543</b>	<b>-</b>	<b>102 328</b>
Finance income/ (costs), net	40 480	1 249	(1 001)	40 728
Shares in profits of equity accounted subordinates	-	14	-	14
Income tax expense	(24 610)	(8 715)	190	(33 135)
<b>Net profit</b>	<b>96 655</b>	<b>14 091</b>	<b>(811)</b>	<b>109 935</b>

## 9. Revenue from sale of finished goods, services, goods for resale and raw materials, by category

### 9.1. Sales revenue, by type of good or service

In the first quarter of 2024 net sales of finished goods, services, goods for resale and raw materials, by type of good or service, were as follows:

Segment name	Construction business	Service activities	Consolidation adjustments	Consolidated financial data
Sales of construction and assembly services	1 392 194	-	(1 041)	1 391 153
Sales of other services	7 093	232 842	(3 680)	236 255
Sales of finished goods	11 307	-	-	11 307
Sales of goods for resale and raw materials	4 765	1 412	(16)	6 161
<b>Total sales of finished goods, goods for resale and raw materials</b>	<b>1 415 359</b>	<b>234 254</b>	<b>(4 737)</b>	<b>1 644 876</b>

In the first quarter of 2023 net sales of finished goods, services, goods for resale and raw materials, by type of good or service, were as follows:

Segment name	Construction business	Service activities	Consolidation adjustments	Consolidated financial data
Sales of construction and assembly services	1 707 599	-	(188)	1 707 411
Sales of other services	3 644	217 624	(2 143)	219 125
Sales of finished goods	4 696	-	-	4 696
Sales of goods for resale and raw materials	8 222	-	(27)	8 195
<b>Total sales of finished goods, goods for resale and raw materials</b>	<b>1 724 161</b>	<b>217 624</b>	<b>(2 358)</b>	<b>1 939 427</b>

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### 9.2. Sales revenue, by geographical area

In the first quarter of 2024 net sales of finished goods, services, goods for resale and raw materials, by geographical area, were as follows:

Segment name	Construction business	Service activities	Consolidation adjustments	Consolidated financial data
Poland	1 312 329	234 025	(4 737)	1 541 617
Germany	65 433	29	-	65 462
Slovakia	20 863	-	-	20 863
Czech Republic	15	-	-	15
Other EU countries	16 719	200	-	16 919
<b>Total sales of finished goods, goods for resale and raw materials</b>	<b>1 415 359</b>	<b>234 254</b>	<b>(4 737)</b>	<b>1 644 876</b>

In the first quarter of 2023 net sales of finished goods, services, goods for resale and raw materials, by geographical area, were as follows:

Segment name	Construction business	Service activities	Consolidation adjustments	Consolidated financial data
Poland	1 631 426	217 514	(2 358)	1 846 582
Germany	91 553	67	-	91 620
Slovakia	1 182	18	-	1 200
Other EU countries	-	25	-	25
<b>Total sales of finished goods, goods for resale and raw materials</b>	<b>1 724 161</b>	<b>217 624</b>	<b>(2 358)</b>	<b>1 939 427</b>

### 9.3. Sales revenue of the segment „Construction business” by construction type

Net sales of finished goods, services, goods for resale and raw materials of the „Construction business” as the most significant operating segment in the Budimex Group were additionally analyzed by type of construction objects. Data for the first quarter of 2024 and the first quarter of 2023 were as follows:

Type of construction	Sales revenue for a 3-month period ended:	
	31 March 2024	31 March 2023
Land-engineering	552 702	617 880
Railway	334 906	404 387
General construction, of which:	527 751	701 894
- non-housing	487 100	677 159
- housing	40 651	24 735
<b>Net sales of finished goods, goods for resale and raw materials – Construction business segment</b>	<b>1 415 359</b>	<b>1 724 161</b>

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### 10. Related party transactions

Transactions with related parties made in the period of three months ended 31 March 2024 and in the period of three months ended 31 March of 2023 and unsettled balances of receivables and liabilities as at 31 March 2024 and 31 December 2023 are presented in the tables below:

