ANNUAL FINANCIAL STATEMENT OF

ELEKTROTIM S.A.

for 2022

Wrocław, April 27, 2023

SPIS TREŚCI:

SELECTED FINANCIAL DATA IN PLN AND IN EUR.

	PLN		EUR	
	01.01.-31.12.2022/ 31.12.2022	01.01.-31.12.2021/ 31.12.2021	01.01.-31.12.2022/ 31.12.2022	01.01.-31.12.2021/ 31.12.2021
I. Net revenues from sales of products, goods and materials	428 243 054	207 999 012	91 342 929	45 439 435
II. Operating profit (loss)	29 518 692	11 291 972	6 296 246	2 466 842
III. Gross profit (loss)	30 517 163	11 011 851	6 509 217	2 405 647
IV. Net profit (loss)	23 085 499	9 564 210	4 924 066	2 089 396
V. Net cash flows from operating activities 33	33 187 590	1 161 210	7 078 811	253 678
VI. Net cash flows from investing activities	10 508 764	-2 044 120	2 241 487	-446 558
VII. Net cash flows from financing activities	-3 669 400	-2 726 770	-782 672	-595 690
VIII. Total net cash flows	40 026 954	-3 609 679	8 537 626	-788 570
IX. Total assets	240 237 783	142 156 652	51 224 500	30 907 651
X. Liabilities and provisions for liabilities	148 739 800	73 627 346	31 714 919	16 008 033
XI. Long-term liabilities	7 514 239	7 236 741	1 602 217	1 573 410
XII. Short-term liabilities	141 225 561	66 390 605	30 112 702	14 434 623
XIII. Equity	91 497 983	68 529 305	19 509 581	14 899 619
XIV. Share capital	9 983 009	9 983 009	2 128 619	2 170 502
XV. Number of shares (in units)	9 983 009	9 983 009	9 983 009	9 983 009
XVI. Profit (loss) per ordinary share (in PLN/EUR)	2,31	0,96	0,49	0,21
XVII. Diluted earnings (loss) per ordinary share (in PLN/EUR)	2,31	0,96	0,49	0,21
XVIII. Book value per share (in PLN/EUR)	9,17	6,86	1,96	1,49
XIX. Diluted book value per share (in PLN/EUR)	9,17	6,86	1,96	1,49
XX. Declared or paid dividend per share (in PLN/EUR)	0,00	0,00	0,00	0,00

EUR exchange rates used for conversions

	31.12.2022	31.12.2021	31.12.2021
average annual exchange rate	4,6883	4,5775	4,5775
exchange rate on the last day of the reporting period	4,6899	4,5994	4,5994

STATEMENT OF FINANCIAL POSITION

	Assets	note	31.12.2022	31.12.2021
I.	**Non-current assets**		28 057 450,27	39 997 052,21
-	Intangible assets	2.3	104 460,23	295 881,03
-	Goodwill	2.4	2 396 100,00	2 396 100,00
-	Property, plant and equipment	2,5	12 087 924,57	12 184 272,41
	Investment property		4 058 354,00	4 058 354,00
	Investments in subsidiaries	2,2	643 700,00	13 079 977,16
-	Other long-term financial assets	2,6	2 393 582,12	3 339 842,53
-	Deferred tax assets	2.8	4 899 835,00	4 051 138,00
-	Other long-term non-financial assets	2,9	1 473 494,35	591 487,08
II.	**Current assets**		212 180 333,16	102 159 599,32
-	Inventories	2,10	3 357 279,03	3 494 277,94
-	Trade and other receivables	2.11	94 653 780,02	70 474 434,57
-	Assets under contracts	2.12	57 645 049,97	13 552 284,02
-	Other short-term financial assets		0,00	13 829,55
-	Cash and cash equivalents	2.13	54 651 726,98	14 624 773,24
1.	**Current assets other than Assets for sale**		210 307 836,00	102 159 599,32
2.	**Non-current assets held for sale**	2,14	1 872 497,16	0,00
	Total assets		240 237 783,43	142 156 651,53

	Equity and liabilities note	note	31.12.2022	31.12.2021
I.	**Equity**		91 497 983,48	68 529 305,39
-	Share capital	2.15	9 983 009,00	9 983 009,00
-	Surplus of the issue price above the nominal value of shares		44 522 306,60	44 522 306,60
-	Other capital		-9 591,40	107 229,60
-	Retained earnings		13 916 760,19	4 352 550,29
-	Net profit (loss)		23 085 499,09	9 564 209,90
II.	**Liabilities and provisions for liabilities**		148 739 799,95	73 627 346,14
1.	**Long-term liabilities**		7 514 239,06	7 236 740,78
-	Deferred tax liability	2.8	1 531 551,00	795 339,00
-	Long-term provisions	2.16	2 459 042,52	2 380 554,93
-	Financial liabilities (credits, loans, debt securities, etc.)		0,00	0,00
-	Long-term lease liabilities	2,18	3 523 645,54	4 060 846,85
3.	**Short-term liabilities**		141 225 560,89	66 390 605,36
-	Short-term provisions	2.16	16 784 542,40	7 265 883,52
-	Trade and other payables	2.17	76 165 622,64	45 999 410,48
-	Other financial liabilities		0,00	0,00
-	Income tax liabilities from legal persons	2.19	2 976 545,00	896 314,00
-	Short-term lease liabilities	2.18	2 517 776,42	2 267 091,55
-	Contract liabilities	2.12	42 781 074,43	9 961 905,81
	Short-term liabilities other than those related to assets for sale		141 225 560,89	66 390 605,36
	Liabilities related to non-current assets held for sale		0,00	0,00
	Total liabilities		240 237 783,43	142 156 651,53

STATEMENT OF INCOME

	(calculation variant in PLN thousand)	note	01.01.-31.12.2022	01.01.-31.12.2021
-	Sales revenue	2.20	428 243 054,40	207 999 011,87
-	Cost of sales	2.21	375 468 193,12	184 450 328,74
I	**Gross profit (loss) on sales**		52 774 861,28	23 548 683,13
-	Selling costs		7 886 425,97	6 474 614,44
-	Administrative expenses		9 597 720,22	5 928 654,11
-	Other operating income	2.22	2 540 763,28	2 648 552,41
-	Other operating expenses	2.22	9 278 051,58	1 631 885,59
-	Gain (loss) on expected credit losses	15.4	965 264,89	-870 109,86
II	**Operating profit (loss)**		29 518 691,68	11 291 971,54
-	Financial income	2.23	6 402 675,80	2 905 585,00
-	Financial costs	2.23	5 404 204,39	3 185 705,64
-	Write-down of goodwill . subordinate		0,00	0,00
III	**Profit (loss) before tax**		30 517 163,09	11 011 850,90
-	- Income tax	2.26	7 431 664,00	1 447 641,00
-	- Net profit (loss) from continuing operations		23 085 499,09	9 564 209,90
-	- Profit (loss) from discontinued		0,00	0,00
IV	**Net profit (loss)**		23 085 499,09	9 564 209,90

STATEMENT OF OTHER COMPREHENSIVE INCOME

	in thous. PLN	01.01.-31.12.2022	01.01.-31.12.2021
1.	**Net profit (loss)**	23 085 499,09	9 564 209,90
2.	**Other comprehensive income; including:**	-116 821,00	65 925,00
	will not be reclassified to the result (actuarial write-offs	-116 821,00	65 925,00
	will be reclassified to the result)	0,00	0,00
3.	**Total comprehensive income**	22 968 678,09	9 630 134,90

EARNINGS PER SHARE

	01.01.-31.12.2022	01.01.-31.12.2021
Earnings (loss) per share	2,31	0,96
Earnings (loss) per share from continuing operations	2,31	0,96
Earnings (loss) per share on discontinued operations	0,00	0,00
Diluted earnings (loss) per share	2,31	0,96
Diluted earnings (loss) per share on continuing operations	2,31	0,96
Diluted earnings (loss) per share from discontinued operations	0,00	0,00

