

Current report No. **28/2023**

Date: **September 29, 2023**

Short name of the issuer: ELEKTROTIM S.A.

Topic: **Disclosure of delayed confidential information regarding obtaining information about the intention to file for bankruptcy of a subsidiary**

Legal basis: Art. 17 par. 4 MAR - notice of delay in disclosing confidential information.

Report content:

Acting pursuant to Art. 17 section 1 and 4 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC („MAR Regulation”), ELEKTROTIM S.A. with its seat in Wrocław („Company”) - due to the cessation of the reasons for the delay of confidential information - provides the following confidential information regarding the receipt of information about the intention to submit an application for bankruptcy of the subsidiary („Confidential Information”).

Public disclosure of Confidential Information was delayed on September 28, 2023 pursuant to Art. 17 section 4 of the MAR Regulation.

Content of confidential information delayed on September 28, 2023 pursuant to Art. 17 section 4 of MAR Regulations:

„ELEKTROTIM S.A. with its registered office in Wrocław (hereinafter referred to as the „Company”, „Issuer”) informs that on September 28, 2023, the Company's Management Board received information about the intention of Management Board of ZEUS S.A. to submit an application for bankruptcy of the subsidiary ZEUS S.A. based in Pruszcz Gdański („ZEUS”), which is a company of the ELEKTROTIM Capital Group.

The liquidity situation of the subsidiary has been difficult for a long time and is the basis for the intention of the Management Board of ZEUS S.A. to file for bankruptcy.

ELEKTROTIM S.A., which holds 88.12% of the shares of the subsidiary ZEUS, in the process of reviewing strategic options for subsidiaries of the Capital Group (current report No. 12/2019 of July 10, 2019), is taking actions aimed at selling shares of ZEUS JSC.

The above was reflected, among others, in the financial statements for 2022, published on April 28, 2023, by showing the subsidiary ZEUS S.A. as an asset held for sale.

In the opinion of the Management Board of ELEKTROTIM S.A. information about the intention of the Management Board of ZEUS S.A. to submit an application for bankruptcy of a subsidiary constitutes confidential information within the meaning of Art. 7 of the MAR Regulation, because a potential bankruptcy petition will have a significant impact on the result of the sale of ZEUS shares, which is conducted by ELEKTROTIM S.A. and has significant potential consequences in the form of a change in the structure of the ELEKTROTIM Capital Group.”

Reasons justifying the delay in providing Confidential Information:

The Company's Management Board decided to delay public disclosure of the above confidential information because, in its opinion, immediate public disclosure could have an adverse impact on the situation of the subsidiary, the course of the sale of ZEUS shares, and thus on the valuation of the assets and the possibility of sale by the Company shares of the subsidiary.

In addition, immediate disclosure of confidential information to the public on September 28, 2023 regarding the intention of the Management Board of ZEUS S.A. to submit an application to declare the bankruptcy of ZEUS, especially if the Management Board of the subsidiary decides that the actual conditions for submitting the application in question did not exist, could result in a potentially incorrect assessment of the information and situation of the Issuer by the public, including current and potential shareholders of the Issuer, and could result in unjustified changes in the price of the Issuer's shares, which in turn could lead to the risk of considering the publication as actions aimed at price manipulation and affect the result of the share sale process conducted by ELEKTROTIM.

Moreover, the Company's Management Board decided that publicizing confidential information, the intention of the Management Board of the subsidiary ZEUS to file for bankruptcy, could negatively affect the implementation of contracts from the subsidiary's portfolio and negatively affect the process of selling ZEUS shares. This would occur in particular in the absence of actual legal action, such as filing a bankruptcy petition, and thus could cause damage to the assets and image of the Capital Group and disturb the process of reviewing strategic options and, consequently, affect the value of the Company. Therefore, in the Company's opinion, immediate disclosure of information about the intention of the Management Board of ZEUS S.A. to submit an application for bankruptcy of a subsidiary could violate the legally justified interests of both the Company and its current shareholders. Therefore, the Issuer's decision to delay disclosing confidential information to the public was in the legitimate interest of the Issuer and its shareholders.

According to the Issuer, the delay in the publication of confidential information did not mislead the public, because the content of confidential information at the stage of intention or intention of the Management Board of the subsidiary would not indicate whether the said intention would result in the submission of an application. In the opinion of the Management Board, the delay in the confidential information did not mislead the public, in particular due to the lack of any previous public announcements by the Company on the matter to which the confidential information relates.

Additionally, the Issuer ensures that it has implemented procedures and ensured the confidentiality of all information related to confidential information. At the same time, only persons whose access to this information was necessary to perform their professional duties obtained access to the delayed information from the Company. Moreover, all of the above mentioned persons have been entered on the list of persons having access to delayed information, instructed on the principles of maintaining confidential information and on administrative and criminal sanctions related to the unlawful use or disclosure of this information.

Confidential Information was delayed until actual legal action took place in the form of filing a bankruptcy petition by the Management Board of the subsidiary.

Bearing in mind the legitimate interests of ELEKTROTIM S.A. and its shareholders, as well as meeting the legal requirements of the MAR Regulation, the Company will provide information in a separate report about the possible submission by the Management Board of ZEUS S.A. bankruptcy application, if such information is considered confidential.

On September 29, 2023, the Issuer decided to publish the delayed confidential information of September 28, 2023, due to the cessation on September 29, 2023 of the grounds for further delay of the information.