	Receivables		Liabilities	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Parent and its related parties (the Ferrovial Group)	-	-	28 989	34 790
Jointly controlled entities	14 269	14 595	660	660
Associates	3	8	5	11
Other related entities – non-consolidated subsidiaries*	62	137	-	-
<b>Total settlements with related parties</b>	<b>14 334</b>	<b>14 740</b>	<b>29 654</b>	<b>35 461</b>

	Loans granted		Loans taken out	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Other related entities – non-consolidated subsidiaries*	24 982	-	-	-
<b>Total transactions with related parties</b>	<b>24 982</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Sales of finished goods and services & other operating and finance income		Purchase of finished goods and services & other operating and finance costs	
	3-month period ended 31 March		3-month period ended 31 March	
	2024	2023	2024	2023
Parent and its related parties (the Ferrovial Group)	-	-	(8 142)	(11 798)
Jointly controlled entities	8	105	-	-
Associates	7	6	(25)	(27)
Other related entities - non-consolidated subsidiaries*	346	1	-	(76)
Other related entities - others*	-	-	-	(394)
<b>Total transactions with related parties</b>	<b>361</b>	<b>112</b>	<b>(8 167)</b>	<b>(12 295)</b>

\*) Other related parties represent controlled or jointly controlled entities or entities, on which the key management person of the Parent Company or of the subsidiary of the Budimex Group or his close relative exercises significant influence, or has significant number of votes at the shareholders' meeting of this company.

As at 31 March 2024 and 31 December 2023, the Group's companies did not have any debt securities purchased from related entities, nor any loans received or debt securities sold to these entities.

Inter-Group transactions are made on an arm's length basis.

### 11. Factors which will affect results achieved by the Group in a period covering at least the next quarter

The most important factors that may affect the Group's financial situation in the perspective of at least the next quarter include:

- economic uncertainty related to the war in Ukraine,
- availability of qualified staff,
- availability and level of prices of construction materials and services affecting the amount of direct costs of the contracts being performed,
- risks related to logistics and transport of construction materials,

- volatility of exchange rates that affect the amount of sales revenues and operating costs as well as the result on the valuation and settlement of derivative currency transactions,
- level of competition in announced public tenders,
- intensification of activities aimed at recovering overdue receivables,
- results of pending court cases, which are described in more detail in Note 16 to these consolidated financial statements,
- changes in tax regulations affecting the construction industry.

## **12. Description of significant achievements or failures of the Budimex Group in the period of 3 months of 2024, key events concerning the Group's operations and significant events after 31 March 2024**

Compared to the corresponding period of the previous year sales revenue decreased by 15%, while improving operating profitability. The decline in sales results from the investment cycle of the largest investors, especially in the railway segment. Additionally, a number of important contracts, which had a large share in last year's sales revenue, have been completed. Several factors contributed to the observed increase in operating profitability in the first quarter of this year. One of them was price stabilization and greater availability of construction materials and subcontractor services. It was noted an improvement in operating profitability, inter alia in the general construction segment, which thanks to the completion and settlement of several large and difficult contracts last year and the greater availability of subcontractors, achieved higher profitability in the current quarter than in the same period of the previous year.

Due to delays in obtaining EU funds under the National Recovery and Resilience Plan (KPO), last year did not bring the expected tender outcomes and signed contracts in the railway construction segment, which would allow for a smooth reconstruction of the order portfolio in this area and maintaining the sales level achieved last year.

In the first quarter of 2024, the service segment, whose pillar is the FBSerwis Group, significantly increased sales revenue (by almost 8%) compared to the same period of the previous year. At the same time, a stable level of gross profit on sales was maintained, comparable to the result achieved in the first quarter of 2023. The increase in sales revenues was mainly achieved in the infrastructure maintenance segment.

The backlog of the Budimex Group is profitable and largely secures revenues until the end of 2025. The structure of the portfolio has not changed significantly over the last year - the backlog is based mainly on infrastructure and railway contracts, which account for approximately 2/3 of its value. The Budimex Group conducts regular budget updates of long-term contracts, and changes in material prices are taken into account in the revised cost estimates.

The backlog of the Budimex Group as of 31 March 2024 amounted to PLN 14 644 717 thousand. The value of contracts signed between January and March 2024 amounted to PLN 2 702 848 thousand. After 31 March 2024, contracts worth almost PLN 500 million were signed. In addition, the value of contracts in which the bids of Group companies are the lowest or have been rated the highest by ordering parties is over PLN 10 billion, of which almost PLN 5 billion was for contracts on foreign markets. This provides favorable prospects for the evolution of the order portfolio in the coming quarters and builds the foundations of operations for 2025-2026.