STATEMENT OF CASH FLOWS

	(indirect method in PLN thousand)	01.01.-31.12.2022	01.01.-31.12.2021
I.	**Cash flows from operating activities**		
1.	**Gross profit (loss)**	30 517 163,09	11 011 850,90
2.	**Total adjustments**	8 134 344,83	-7 725 177,58
-	Depreciation	3 546 740,34	3 585 482,61
-	(Gains) exchange losses	0,00	0,00
-	Interest	-1 842 338,45	-2 265 586,13
-	(Profit) loss on investing activities	1 470 204,35	2 036 350,34
-	Change in provisions	10 216 537,47	-3 126 101,17
-	Change in inventories	136 998,91	454 943,13
-	Change in receivables	-68 602 815,67	-1 963 748,53
-	Change in current liabilities, except for loans and borrowings	70 640 681,88	-6 198 765,83
-	Other adjustments	-7 431 664,00	-247 752,00
-	**Cash flows used in operations**	38 651 507,92	3 286 673,32
-	Income tax paid and classified as operating activities	-5 463 918,00	-2 125 463,00
3.	**Net cash flows from operating activities**	33 187 589,92	1 161 210,32
II.	**Cash flows from investing activities**		
-	Proceeds from the sale of property, plant and equipment, intangible assets other than goodwill, investment property and other non-current assets	62 886,17	205 471,50
-	interest	377 390,89	3 339,78
-	other proceeds from financial assets	10 796 260,41	3 329 671,32
-	Purchase of property, plant and equipment, intangible assets other than goodwill, investment property and other fixed assets	-727 773,54	-4 774 062,76
-	Other capital expenditures	0,00	-808 539,60
1.	**Net cash flows from investing activities**	10 508 763,93	-2 044 119,76
III.	**Cash flows from financing activities**		
-	Net proceeds from the issue of shares and other equity instruments	0,00	0,00
-	Credits and loans	0,00	0,00
-	Other financial inflows (outflows)	0,00	0,00
-	Acquisition of shares	0,00	0,00
-	Dividends and other payments to owners	0,00	0,00
-	Repayments of loans and borrowings	0,00	-219,20
-	Payments of finance lease liabilities	-2 974 347,67	-2 288 796,97
-	Interest	-695 052,44	-437 753,65
1.	**Net cash flows from financing activities**	-3 669 400,11	-2 726 769,82
IV.	**Total net cash flows**	40 026 953,74	-3 609 679,26
	Effects of exchange rate changes on cash	**0**	**0**
	Balance sheet change in cash, including:	40 026 953,74	-3 609 679,26
	Cash on beginning of the period	14 624 773,24	18 234 452,50
	Cash at the end of the period	54 651 726,98	14 624 773,24
	restricted	8 697 949,24	3 709 222,64

REPORT ON CHANGES IN EQUITY FOR THE PERIOD 01/01/2022 - 31/12/2022

in thousands PLN	Share capital	Surplus of the issue price above the nominal value of shares	Other capital	Retained earnings	Total
At the beginning of the period	9 983 009,00	44 522 306,60	107 229,60	13 916 760,19	68 529 305,39
Profit for the period				23 085 499,09	23 085 499,09
Other comprehensive income for the period			-116 821,00		-116 821,00
Total income	0,00	0,00	-116 821,00	23 085 499,09	22 968 678,09
Increase (decrease) in equity	0,00	0,00	-116 821,00	23 085 499,09	22 968 678,09
Closing balance	9 983 009,00	44 522 306,60	-9 591,40	37 002 259,28	91 497 983,48

REPORT ON CHANGES IN EQUITY FOR THE PERIOD 01/01/2021 - 31/12/2021

in thousands PLN	Share capital	Surplus of the issue price above the nominal value of shares	Other capital	Retained earnings	Total
At the beginning of the period	9 983 009,00	44 522 306,60	41 304,60	4 352 550,29	58 899 170,49
Profit for the period				9 564 209,90	9 564 209,90
Other comprehensive income for the period			65 925,00		65 925,00
Total income	0,00	0,00	65 925,00	9 564 209,90	9 630 134,90
Increase (decrease) in equity	0,00	0,00	65 925,00	9 564 209,90	9 630 134,90
Closing balance	9 983 009,00	44 522 306,60	107 229,60	13 916 760,19	68 529 305,39

1. ADDITIONAL INFORMATION TO THE SEPARATE FINANCIAL STATEMENTS

1.1. General information about the company

ELEKTROTIM Spółka Akcyjna (hereinafter referred to as: the Company or the Issuer):

The name of the Company did not change in the reporting period.

Legal form: joint-stock company

Address of the registered office of the entity: ul. Stargardzka 8 54-156 Wrocław

Registered office: Poland

Country of registration: Poland

Primary place of business: Poland

Primary type of business: PKD 4321Z electrical installations of buildings and structures

The duration of the Issuer's operations has not been limited.

These separate financial statements prepared for the year ended December 31, 2022 (together with comparative data) were approved for publication by the Company's Management Board on April 28, 2023.

Registration court: District Court for Wrocław Fabryczna in Wrocław, 6th Commercial Division of the National Court Register

1.2. Basis of preparation, principles of presentation

1.2.1. Basis for the preparation of the separate financial statements for 2022

These separate financial statements of the ELEKTROTIM Capital Company have been prepared in accordance with the International Financial Reporting Standards ("IAS/IFRS") approved by the European Union, applicable as at 31/12/2022.

ELEKTROTIM S.A., as a company whose shares are traded on a regulated market, in accordance with the requirements of the Accounting Act of September 29, 1994 (consolidated text, Journal of Laws 2023, item 120, as amended), prepares financial statements in accordance with the International Financial Reporting Standards ("IAS/IFRS") approved by the European Union and related interpretations announced in the form of regulations of the European Commission. As at December 31, 2022, there are no differences between these principles and the IFRS announced by the International Accounting Standards Board (IASB), which would affect ELEKTROTIM, in the opinion of the Management Board of the Parent Company.
It is prepared in accordance with IAS/IFRS approved by the EU, issued and effective at the time of preparing the separate financial statements.

The presented separate financial statements meet all the requirements of IAS/IFRS adopted by the EU and present the Company's financial position as at December 31, 2022 and December 31, 2021, as well as the results of its operations and cash flows for 2022 and 2021.

1.2.2. Retrospective approaches to IAS/IFRS selected by ELEKTROTIM S.A.

In the case of retrospective introduction of changes in accounting principles, presentation or correction of errors, the Company presents a separate statement of financial position prepared additionally at the beginning of the comparative period, if the above changes are significant for the data presented at the beginning of the comparable period. In such a situation, presentation of notes to the third statement of financial position is not required.

1.2.3. Changes in the applied accounting principles

The accounting principles (policy) applied to the preparation of the separate financial statements are consistent with those applied to the preparation of the separate financial statements of the Company for the year ended December 31, 2021, except for the application of the following changes to standards and new interpretations applicable to annual periods starting on January 1, 2022:

Changes in standards or interpretations applicable and applied by the Company from 2022

New or amended standards and interpretations applicable from 1 January 2021 and their impact on the Company's separate financial statements:

- Amendments to IFRS 9, examples to IFRS 16, IAS 41 as part of Annual Improvements 2018-2020:
  - IFRS 1: additional exemption for the determination of cumulative exchange differences on consolidation;
  - IFRS 9: (1) in the 10% test to determine whether a modification should result in the removal of an obligation, only fees that are exchanged between the obligor and the creditor should be included; (2) it was clarified that fees incurred in the event of removal of the liability are recognized in the result, and in the event that the liability is not removed, they should be charged to the value of the liability;
  - IFRS 16: from example 13, the issue of incentives from the lessor in the form of covering the costs of fit-outs incurred by the lessee, which raised interpretation doubts, was removed;
  - IAS 41: the prohibition of including tax flows in the valuation of biological assets has been deleted.

  The amendments are effective for annual periods beginning on or after January 1, 2022 (except for the amendment to the example to IFRS 16, which is effective from the date of publication).
  The amendments did not affect the Company's separate financial statements.

- Amendment to IAS 16 "Property, plant and equipment"
  The amendment clarifies that production carried out as part of tests of a fixed asset before the fixed asset is used should be recognized as (1) inventory in accordance with IAS 2 and (2) revenue when it is sold (and not affect the value of the fixed asset). Testing of a fixed asset is an element of its cost, while the cost of production is recognized in the result at the moment of recognizing the income from the sale of the inventory created during testing. The change applies to annual periods beginning on or after January 1, 2022.
  The change had no impact on the Company's separate financial statements

- Amendment to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" The amendment specifies that the costs of fulfilling onerous contracts include incremental costs (e.g. labour costs) and the allocated portion of other costs directly related to the fulfilment cost, e.g. depreciation.
  The change applies to annual periods beginning on or after January 1, 2022.
  The change had no impact on the Company's separate financial statements.

- Amendment to IFRS 3 "Business Combinations"
  The references to the definition of liabilities contained in the conceptual assumptions and the definition of contingent liabilities from IAS 37 have been clarified.
  The amendment applies to annual periods beginning on January 1, 2022 or later.
  The change had no impact on the Company's separate financial statements..

- Amendment to IFRS 16 "Leasing"
  In 2020, the IAS Council published simplifications for lessees receiving relief due to the COVID-19 pandemic. One of the conditions was that the reliefs would apply only to payments due by the end of June 2021. As a result of the change, this date was postponed to June 2022. The change is effective for annual periods beginning on April 1, 2021 or later, with the possibility of earlier application. The change did not affect the Company's separate financial statements, as the Company did not use the simplification.

Standards and interpretations in force in the version published by the IASB but not endorsed by the European Union are shown below in the section on standards and interpretations that have not entered into force..

1.2.4. New standards and interpretations published but not yet effective

The following standards and interpretations have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee and are not yet effective:

Adoption of a standard or interpretation prior to their effective date

In these separate financial statements, no voluntary early application of a standard or interpretation.

Published standards and interpretations that did not come into force for the periods beginning on January 1, 2022 and their impact on the Company's separate financial statements

By the date of preparation of these separate financial statements, new or amended standards and interpretations were published, effective for annual periods after 2022. The list also includes amendments, standards and interpretations published but not yet approved by the European Union.

- New IFRS 17 "Insurance Contracts"
  A new standard regulating the recognition, measurement, presentation and disclosure of insurance and reinsurance contracts. The standard replaces the existing IFRS 4.

  The Company estimates that the new standard will not affect its separate financial statements, as it does not conduct insurance activities.
  The standard is effective for annual periods beginning on or after January 1, 2023.

- Amendment to IAS 1 "Presentation of Financial Statements"
  The IAS Board clarified the rules for classifying liabilities as long-term or short-term mainly in two aspects:
    - it was clarified that the classification depends on the rights held by the entity as at the balance sheet date,
    - management's intentions with regard to accelerating or late payment obligations are not taken into account.

  The changes are effective for annual periods beginning on or after January 1, 2023. The Company analyses the impact of the changes on its separate financial statements.

- Amendment to IAS 1 "Presentation of financial statements"
  The IAS Board clarified which information regarding the accounting policy applied by the entity is significant and requires disclosure in the financial statements. The Principles focus on tailoring disclosures to the individual circumstances of the entity. The Board warns against the use of standardized provisions copied from IFRS and expects that the basis of valuation of financial instruments will be considered as material information. The change is effective for annual periods beginning on or after January 1, 2023. The Company continues to estimate the impact of the change on its financial statements.

- Amendment to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"
  The Board introduced a definition of an accounting estimate to the standard: *Accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty.* The change is effective for annual periods beginning on or after January 1, 2023. The Company continues to estimate the impact of the change on its financial statements.

- Amendment to IAS 12 "Income Tax"
  The Council introduced the rule that if as a result of a transaction both positive and negative temporary differences in the same amount arise, assets and deferred tax liability should be recognized even if the transaction does not result from a merger or does not affect the accounting or tax result. This means the need to recognize deferred tax assets and provisions, e.g. when temporary differences in equal amounts occur in the case of leases (a separate temporary difference from the liability and right-of-use) or in the case of restoration liabilities. The principle that deferred tax assets and liabilities are offset if current tax assets and liabilities are offset has not been changed. The change is effective for annual periods beginning on or after January 1, 2023.
  The Company continues to estimate the impact of the change on its financial statements.

- Amendment to IFRS 17 "Insurance Contracts"
  The Board established transitional provisions on comparative data for entities that are simultaneously implementing IFRS 17 and IFRS 9 to reduce potential accounting mismatches resulting from differences between these standards. The change is effective for annual periods beginning on or after January 1, 2023. The Company estimates that the change will not affect its financial statements as it does not conclude insurance contracts.

- Amendment to IFRS 16 "Leases"
  The amendment clarifies the requirements for the measurement of a lease liability arising from a sale and leaseback transaction. It is to prevent incorrect recognition of the result on the transaction in the part concerning the retained right of use in the case when lease payments are variable and do not depend on an index or rate. The change is effective for annual periods beginning on or after January 1, 2024. The Company continues to estimate the impact of the change on its financial statements.

The Company intends to implement the above regulations within the time limits provided for by the standards or interpretations.

The Company has not decided to early adopt any other standard, interpretation or amendment that has been published but has not entered into force in the light of the provisions of the European Union.

As at the date of approval of the separate financial statements, the Company is in the process of verifying the impact of the introduction of the above standards and interpretations on the accounting policy applied by the Company, financial position, results of the Company's operations and the scope of information presented in the separate financial statements.

1.2.5. Going concern

The standalone financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. As at the date of preparation of the separate financial statements, there are no circumstances indicating a threat to ELEKTROTIM as a going concern.

As at the date of approval of these separate financial statements for publication, there are no circumstances indicating a threat to the Company's ability to continue as a going concern in the period of 12 months from the date of the separate financial statements, excluding companies in the process of planned liquidation.

1.3. Adopted accounting principles

1.3.1. Functional currency and presentation currency of the financial statements and the principles adopted to convert financial data

Functional currency
The functional currency of the Company and the presentation currency of these separate financial statements is the Polish zloty.

Presentation currency
All amounts included in the separate financial statements are expressed in thousands of Polish zlotys (unless indicated otherwise). Due to the adopted method of presenting data in the financial statements in PLN thousand and the rounding technique used, individual items of the statements may not add up to the amounts shown therein (difference of PLN 1,000).

As a rule, transactions expressed in currencies other than Polish zloty are converted into Polish zlotys using the exchange rate applicable on the date of the transaction (spot exchange rate). However, if a sale or purchase transaction is preceded by the receipt or payment of an advance payment in a foreign currency, respectively, the advance payment as at the date of its payment is recognized at the exchange rate as at that day. Then, at the moment of recognition in the profit and loss account of the income earned in the currency or the cost or the asset purchased, these transactions are recognized at the exchange rate as at the date of recognition of the advance payment, and not at the exchange rate as at the date on which the income or cost or asset was recognized.

As at the balance sheet date, monetary items denominated in currencies other than Polish zloty are translated into Polish zlotys using the closing rate applicable at the end of the reporting period, i.e. the average exchange rate set for a given currency by the National Bank of Poland.
Non-monetary items recognized at historical cost, expressed in a foreign currency, are shown at the historical exchange rate as at the date of the transaction.
Non-monetary items recorded at fair value, expressed in a foreign currency, are valued at the exchange rate as at the date of determining the fair value, i.e. the average exchange rate set for a given currency by the National Bank of Poland.

Foreign exchange differences arising from the settlement of transactions or the translation of monetary items other than derivatives are recognized in net financial income or expenses, respectively, except for foreign exchange differences capitalized in the value of assets in cases specified in the accounting principles (presented in the item on borrowing costs).

1.3.2. Operating segments

According to IFRS 8, the results of operating segments result from internal reports verified periodically by the Company's Management Board. The Company's Management Board analyses the results of operating segments at the level of operating profit (loss).
The measurement of the results of operating segments used in management calculations is consistent with the accounting principles applied in the preparation of the separate financial statements. The sales revenues shown in the separate income statement do not differ from the revenues presented within the operating segments. In order to present information in a way that allows for a proper assessment of the type and financial effects of the business activities conducted by the Company, the operating segments were combined based on the criterion of product groups into three segments:

a) Installations Segment
b) Networks Segment
c) Automation Segment

These segments show similar economic features and are similar in terms of:

* type of products and services
* type of production processes
* type or companies of customers for given products and services
* methods used to distribute products or provide services

Assets of the Company that cannot be directly attributed to the activity of a given operating segment, are not allocated to assets of operating segments

1.3.3. Accounting principles

The separate financial statements have been prepared on the basis of the historical cost principle, except for: derivative financial instruments, equity instruments measured at fair value, the change of which is recognized in the separate income statement, financial assets held for trading, which were measured at fair value fair. The separate financial statements have been prepared in accordance with the applicable IAS/IFRS standards.

1.3.3.1. Intangible assets

Intangible assets include trademarks, patents and licenses, computer software, development work and other intangible assets that meet the recognition criteria set out in IAS 38. This item also includes intangible assets that have not yet been put into use (intangible assets in production). As at the balance sheet date, intangible assets are stated at purchase price or production cost less amortization and impairment losses. Intangible assets with a definite useful life are amortized using the straight-line method over their economic useful lives. The useful lives of individual intangible assets are reviewed annually and, if necessary, adjusted from the beginning of the next financial year.

The expected useful lives for particular groups of intangible assets are as follows:

- proprietary copyrights, related rights, licenses, concessions - from 1 to 5 years
- costs of completed development works - from 3 to 5 years

Costs related to software maintenance, incurred in later periods are recognized as an expense for the period when incurred.

Profits or losses arising from the sale of intangible assets are defined as the difference between the sales revenue and the net value of these intangible assets and are recognized in the result under other operating income or expenses.

Depreciation write-offs are made in accordance with the Company's accounting policy.

Research costs are recognized in the result when they are incurred.

Expenditures incurred for development works performed as part of a given project are transferred to the next period, if it can be assumed that they will be recovered in the future. The assessment of future benefits is based on the principles set out in IAS 36.

1.3.3.2. Tangible fixed assets

Tangible fixed assets are initially recognized at purchase price or production cost. The purchase price is increased by all costs directly related to the purchase and adaptation of the asset to a usable condition.

After initial recognition, property, plant and equipment, except for land, are recognized at purchase price or production cost less depreciation and impairment losses.

Tangible fixed assets in the course of production are not subject to depreciation until construction or assembly is completed and the fixed asset is handed over for use. Depreciation is calculated using the straight-line method over the estimated useful life of a given asset, which for individual groups of property, plant and equipment amounts to:

-	buildings, premises and civil and water engineering facilities	from 3 to 40 years old
-	technical devices and machines	from 1 to 10 years old
-	means of transport	from 2.5 to 9 years old
-	other fixed assets	from 2 to 10 years

Depreciation write-offs are made in accordance with the Company's accounting policy.

Economic useful lives and depreciation methods are reviewed once a year, resulting in a possible adjustment of depreciation charges in subsequent years.

Fixed assets are divided into components which are items of significant value, for which a separate period of economic usefulness can be assigned. It also includes the costs of general inspections and significant spare parts and equipment, if they will be used for more than a year.

Current maintenance costs incurred after the date of putting the fixed asset into use, such as maintenance and repair costs, are recognized in the result when they are incurred.