At the end of the first quarter of 2024, the Group's cash position improved compared to the end of 2023, mainly due to the receipt of payments for works performed and invoiced during the final months of last year, the level of which was record high.

In the first quarter of 2024, the Group continues operating activities within three foreign branches, located in Slovakia (as a part of this project, a contract for the construction of the D1 Bratislava-Triblavina motorway is being carried out), in the Czech Republic (where it has started the construction of the D35 motorway from Džbánov to Litomyšl and the Kutrin polder) as well as in Latvia (where the realization of Rail Baltica contract commences).

On 9 April 2024 Management Board of Budimex SA decided to recommend to the Ordinary General Meeting in 2024 to decide on the payment of dividend in the amount of PLN 35.69 gross per share. It is proposed to allocate part of the net profit for the period from 1 January 2023 to 31 December 2023 in the amount of PLN 749 569 thousand and a portion of retained earnings from previous years in the amount of PLN 161 600 thousand. The Management Board of Budimex SA proposed to set the dividend day to 29 May 2024, and the dividend payment date to 6 June 2024.

On 25 April BXF Energia Sp. z o.o., a subsidiary of Budimex SA, acquired 100% shares of Developres Zielona Energia Sp. z o.o. which was described in note 1.3 to these condensed consolidated financial statements.

The ongoing armed conflict in Ukraine has no direct impact on the operations of the Budimex Group. The Group does not execute contracts in Ukraine, Russia or Belarus. The Budimex Group companies do not have significant exposure to services provided by entities with Eastern capital, either.

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In the period from 31 March 2024 to the date of preparation of the condensed consolidated financial statements, no other significant events took place.

### **13. Issue, redemption and repayment of debt and equity securities**

In the period of three months ended 31 March 2024 Budimex SA and Group companies did issue, redeem or repay debt or equity securities.

### **14. The Management Board's position on the feasibility of results stated in the financial forecasts published earlier for the year in view of the financial results presented in the quarterly report in relation to the projected results**

Budimex SA did not publish any forecasts.

### **15. Statement of ownership of shares of Budimex SA or rights to such shares (options) held by the managing or supervisory persons of Budimex SA as at the date of publication of this report together with indication of changes in the ownership in the first quarter of 2024**

As at the date of publication of the report members of the Management Board and Supervisory Board of Budimex SA held the following number of shares:

Artur Popko	(President of the Management Board)	2 031 shares
Marcin Węglowski	(Management Board member)	2 830 shares
Anna Karyś-Sosińska	(Management Board member)	1 200 shares
Marek Michałowski	(chairman of the Supervisory Board)	4 000 shares

Above mentioned members of the Management Board and Supervisory Board do not own share options of the company. As at the date of publication of this report other managing and supervisory persons of Budimex SA do not hold its shares or share options. This status has not changed since 31 December 2023.

### **16. Proceedings pending as at 31 March 2024 before court, competent arbitration body or any public administration authority**

The total value of legal proceedings in progress in respect of liabilities and receivables as at 31 March 2024 was PLN 744 588 thousand. Excess of the value of proceedings relating to claims of Group companies over proceedings against Group companies amounted to PLN 164 330 thousand.

In accordance with information in the possession of Budimex SA, the total value of legal proceedings in progress in respect of liabilities of Budimex SA and its subsidiaries as at 31 March 2024 was PLN 290 129 thousand. These proceedings involve the Group companies' operating activity.

The largest item in terms of the value of the subject of the dispute was the lawsuit against Budimex SA and Ferrovia Agroman SA in Madrid (currently Ferrovia Construcción SA), members of the consortium related to implementation of the contract "Construction of the new premises for the Silesian Museum in Katowice" concluded on 7 June 2011, filed on 24 July 2017 by the claimant – the Silesian Museum in Katowice. The Claimant requests that the Defendants are either condemned in solidum to pay the amount of PLN 122 758 thousand plus statutory interest from the date the lawsuit was filed for improper performance of the obligation under the Contract, either alternatively the court adjudges the claim for decreasing the price by PLN 34 675 thousand as the reimbursement of part of the remuneration, which was wrongly paid in Claimant's opinion. Article 471 of the Civil Code was specified as the grounds for pursuing the main claim, and the provisions on statutory warranty were specified for the alternative claim.

In the opinion of the Management Board of Budimex SA the claims in the lawsuit are groundless. The irregularities, which in the Claimant's opinion constitute actual grounds of the claims, provided that these do exist, do not result from actions or omissions of the consortium. Moreover, proper performance of the Silesian Museum building in Katowice by the consortium was confirmed by the Claimant issuing the Work Acceptance Certificate and Implementation Certificate for the building. The Management Board assesses that the provisions for warranty repairs and court proceedings recognised beforehand fully cover the risks related to court case. Budimex SA filed its response to the claim



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on 31 October 2017 and supplemented it in January 2018. Ferrovial Agroman SA filed a reply to the statement of claim on 22 October 2018. The first hearing took place on 11 March 2019, during which the court ordered the parties to make an advance payment for expert fees. By a decision of 2 August 2022, the court summoned parties to start mediations, at the same time appointing a mediator for the Arbitration Court at the General Attorney of the Treasury. On 26 August 2022 Budimex SA and Ferrovial Construcción SA agreed to mediation and the appointed mediator. The mediation was conducted from 29 August 2022 to 12 April 2024, but it did not lead to a settlement. Due to ineffective mediation the case returns to court proceedings

Another legal proceedings with a material value relate to the claim filed on 5 March 2008 by Miejskie Wodociągi i Kanalizacja w Bydgoszczy Sp. z o.o. requesting that the amount of PLN 25 252 thousand be awarded jointly and severally against the consortium to which the Budimex SA and Budimex Dromex SA belonged. The claim relates to the replacement of contractor costs incurred by the investor when the consortium rescinded the contract. The Budimex Group's share in consortium was 90%, therefore the value of the claim for which Budimex SA is liable is PLN 22 727 thousand. On 12 July 2017, the court of the first instance awarded against Budimex SA the amount of PLN 22 thousand (towards reimbursement of the costs of expert opinions commissioned by the claimant), and dismissed the claim in its entirety. An appeal against the judgment was filed both by the claimant (against the entire judgment) and the defendant (against a part of the judgment - i.e. the amount of PLN 22 thousand). Currently, the parties still await setting the date for the hearing before the court of the second instance. In the meantime, the court at a closed session, issued a decision to admit evidence from an expert opinion, including the calculation of the value of correction works and the value of works remaining to be performed. The expert prepared this opinion in which he stated that based on the evidence collected in the proceedings files (or, in fact, the lack thereof), he was unable to answer the questions asked by the court. Budimex SA believes that this opinion is favorable.

As at the date of this report, the final outcome of the remaining proceedings is not known. For all legal proceedings which – according to the Group – may finish in an unfavourable way, provisions were recognised in the amount that takes into account the risk estimated by the Group.

The total value of legal proceedings pending in respect of claims of Budimex SA and its subsidiaries amounted to PLN 454 459 thousand as at 31 March 2024. The remaining proceedings relate mainly to the recovery of overdue receivables from business partners and to additional claims in respect of the construction work performed.

As at the date of this report, the final outcome of the proceedings is not known.

### 17. Contingent assets and contingent liabilities

	31 March 2024	31 December 2023
<b><u>Contingent assets</u></b>		
<b>From other entities</b>		
– guarantees and sureties received	717 726	761 443
– bills of exchange received as security	53 770	83 875
<b>From other entities, total</b>	<b>771 496</b>	<b>845 318</b>
<b>Other contingent assets</b>	<b>17 749</b>	<b>12 692</b>
<b>Total contingent assets</b>	<b>789 245</b>	<b>858 010</b>
<b><u>Contingent liabilities</u></b>		
<b>To other entities, of which:</b>		
– guarantees and sureties issued	4 837 157	5 016 111
– promissory notes issued as performance bond	8 467	8 467
<b>To other entities, total</b>	<b>4 845 624</b>	<b>5 024 578</b>
<b>Other contingent liabilities</b>	<b>34</b>	<b>181</b>
<b>Total contingent liabilities</b>	<b>4 845 658</b>	<b>5 024 759</b>
<b>Total contingent items</b>	<b>(4 056 413)</b>	<b>(4 166 749)</b>

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Contingent assets arising from guarantees and sureties received represent guarantees and sureties issued by banks or other entities to the benefit of the Budimex Group companies serving as security for the Group's claims against business partners in connection with executed construction contracts.