A given item of property, plant and equipment may be removed from the separate statement of financial position after its sale or when no economic benefits are expected from further use of such an asset. Profits or losses arising from the sale, liquidation or cessation of use of fixed assets are defined as the difference between the sales revenue and the net value of these fixed assets and are recognized in the result under other operating income or costs.

1.3.3.3. Tangible fixed assets in the process of production

Tangible fixed assets in the process of production are tangible fixed assets classified as fixed assets in the period of their construction, assembly or improvement of an already existing fixed asset.
Fixed assets under construction are valued at least as at the balance sheet date in the amount of total costs directly related to their purchase or production, less impairment losses. Tangible fixed assets in the course of production are not subject to depreciation until construction or assembly is completed and the fixed asset is handed over for use.

1.3.3.4. Leasing

Leasing has been defined as a contract or part of a contract that conveys the right to control the use of an identified asset for a given period in exchange for consideration. For this purpose, four basic aspects are analysed:

- whether the contract relates to an identified asset that is either explicitly stated in the contract or implicitly at the time the asset is made available to the Company,
- whether the Company has the right to obtain substantially all economic benefits from the use of the asset throughout its useful life to the extent specified in the contract,
- whether the Company has the right to direct the use of the identified asset throughout its useful life,
- whether the contract is payable.

At the commencement date, the Company recognizes a right-of-use asset and a lease liability. The right-of-use is measured at purchase price consisting of the initial value of the lease liability, initial direct costs, an estimate of the costs expected to be associated with disassembly of the underlying asset and lease payments paid on or before the commencement date, less any lease incentives. The Company amortizes the right-of-use on a straight-line basis from the commencement date to the end of the useful life of the right-of-use or the end of the lease period, whichever is earlier. As at the commencement date, the Company measures the lease liability at the present value of the outstanding lease payments using the lease interest rate, if it can be easily determined. Otherwise, lease payments are discounted based on the marginal rate of return. Lease payments included in the value of the lease liability consist of fixed lease payments, variable lease payments depending on an index or rate, amounts expected to be paid as a residual value and payments for the exercise of call options, if their exercise is reasonably certain. In subsequent periods, the lease liability is reduced by repayments made and increased by accrued interest. The measurement of the lease liability is updated to reflect contract changes and reassessment of the lease term, exercise of a call option, guaranteed residual value or lease payments based on an index or rate. lease is periodically settled with lease payments.

Assets from rights of use are amortized on a straight-line basis over the term of the contract. In addition, interest on discounted lease liabilities was included in finance costs. As a rule, the revaluation of the liability is recognized as an adjustment to the right-of-use asset. The Company applies practical solutions approved by the IFRS 16 standard regarding short-term leases and leases in which the underlying asset is of low value. For such contracts, instead of recognizing right-of-use assets and lease liabilities, lease payments are recognized in profit or loss on a straight-line basis over the lease term. The Company presents rights of use in the same items of the separate statement of financial position as tangible fixed assets.

Based on the general definition of a lease, the Company has identified that the right of perpetual usufruct of land in accordance with IFRS 16 meets the definition of a lease and should be recognized in the separate statement of financial position as assets under the right of use.

1.3.3.5. Shares in related entities

Shares in subsidiaries, associates and other entities are carried at historical cost after taking into account impairment losses, except for investments in shares in other unrelated entities, which, in accordance with IFRS 9, have been classified as financial assets at fair value through profit or loss. Due to the fact that it is not possible to determine the fair value of these assets (they are not quoted), it was assumed that the book value is the most reliable recognition.

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1.3.3.6. Impairment of non-financial fixed assets

The following assets are subject to the annual impairment test:

- goodwill, with the first impairment test carried out by the end of the period in which the merger took place,
- intangible assets with an indefinite useful life and
- intangible assets that are not yet in use.

With regard to other intangible assets and tangible fixed assets, shares in related entities and right-of-use assets, an assessment is made of whether there are any indications of impairment. If it is found that any events or circumstances may indicate a difficulty in recovering the carrying amount of a given asset, an impairment test is performed.

For the purposes of the impairment test, assets are grouped at the lowest level at which they generate cash flows independently of other assets or groups of assets (so-called cash-generating units). Assets that generate cash flows on their own are tested individually. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies resulting from the business combination, with at least the operating segments being the cash-generating units.

If the carrying amount exceeds the estimated recoverable amount of the assets or cash-generating units to which the assets belong, then the carrying amount is reduced to the recoverable amount. The recoverable amount corresponds to the higher of the following two values: fair value less costs to sell or value in use. When determining the value in use, estimated future cash flows are discounted to the present value using a discount rate reflecting current market assessments of the time value of money and the risk associated with a given asset component.

The impairment loss for the unit is first attributed to goodwill. The remaining amount of the write-down decreases proportionally the carrying amount of assets included in the cash-generating unit.
Impairment losses are recognized in the result under other operating costs.
Goodwill write-downs are not reversed in subsequent periods. In the case of other assets, evidence indicating the possibility of reversing impairment losses is assessed as at subsequent balance sheet dates.
Reversal of the write-down is recognized in the result under other operating income.

1.3.3.7. Investment Estates

Investment property is held for rental income and/or capital appreciation and is valued using the fair value model. Investment property is initially recognized at purchase price or production cost, taking into account transaction costs. As at subsequent balance sheet dates, investment property is valued at fair value, determined by an independent appraiser, taking into account the location and nature of the property as well as current market conditions.

Profits or losses resulting from changes in the fair value of investment properties are recognized in the result in the period in which the changes occurred, under other operating income or expenses.

Investment property is removed from the separate statement of financial position at the time of its sale or permanent withdrawal from use, if no economic benefits are expected in the future. Gains or losses arising from these transactions are defined as the difference between the proceeds from the sale and the carrying amount of the property. These profits and losses are recognized in the result in other operating income or expenses in the period in which the investment property is liquidated or sold at the time the buyer takes control over the sold asset in accordance with the requirements of IFRS 15. The amount of remuneration under the investment property sale transaction is determined in accordance with the requirements of IFRS 15 regarding the determination of the transaction price.

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1.3.3.8. Inventories

Inventories are tangible current assets, including materials purchased for internal use, manufactured or processed finished products (goods and services), suitable for sale or in the course of production, semi-finished products and goods purchased for resale in an unprocessed state.
Inventories are valued at the lower of two values: purchase price/production cost and net realizable value. The purchase price or production cost includes purchase costs, processing costs and other costs. The outgoing of finished products is recognized using the weighted average method of the actual production cost. Outgoings of materials and goods are determined using the first-in-first-out (FIFO) method. The net realizable value is the estimated selling price determined in the ordinary course of business, less the costs of finishing and the costs necessary to make the sale. The valuation of material inventories as at the balance sheet date takes into account revaluation write-offs for inventories not showing movement.
Work in progress is valued at direct costs incurred.

1.3.3.9. Financial instruments

Financial assets

As at the acquisition date, the Company measures financial assets at fair value, ie usually at the fair value of the payment made. Transaction costs are included by the Company in the initial valuation of all financial assets, except for the category of assets measured at fair value through profit or loss. An exception to this rule are trade receivables, which are measured by the Company at their transaction price within the meaning of IFRS 15. For the purposes of valuation after initial recognition, financial assets other than hedging derivatives are classified by the Company by:

- financial assets measured at amortized cost,
- financial assets measured at fair value through other comprehensive income,
- financial assets at fair value through profit or loss,
- equity instruments measured at fair value through other comprehensive income.

These categories determine the principles of valuation as at the balance sheet date and the recognition of gains or losses on valuation in the financial result or in other comprehensive income. The Company classifies financial assets into categories based on the business model operating in the Company in terms of managing financial assets and contractual cash flows specific to a financial asset.

A financial asset is measured at amortized cost if both of the following conditions are met (and not designated at initial recognition at fair value through profit or loss):

- the financial asset is maintained in accordance with the business model whose objective is to hold financial assets in order to obtain contractual cash flows,
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The category of financial assets measured at amortized cost includes:

- loans,
- trade receivables and other receivables (excluding those for which the principles of IFRS 9 are not applied),
- cash and cash equivalents,
- debt securities.

The listed classes of financial assets are presented in the separate statement of financial position broken down into long-term and short-term assets. Valuation of short-term receivables and cash and cash equivalents is carried out at the value requiring payment due to insignificant discount effects.
Interest income, impairment gains and losses, and foreign exchange differences related to these assets are calculated and recognized in profit or loss in the same way as financial assets measured at amortized cost. Other changes in the fair value of these assets are recognized in other comprehensive income. Upon derecognition of a financial asset measured at fair value through other comprehensive income, the accumulated gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss.

A financial asset is measured at fair value through profit or loss if it does not meet the criteria for measurement at amortized cost or at fair value through other comprehensive income and is not an equity instrument designated at initial recognition for measurement at fair value through other comprehensive income. In addition, the Company includes in this category financial assets designated at initial recognition for measurement at fair value through profit or loss due to the fulfilment of the criteria set out in IFRS 9.

This category includes:

- all derivatives disclosed in the separate statement of financial position in a separate item "Derivative financial instruments", except for derivatives
- shares in companies other than subsidiaries and associates,
- participation units and investment certificates of investment funds Instruments belonging to this category are valued at fair value, and the effects of the measurement are recognized in the result under "Financial income" or "Financial costs", respectively. Profits and losses from the valuation of financial assets are determined by the change in fair value determined on the basis of prices from an active market current as at the balance sheet date or on the basis of valuation techniques if there is no active market. Dividends from equity instruments included in this category are recognized in the result in the item "Financial income" after meeting the conditions for recognizing income from dividends specified in IFRS 9,

Financial assets included in the categories measured at amortized cost and measured at fair value through other comprehensive income, due to the business model and the nature of the related cash flows, are assessed at each balance sheet date in order to recognize expected credit losses, regardless of whether there are indications of impairment values. The method of making this assessment and estimating allowances for expected credit losses differs for individual classes of financial assets.
For trade receivables, the Company estimates them individually, i.e. the credit risk of each counterparty is assessed individually.
Receivables as at the balance sheet date are shown in the amount due in accordance with the principles of prudent valuation, in net value - after taking into account write-downs on receivables.

For receivables at risk, which will most likely not be settled after taking into account the collateral held, the Company's companies make a revaluation write-down using the following principles:

1. Write-downs for receivables not settled within 90 days from the due date are made quarterly, as at the end of each quarter. The revaluation write-down is made in the part of the unsecured value of receivables,
2. if the debtor or a third party submits an application to open bankruptcy proceedings, a write-down is made. The revaluation write-down is made in the part of the unsecured value of receivables,
3. in the cases specified above, a departure from the above rules will require a decision of the Company's Management Board in writing.

The Company considers the event of insolvency to be the failure of the counterparty to meet its obligations after 90 days from the due date of the receivables.

With regard to other asset classes, in the case of instruments for which the increase in credit risk from the first recognition was not significant or the risk is low, the Company assumes that losses from default will be recognized first for the next 12 months. If the increase in credit risk since its initial recognition has been significant, losses are recognized over the life of the instrument.

Trade and other receivables

Trade receivables with a maturity period of more than 12 months from the maturity date are measured at amortized cost using the effective interest rate based on WIBOR. The Company applies a simplified approach assuming the calculation of write-offs for expected credit losses for the entire life of the instrument. The estimate of the write-down is based primarily on historical overdue payments and linking the arrears with the actual repayments from the last 5 years, taking into account available information regarding the future.

The trade receivables and other receivables item include, in order to ensure the matching of costs and revenues, expenses incurred in a given period that relate to revenues in the next period and then will become costs. These assets include, among others: rents paid in advance, insurance, subscriptions, costs of ongoing development works, costs of preparing new production.

Financial liabilities

Financial liabilities are recognized in the following items of the statement of financial position:

- credits, loans, other debt instruments,
- trade payables and other liabilities and
- derivative financial instruments.

As at the acquisition date, the Company measures financial liabilities at fair value, i.e. usually at the fair value of the amount received. Transaction costs are included by the Company in the initial valuation of all financial liabilities, except for the category of liabilities measured at fair value through profit or loss.

After initial recognition, financial liabilities are measured at amortized cost using the effective interest rate method, except for financial liabilities held for trading or designated as at fair value through profit or loss.

The category of financial liabilities at fair value through profit or loss includes derivatives other than hedging instruments.

Profits and losses from the measurement of financial liabilities are recognized in the financial result under financing activities.

Trade and other liabilities

Liabilities are obligations resulting from past events to perform services of a reliably determined value, which will result in the use of already owned or future assets.

Short-term liabilities are all liabilities due to deliveries and services, as well as all or part of other liabilities that become due within 12 months from the balance sheet date.

Long-term liabilities are liabilities not classified as short-term.

As at the balance sheet date, liabilities are shown in the amount due.

Short-term trade payables are measured at the value requiring payment due to insignificant discount effects..

1.3.3.10. Cash and cash equivalents

Cash and cash equivalents include cash in hand and on bank accounts, deposits payable on demand and short-term highly liquid investments (up to 3 months), easily convertible to cash, for which the risk of changes in value is insignificant.

1.3.3.11. Other short-term financial assets

The Company uses currency forward contracts as hedges against the risk of exchange differences. Detailed information on derivatives is disclosed in additional explanatory notes to the separate financial statements.
Instruments belonging to this category are measured at fair value, and the effects of the valuation are recognized in the result under "Financial income" or "Financial costs", respectively. Profits and losses from the valuation of financial assets are determined by the change in fair value determined on the basis of prices from an active market current as at the balance sheet date or on the basis of valuation techniques if there is no active market.

Derivatives are recognized at fair value as at the date of concluding the contract, remeasured to fair value at each balance sheet date. The resulting profit or loss is immediately recognized in the profit and loss account.

1.3.3.12. Non-current assets held for sale and liabilities relating to non-current assets held for sale

Non-current assets and companies held for sale are classified as held for sale if their carrying amount will be recovered as a result of a sale transaction rather than as a result of their continued use. This condition is deemed to be met only when the sale transaction is highly probable and the asset (or the Company to be sold) is available for immediate sale in its present condition. Classification of an asset as held for sale assumes the intention of the Company's management to make a sale transaction within one year from the moment of reclassification.

Non-current assets (and companies held for sale) classified as held for sale are valued at the lower of the following two values: original carrying amount or fair value less selling costs..

1.3.3.13. Equity capital

Equity is determined in accordance with applicable regulations and the Company's Articles of Association and is shown at nominal value, broken down into its components.

Share capital is shown at nominal value in accordance with the Company's articles of association and the entry in the National Court Register.

Own shares (shares) are shown with a negative sign and are valued at the purchase price, these are usually the entity's own shares purchased for redemption in accordance with the resolution of the General Meeting of Shareholders.

The capital from the sale of shares above their nominal value arises from the surplus of the issue price over the nominal value of shares, less the issue costs.

Retained earnings include results from previous years (including those transferred to capital by resolutions of shareholders).

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1.3.3.14. Payments made in the form of shares

Share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured using the Black-Scholes model. The expected useful life used in the model has been adjusted based on the best estimates of the company's management, as well as the impact of restrictions on transfer rights, exercise and behaviour. Detailed data on the method of determining the fair value of transactions carried out in the form of shares, accounted for using the equity method, are presented in the explanatory notes.

The fair value determined as at the grant date of the share-based payments is charged to costs on a straight-line basis over the vesting period, based on the Company's estimates of the shares that will eventually be acquired.

1.3.3.15. Deferred tax assets and liabilities

Deferred tax is calculated using the balance sheet liability method as a tax to be paid or refunded in the future, referring to the differences between the carrying amounts of assets and liabilities and the corresponding tax values used to calculate the tax base.

The deferred tax provision is recognized for taxable temporary differences, while the deferred tax asset is recognized to the extent that it is probable that future tax profits will be reduced by the recognized negative temporary differences.
The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and if the expected future tax profits are not sufficient to recover the asset or part thereof, the value should be reduced accordingly.

Deferred tax assets and liabilities are calculated using the tax rates that will be applicable when the asset is realized or the liability becomes due, in accordance with the tax regulations (rates) legally or factually binding as at the balance sheet date..

1.3.3.16. Provisions for liabilities

Provisions are created when the Parent Company has an existing obligation (legal or constructive) resulting from past events, and when it is probable that the fulfilment of this obligation will result in the need for an outflow of economic benefits and the amount of this liability can be reliably estimated. The timing of the payment and the exact amount to be paid may be uncertain.
Reserves are created for the following titles:

- guarantees of after-sales service for products and services provided,
- pending court proceedings and disputes,
- restructuring, only if the Company is obliged to carry it out under separate regulations or binding agreements have been concluded in this regard..

Provisions are recognized at the value of the estimated expenditures necessary to fulfil the present obligation, based on the most reliable evidence available as at the date of preparation of the separate financial statements, including the risk and degree of uncertainty. If the impact of the time value of money is significant, the amount of the provision is determined by discounting the projected future cash flows to the present value, using a discount rate reflecting the current market assessments of the time value of money and the potential risk related to a given liability. If the discounting method was used, the increase in the provision due to the passage of time is recognized as a financial cost. If the Company expects that the costs covered by the provision will be reimbursed, for example under an insurance contract, then the reimbursement is recognized as a separate asset, but only when there is reasonable certainty that the reimbursement will actually take place. However, the value of this asset may not exceed the amount of the reserve.

If the expenditure of funds to meet the current obligation is not probable, the amount of the contingent liability is not recognized in the separate statement of financial position, except for contingent liabilities identified in the process of business combination in accordance with IFRS 3.

Possible inflows containing economic benefits for the Company, which do not yet meet the criteria for recognition as assets, are contingent assets that are not recognized in the separate statement of financial position. Information on contingent assets is disclosed in additional explanatory notes..

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1.3.3.17. Employee benefits

Liabilities and provisions for employee benefits disclosed in the separate statement of financial position include the following titles:

- short-term employee benefits for salaries (including bonuses and commissions)
- provisions for unused holidays and
- other long-term employee benefits, which the Company includes retirement severance pays.