Contingent liabilities arising from guarantees and sureties comprise mainly guarantees issued by banks to business partners of the Group companies to secure their claims against the Group companies that may arise on the grounds of executed construction contracts. The banks are entitled to recourse claims against Group companies under these guarantees. Guarantees issued to the investors of the Group represent an alternative, to the retentions held, method of securing potential investor claims relating to construction contracts. At the same time, the risk relating to warranty repairs assessed by the Management Board of the Group as probable was appropriately reflected in the warranty repair provision, as described in note 7 to these condensed consolidated financial statements.

The promissory notes issued represent security for liabilities settlement towards strategic suppliers of Group companies, while bills of exchange received and recognised under contingent assets represent security for receivables payment due to Group companies from their customers.

Guarantees and sureties issued by Budimex SA and its subsidiaries as at 31 March 2024:

Name of the company which issued a guarantee or surety	Name of the (company) entity which received a surety or a guarantee	Total value of guarantees or sureties issued	Maximum period of guarantees or sureties issuance	Financial conditions in respect of guarantees and sureties issued	Type of relations between Budimex SA and the entity which took out a guarantee or surety
Budimex SA	Mostostal Kraków SA	217 891	2031-08-29	against payment	subsidiary
Budimex SA	Budimex Budownictwo Sp. z o.o.	76 155*	2030-01-14	free of charge	subsidiary
Budimex SA	FBSerwis SA	12 528	2030-07-12	against payment	subsidiary
Budimex SA	Budimex D Sp. z o.o.	11 246	2025-12-31	against payment	subsidiary
Budimex SA	Budimex Bau GmbH	10 185	indefinitely	against payment	subsidiary
Budimex SA	Budimex Kolejnictwo SA	4 792	2027-12-31	against payment	subsidiary
Budimex SA	ARGE Oberkrämer	799	indefinitely	against payment	subsidiary
Budimex SA	RailBX GmbH	472	indefinitely	against payment	subsidiary
Budimex SA	Budimex Mobility SA	44	2026-03-20	against payment	subsidiary
PPUH Konstalex Sp. z o.o. Budimex SA		697	2029-03-31	Contractual guarantee	subsidiary
<b>TOTAL</b>		<b>334 809</b>			

\*sureties were issued for contracts carried out by Budimex SA

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Guarantees and sureties issued by Budimex SA as at 31 December 2023:

Name of the company which issued a guarantee or surety	Name of the (company) entity which received a surety or a guarantee	Total value of guarantees or sureties issued	Maximum period of guarantees or sureties issuance	Financial conditions in respect of guarantees and sureties issued	Type of relations between Budimex SA and the entity which took out a guarantee or surety
Budimex SA	Budimex Budownictwo Sp. z o.o.	198 509*	2030-01-14	free of charge	
Budimex SA	Mostostal Kraków SA	194 389	2031-06-14	against payment	subsidiary
Budimex SA	FBSerwis SA	12 641	2030-07-12	against payment	subsidiary
Budimex SA	Budimex Bau GmbH	8 661	indefinitely	against payment	subsidiary
Budimex SA	Budimex Kolejnictwo SA	7 586	2027-12-31	against payment	subsidiary
Budimex SA	ARGE Oberkrämer	808	indefinitely	against payment	subsidiary
Budimex SA	Budimex Mobility SA	44	2026-03-20	against payment	subsidiary
Budimex SA	RailBX GmbH	43	2026-11-30	against payment	subsidiary
<b>TOTAL</b>		<b>422 681</b>			

\*sureties were issued for contracts carried out by Budimex SA

**President of the Management Board**

**Artur Popko**

**Member of the Management Board**

**Marcin Węglowski**

Warsaw, 8 May 2024

*This is a translation of condensed consolidated financial statements originally issued in Polish. In case of any inconsistencies between the Polish and English version, the Polish version shall prevail.*