The value of liabilities due to short-term employee benefits is determined without discount and presented in the separate statement of financial position in the amount due.
Provisions for unused holidays The Company creates a provision for the costs of accumulated paid absences, which it will have to incur as a result of the entitlement not used by employees, and which entitlement has accumulated as at the balance sheet date. The provision for unused holidays is a short-term provision and is not discounted.
In accordance with the remuneration systems applicable in the Company, employees are entitled to retirement benefits. Retirement benefits are paid once, at the time of retirement. The amount of retirement benefits depends on the length of service and the average remuneration of the employee. The Company creates a provision for future liabilities due to retirement benefits in order to allocate the costs to the vesting periods of the employees' rights.
The present value of the provisions as at each balance sheet date is estimated by an independent actuary. The accrued provisions are equal to discounted payments that will be made in the future and relate to the period to the balance sheet date. Demographic information and employment turnover information are based on historical data.

The effects of the valuation of the provision for future liabilities due to retirement benefits are recognized through other comprehensive income.

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1.3.3.18. Deferred income

The Company shows in assets under "Accruals" prepaid costs relating to future reporting periods.

The item "Accruals" included in liabilities presents deferred income, including cash received to finance fixed assets, which are accounted for in accordance with IAS 20 "Government Grants".

Accrued expenses are shown under "Trade payables and other payables".

Subsidies are recognized only when there is sufficient certainty that the Company will meet the conditions related to a given subsidy and that a given subsidy will actually be received. A subsidy related to a given cost item is recognized as income commensurate with the costs that the subsidy is intended to compensate. The subsidy financing the asset is gradually recognized in the result as income over the periods in proportion to the depreciation write-offs made on this asset. For the purposes of presentation in the separate statement of financial position, the Company does not deduct subsidies from the carrying amount of assets, but shows subsidies as deferred income in the item "Accruals".

1.3.3.19. Borrowing costs

Borrowing costs directly related to the acquisition or production of assets that require a longer period of time to be fit for use or resale are added to the costs of production of such assets until the assets are substantially ready for their intended use or resale.

All other borrowing costs are charged directly to the profit and loss account in the period in which they were incurred.

1.3.3.20. Revenues, costs and financial result

Revenues and profits - it is understood as the probable emergence of economic benefits in the reporting period, of a reliably determined value, in the form of an increase in the value of assets or a decrease in the value of liabilities, which will lead to an increase in equity or a decrease in its deficiency in a manner other than the contribution of funds by shareholders or owners.

Sales revenues are only revenues from contracts with customers within the scope of IFRS 15. The method of recognizing sales revenues in the separate statements, including both the value and the moment of revenue recognition, is determined by a five-stage model consisting of the following steps:

- identification of the contract with the customer,
- identification of performance obligations,
- determination of the transaction price,
- assigning the transaction price to performance obligations,
- recognition of revenue when or after performance obligations are satisfied.

Identification of the contract with the client
The Company recognizes a contract with a customer only if all of the following criteria are met:

- the parties to the contract have entered into a contract (in writing, orally or in accordance with other customary commercial practices) and are obliged to perform their obligations;
- the Company is able to identify the rights of each party regarding the goods or services to be transferred;
- The Company is able to identify payment terms for the goods or services to be transferred;
- the contract has economic content (i.e. the risk, timing or amount of the Company's future cash flows may be expected to change as a result of the contract);
- it is probable that the Company will receive the consideration to which it is entitled in exchange for the goods or services that will be transferred to the customer.

Identification of performance obligations

At the conclusion of the contract, the Company assesses the goods or services promised in the contract with the customer and identifies as a performance obligation each promise to provide the customer with a good or service (or a bundle of goods or services) that can be distinguished or a group of separate goods or services, which are essentially the same and communicated to the customer in the same way.

A good or service is distinct if it meets both of the following conditions:

- the customer can benefit from the good or service either directly or through association with other resources that are readily available to him; and
- the Company's obligation to transfer the good or service to the customer can be distinguished from other obligations specified in the contract..

Determining the transaction price

In order to determine the transaction price, the Company takes into account the terms of the contract and its usual commercial practices. The transaction price is the amount of consideration that the Company expects to be entitled to in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties.

The remuneration specified in the contract with the client may include fixed amounts, variable amounts or both.

If the contract contains a significant financing component, the Company adjusts the promised amount of contractual consideration for the effect of the change in the time value of money. The Company applies a practical solution, according to which adjustments for the impact of a significant financing component are not made in the case of contracts providing for payment terms shorter than 1 year.

The Company performs contracts with clients that do not contain a significant element of financing.

Guarantees granted by the Company for the services sold are recognized in accordance with IAS 37, as their terms reflect only the assurance that the services provided by the Company will operate as intended by the parties, expressed in the agreed specification.

The Company assigns a transaction price to each performance obligation in an amount that reflects the amount of consideration to which it is expected to be entitled in exchange for transferring the promised goods or services to the customer.

Recognition of revenue when or after performance obligations are satisfied

The company recognizes revenue when (or during) the performance obligation is satisfied by transferring the promised good or service to the customer.

The Company measures revenues in accordance with IFRS 15 for contracts based on the provision of broadly understood construction and construction and assembly services. An asset is transferred when the customer obtains control of the asset. Revenues are recognized as amounts equal to the transaction price that has been assigned to a given performance obligation. It is recognized that in the case of the provision of construction and assembly services by the Company, there is generally one performance obligation. Thus, the issue of allocating the transaction price to the performance obligation does not require estimation.

The Company uses various payment terms, including both prepayments up to a few days before delivery and deferred payment terms up to 60 days. Payment terms depend on the recipient's credit risk assessment and the possibility of securing the receivables. Therefore, payment dates do not depend on the moment of fulfilment of the performance obligation. The Company recognizes the prepayments received as contractual liabilities, while in the case of deferred payment dates, the Company recognizes the remuneration due as a receivable at the time of issuing the invoice, if the only condition for receiving the payment is the passage of time. Payment of remuneration becomes due, depending on the payment terms contained in individual contracts, either before the delivery (prepayment) or within the indicated number of days from the date of sale indicated on the invoice.

Revenue from contracts with customers is recognized in the amount equal to the transaction price, which is the amount of consideration to which the Company expects to be entitled in exchange for the transfer of promised goods or services to the customer, excluding amounts collected on behalf of third parties.

IFRS 15 requires the use of a uniform method of revenue recognition for contracts and liabilities with similar characteristics. The method of measuring the value of goods and services used by the Company is the method of the share of costs incurred up to the date of determining revenue in the total costs of the service (cost-based method). If it is not possible to use the input-based method, or if it is required by the specificity of the contract, the Company applies the measurement method. If a performance obligation is not satisfied over time, the Company is deemed to have satisfied it at a point in time. If it is probable that the total costs related to the performance of the contract will exceed the total revenues, in accordance with IAS 37, the expected loss (excess of costs over revenues) is charged to operating costs and, on the other hand, a provision is created for onerous contracts (provision for expected losses on contracts) .

The Company presents in assets in the item "Assets due to contracts", the valuation in relation to contracts in progress subject to valuation. Outstanding amounts accrued and invoiced for work performed under the contract and amounts retained by customers are presented under "trade and other receivables".

Outstanding amounts due to suppliers, for which the Company received invoices, and amounts retained from suppliers are presented under "trade and other payables".
Remuneration received for undelivered goods and uncompleted services (advances) are recognized in the separate statement of financial position as contract liabilities.

The contracts with the client do not contain a significant element of financing.

Costs and losses - it means probable decreases in economic benefits in the reporting period, of a reliably determined value, in the form of a decrease in the value of assets or an increase in the value of liabilities and provisions, which will lead to a decrease in equity or an increase in its deficiency in a manner other than the withdrawal of funds by shareholders or owners. The costs of products, goods and materials sold are determined in a manner commensurate with the revenues from core activities and recognized in the income statement in the calculation version using the direct method. Costs are grouped in parallel in the type-based system, with simultaneous entry into cost centers in the calculation system.

In accordance with the accrual principle, the Company recognizes in the profit and loss account all costs attributable to a given reporting period, regardless of the period of their actual settlement. Costs incurred that do not relate to a given period are recognized in assets as prepaid expenses, while costs not incurred and related to a given period are liabilities for uninvoiced costs.

The company settles the costs of acquiring projects on an ongoing basis and does not reward the costs of acquiring customers. The settlement of project acquisition costs takes the form of a commercial commission in the year in which the acquired project is sold.

Other operating income and costs - recurring income and costs are recognized here only indirectly related to ordinary activity and related in particular to activities that are not the proper subject of activity, related to the sale and liquidation of fixed assets, as well as revaluation of fixed assets and inventories and receivables, transfer or receipt free of charge of assets and cash, penalties and damages, and others.

Financial income and costs are benefits obtained from holding, borrowing or selling financial assets and fees charged for borrowing cash from third parties, which gives rise to financial liabilities, as well as the effects of impairment of financial assets. Revenues and costs from financial operations related to a given financial year are included here..

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1.3.4. Subjective assessments and uncertainty of estimates

Uncertainty of estimates

Basic assumptions regarding the future and other key sources of uncertainty existing at the end of the reporting period, which are associated with a significant risk of a significant adjustment to the carrying amounts of assets and liabilities in the next financial year:

Construction contracts

In the case of contracts implemented by the company, the company applies the provisions of IFRS 15 "Revenue from contracts with customers" and shows sales revenue in the income statement based on the measurement of the stage of their implementation (determined as the proportion of contract costs incurred for work performed by the end of the period in to the estimated total contract costs). In their case, there is a risk that the Company has incorrectly estimated the production costs, there will be changes in the production costs during the product manufacturing process, there will be errors in managing the implementation of the task or errors in technical and technological solutions, the implementation of the task will occur with a delay or delay. The result of these risks may be a decrease in revenues and/or an increase in costs, and consequently a decrease in the Company's financial result.

Deferred tax asset

The Company recognizes a deferred tax asset based on the assumption that in the future a tax profit will be generated that will allow its use. Deterioration of the tax results obtained in the future could make this assumption unjustified.

Goodwill write-downs (value of shares in subsidiaries)

At the end of each reporting period, the Management Board assesses whether there are any indications of goodwill impairment (value of shares in subsidiaries). If there are indications of impairment, the Management Board makes write-downs updating the value of these assets to the level of recoverable value.

The recoverable amount was determined as one of two values, depending on which of them is higher: fair value less costs of sale or the value in use of a given asset. The value in use was estimated using the DCF method. The DCF method is based on discounted cash flows generated by subsidiaries with assumed operational schedules and proceeds from sales. The discount factor takes into account the weighted cost of external and equity capital (WACC). The recoverable amount of shares/shares and the amount of write-downs on the value of shares/shares is the value estimated as at December 31, 2022 and may change depending on the generated revenues and incurred production costs, project implementation schedules and discount rate calculations in the future. Actual results may differ from those estimates, which were calculated on the basis of data available as at the date of their preparation. It is also related to the uncertainty regarding the correct estimation of market conditions in the coming years.

Depreciation rates

The amount of depreciation rates is determined on the basis of the expected period of economic usefulness of tangible fixed assets and intangible assets.

In the period of 12 months ended December 31, 2022, the Company verified the originally assumed useful lives of fixed assets and intangible assets and concluded that there was no need to change the estimated useful lives.

Provisions

Provisions for employee benefits - retirement benefits - are estimated using actuarial methods.
The amount of provisions for employee benefits shown in the separate financial statements results from the estimation made by an independent actuary. The level of provisions is affected by the assumptions regarding the discount rate and the salary increase ratio.

Income tax

The tax regulations in force in Poland are subject to frequent changes, causing significant differences in their interpretation and significant doubts in their application. The tax authorities have control instruments enabling them to verify the tax bases (in most cases in the previous 5 financial years). As a consequence, the determination of tax liabilities, deferred tax assets and liabilities may require significant judgement, including those relating to transactions that have already taken place, and the amounts presented and disclosed in the financial statements may change in the future as a result of inspections by tax authorities.

As a consequence, the determination of tax liabilities, deferred tax assets and liabilities may require significant judgement, including with regard to transactions that have already taken place, and the amounts presented and disclosed in the financial statements may change in the future as a result of inspections by tax authorities.

Lease period

When determining the lease liability, the Company estimates the lease term, which includes:

- irrevocable lease period,
- periods in which there is an option to extend the lease, if it can be assumed with sufficient certainty that the lessee will exercise this option,
- periods during which there is an option to terminate the lease, if it can be assumed with sufficient certainty that the lessee will not exercise this option.

When assessing whether the Company will exercise the extension option or not exercise the termination option, the Company takes into account all relevant facts and circumstances that provide it with an economic incentive to exercise or not exercise the option.

The lease liability presented in the statement of financial position reflects the best estimates as to the lease term, however, a change in circumstances in the future may result in an increase or decrease in the lease liability and the recognition of a corresponding adjustment in right-of-use assets.

2. ADDITIONAL INFORMATION TO THE SEPARATE FINANCIAL STATEMENT

2.1. Information on operating segments

Products and services from which the reporting segments derive their revenues
The company ELEKTROTIM offers its products on the market of construction and assembly works for public and non-public customers.

Reporting segments identified in the Company constitute an aggregation of the Company's organizational structure, the operational part of which has been divided into separately managed economic organisms (plants) grouped into divisions. The criterion for separating individual plants and divisions were product companies and territorial distribution. In order to present information in a way that allows for a proper assessment of the type and financial effects of the business activities conducted by the Company, operating segments were combined based on the criterion of product groups into three segments:

- Installations Segment
- Grid Segment
- Automation Segment

These segments meet the following rules jointly:

- the merger was carried out in accordance with the overriding principle of IFRS 8 "presentation of information in a way that allows users of financial statements to assess the type and financial effects of economic activities in which the entity is involved and the economic environment in which it operates".
- the segments have similar economic characteristics
- the segments are similar in:
  - type of products and services
  - type of production processes
  - the type or company of customers for the products and services in question
  - methods used to distribute products or provide services

The applied principles of measuring segment information are consistent with the principles resulting from the Company's accounting policy.

Products offered by the Installations Segment

a) Construction and executive designs, including:

- designs of power and light electrical installations for industrial, service and commercial facilities,
- designs of MV and LV cable power lines,
- projects of MV/LV transformer stations,
- lighting projects for roads, streets and squares,
- traffic light designs,
- projects of illumination of buildings of architectural value,
- Christmas illumination projects,
- designs of sanitary installations,

projects of low-current installations. The listed products are offered by Pracownia Projektowa.

b) Electrical installations, including:

- transformer stations,
- electrical power and light installations in facilities:
  - industrial
  - residential
  - public utility
  - storage
  - sports
  - military.

The listed products are offered by the Electric Installations Department.

c) Electrical switchboards, including:

- SM6 type MV switchgears,
- OKKEN LV MCC switchgears,
- LV switchgears for distribution of electricity, type PRISMA,
- X-ENERGY switchboards, SOT street lighting cabinets,
- counter boards.

The listed products are offered by the Production Department.

d) Low current installations, including:

- computer systems integrating BMS and SMS
- structured wiring systems,
- fire alarm systems
- access control systems,
- CCTV systems,
- technical protection systems
- building automation installations
- work registration systems,
- perimeter protection systems,
- EiB systems,
- telecommunications systems.

The listed products are offered by Low-current Installation Department.

e) Service of electrical installations and devices, including:

- service of low voltage equipment,
- measurement and control works of station and dispatch telemechanics,
- electrical measurements.

The listed services are provided by the Service Department.

Products offered by the Grid Segment:

○ Electric networks, including:

- traffic lights,
- road lighting,
- illuminations of objects,
- airport navigation lighting,
- MV and LV cable lines,
- teletechnical networks,
- MV and LV transformer stations

The listed products are offered by the Electrical Networks Department.

○ Telecommunication networks, including:

- teletechnical sewers,
- copper telecommunication lines,
- fiber optic telecommunications lines
- radio beacons (NDB, DVOR/DME),
- radar systems,
- antenna systems,
- other navigation and radio communication systems

The products listed above are offered by the Department of Teletechnical Networks..

a) Elements of road infrastructure, including:

- horizontal thin and thick-layer marking of roads and streets,
- vertical marking
- traffic organization: temporary and final
- road safety devices
- traffic organization projects.

These products are offered by the Department of Motion Engineering.

b) Signalling and lighting service, including:

- operation, modernization and maintenance of traffic lights,

- service and maintenance of road and square lighting,
- operation, modernization and maintenance of external lighting and illumination of buildings,
- maintenance of the light power installation,
- traffic light controllers.

These products are offered by the Signalling and Lighting Department.

c) Systems:

- automation for power generation,
- automation for environmental protection installations,
- industrial IT,
- automation for industry..

d) High voltage networks, including:

- overhead HV power lines
- cable HV power lines
- power protection automation (EAZ)
- telemechanics
- master systems
- HV/MV stations

The listed products are offered by the High Voltage Division

Products offered by the Automation Segment

a) Automation systems for power generation

- automation system for the power unit
- automation system for water and sewage treatment installations
- automation system for fuel feeding, ash removal and slagging installations
- automation system for heating systems
- automation system of compressor systems
- automation system for flue gas purification installation
- design of power unit automation and auxiliary installations
- automation system for small installations in the power industry
- maintenance services.

The products are offered by Power Automation Department.

b) Automation systems for environmental protection installations

- automation and electrical installations for sewage treatment plants
- automation and electrical installations for water treatment plants
- automation and electrical installations for pump systems
- automation system for sewage treatment plants
- automation system for water treatment plants
- automation system for pump systems
- monitoring system of water and sewage networks
- design of automation for sewage treatment plants
- automation design for a water treatment plant
- maintenance services
- fish protection and monitoring system - Neptun
- a scanner for monitoring fish passes.

The products are offered by the Industrial Automation Department and the Power Automation Department..

c) Power automation systems

- CERTAN PQ-100 - electricity quality indicator meter
- disturbance recorder
- power system supervision and energy balancing system
- a system for recording disturbances and analysing the quality of electricity
- network and equipment operation system
- maintenance services.

The products are offered by the Power Automation Department.

d) Industrial IT systems

- SKSR Starting Losses Control System
- MESKAN Modular Operating Control System
- VECTAN Equipment Operation Control System
- PROMAN System for visualization and production process management support)
- CERTAN SYSTEM
- communication interfaces
- custom software development
- servicing own products.

The products are offered by the Industrial Information Technology Department

e) Other automation systems

- BMS
- fire detection and temperature monitoring system - PROList

The products are offered by the Power Automation Department, the Industrial Automation Department and the Electroenergetic Automation Department.

Segment revenues and results

Below is an analysis of the Company's revenues and results in individual segments covered by the reporting:

Business segments	01.01-31.12.2022	01.01-31.12.2022	01.01-31.12.2022	01.01-31.12.2021	01.01-31.12.2021	01.01-31.12.2021
	Installation Segment	Network Segment	Automation Segment	Installation Segment	Network Segment	Automation Segment
Sales revenue from external customers	269 380	158 864	0	108 182	99 817	0
Revenue within and from other segments	14 629	1 500	0	9 792	707	0
The cost of producing the products sold	244 717	146 880	0	108 092	86 857	0
Gross profit (loss) on sales	**39 291**	**13 484**	**0**	**9 882**	**13 667**	0

Segment assets

The Company does not analyse the assets and liabilities of the segment in the statements used by the Management Board of the Parent Company for operational and analytical purposes, as assets and liabilities are not allocated to the segment.

Geographic information

The company operates in only one geographical area - in Poland. The breakdown of revenues by territorial structure is presented in Note 2.20

Information about leading customers

Main customers

No..	Customer	Share in sales revenue (%)
1	Komenda Główna Straży Granicznej	44
2	ENEA Operator Sp. z o.o. Oddział Dystrybucji Szczecin	6
3	SK Hi-Tech Battery Materials Poland sp. z o.o.	6
4	Nestle Purina Manufacturing Operations Poland sp. z o.o.	4
5	Tauron Dystrybucja S.A.	3

6	Skarb Państwa – Centrum Zasobów Cyberprzestrzeni Sił Zbrojnych	3
7	FW WARTA Sp. z o.o.	3
8	Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji S.A.	3
9	Others	28
	Total:	100

2.2. Investments in subsidiaries

Selected information on subordinated entities covered by consolidation

a)	name (business name) of the entity, indicating the legal form	PROCOM SYSTEM S.A.	ZEUS S.A.	OSTOYA-DataSystem Sp. z o.o.
b)	seat	Wrocław	Pruszcz Gdański	Gdańsk
c)	subject of the enterprise	production of systems for industrial controllers	making electrical installations	implementation of IT systems in the area of security management
d)	nature of the relationship (subsidiary, jointly controlled entity, associate, specifying direct and indirect links)	Shares of the company were sold on 12-12-2022	subsidiary	subsidiary
e)	the method of consolidation/valuation using the equity method or an indication that the entity is not subject to consolidation/valuation using the equity method full method full method		the complete method	the complete method
f)	date of taking control / joint control / obtaining significant influence		18.07.2012	11.01.2017
g)	value of shares (shares) at purchase price		7 311	233
i)	carrying amount of shares (shares)		1 872	644
j)	percentage of share capital held		88,12	82
k)	share in the total number of votes at the general meeting		88,12	82
l)	an indication other than specified in point j) or k), basis of control/joint control/significant influence			
m)	entity's equity		3 134	3 862
n)	liabilities and provisions for liabilities of the entity		24 939	1 709
o)	receivables of the entity:		11 878	2 675
p)	total assets of the entity		28 073	5 571
r)	sales revenue		42 155	6 738
-	net profit (loss)		-835	3 037
s)	the value of shares (shares) in the entity unpaid by the issuer			
t)	dividends received or due from the entity for the last financial year		0	0

The conducted impairment test of assets showed the need to create a write-down on Zeus S.A. shares. , the write-down was made in the amount of PLN 4,026 thousand. PLN. This test was carried out assuming a 5-year cash flow forecast period and a discount rate of 11%, growth rate after the forecast period of 3%.
Impairment tests were performed by an external company.

2.3. Intangible assets

Intangible assets

	31.12.2022	31.12.2021
completed development work	0	0
acquired concessions, patents, licenses and similar assets	104	296
other intangible assets	0	
Intangible assets, total	104	296

Changes in intangible assets (by type) for 2022.

	development costs	concessions, patents, licenses and similar values	other intangible assets	Total intangible assets
gross value of intangible assets at the beginning of the period	9		4 865	4 874
increases (due to)	0	0	29	29
- purchase			29	29
- acquisition of subsidiaries	0	0	0	**0**
	0	0	0	**0**
decrease (due to)	**0**	**0**	**0**	**0**
- sale	0	0	0	**0**
- liquidation	0	0	0	**0**
	0	0	0	0
gross value of intangible assets at the end of the period	9	0	4 894	4 903
accumulated depreciation (redemption) at the beginning of the period	9		4 569	4 578
depreciation for the period (due to)	0	0	220	220
- planned write-offs			220	220
- acquisition of subsidiaries				0
- reductions				0
accumulated depreciation (redemption) at the end of the period	9	0	4789	4798
impairment losses at the beginning of the period				0

- increases				0
- reductions				0
impairment losses at the end of the period	0	0	0	0
net value of intangible assets at the end of the period	0	0	105	105

Changes in intangible assets (by type) for 2021

		development costs	concessions, patents, licenses and similar values	other intangible assets	**Total intangible assets**
	gross value of intangible assets at the beginning of the period	9	0	4 841	**4 850**
	increases (due to)	**0**	**0**	**24**	**24**
	- purchase	0	0	24	**24**
	- acquisition of subsidiaries	0	0	0	**0**
		0	0	0	**0**
	decrease (due to)	**1**	**0**	**0**	**0**
	- sale	0	0	0	**0**
9	- liquidation	0	0	0	**0**
		0	0	0	**0**
	gross value of intangible assets at the end of the period	**9**	**0**	**4 865**	**4 874**
	accumulated depreciation (redemption) at the beginning of the period	9	0	4 261	**4 270**
	depreciation for the period (due to)	**0**	**0**	**308**	**308**
	- planned write-offs	0	0	308	308
	- acquisition of subsidiaries	0	0	0	**0**
	- reductions	0	0	0	**0**
	accumulated depreciation (redemption) at the end of the period	**9**	**0**	**4 569**	**4 578**
	impairment losses at the beginning of the period	0	0	0	**0**
	- increases	0	0	0	**0**
	- reductions	0	0	0	**0**
	impairment losses at the end of the period	**0**	**0**	**0**	**0**
	net value of intangible assets at the end of the period	**0**	**0**	**296**	**296**

Intangible assets (ownership structure)

	31.12.2022	31.12.2021
own	104	296
used on the basis of a rental, tenancy or other agreement, including a leasing agreement	0	0
Intangible assets, total	**104**	**296**

2.4. Goodwill

	31.12.2022	31.12.2021
- PWS (Electricity Substations, Distribution Division)	2 396	2 396
Total goodwill of subsidiaries	**2 396**	2 396
Impairment losses	0	0
Carrying amount, total	2 396	2 396

Change in goodwill of subsidiaries

	31.12.2022	31.12.2021
state at the beginning of the period	2 396	2 396
state at the end of the period	2 396	2 396

On April 1, 2012, as part of the ongoing restructuring of the Capital Company, the process of incorporating products implemented by the subsidiary company Elektromont Beta S.A. to the product offer of the ELEKTROTIM S.A. Network Division. and at the same time, all employees of this company were taken over by ELEKTROTIM S.A. pursuant to Art. 231 of the Labor Code. Thus, the entire activity of Elektromont Beta S.A. was transferred to ELEKTROTIM S.A. In connection with the above, ELEKTROTIM S.A., in accordance with IAS 36.87 referring to the reorganization of the structure of the economic entity, rewrote the goodwill of Elektromont Beta S.A. created as at the date of taking control from the previous cash-generating unit (which was the subsidiary) to the new cash-generating unit, which is the High Voltage Plant, which is part of the Grid Division. This is the lowest level at which goodwill can be monitored for the internal needs of ELEKTROTIM S.A. (IAS 36.80 to 87).

Due to the internal reorganization within ELEKTROTIM S.A. goodwill from the High Voltage Plant, which is part of the Grid Division, was allocated to the newly established cash-generating unit, i.e. the Power Stations Plant within the Grid Division.

In 2013, a revaluation write-down of PLN 1,707 thousand was made from the impairment test of the cash-generating unit after restructuring, to which goodwill was allocated after comparing the carrying amount with its recoverable amount. In order to carry out the test, the following assumptions were made: period of projected cash flows - 5 years, discount rate 11%.
As at December 31, 2017, a write-down of the value of shares in Mawilux SA was made in the amount of PLN 3,954,000. based on the Gordon model, assuming a 5-year cash flow forecast period and assuming a discount rate of 13.7% and a 3% growth rate after the forecast period.

As at December 31, 2022, impairment tests were carried out on financial assets of cash-generating units (High Voltage Plant and Airport Services Department).
The conducted impairment test of assets did not show the need to recognize a goodwill write-down.

Impairment tests were performed by an external company.

2.5. Tangible fixed assets

	31.12.2022	31.12.2021

a)	fixed assets, including:	11 801	11 888
-	land	869	869
-	buildings, premises and civil and water engineering facilities	5 153	6 261
-	technical devices and machines	1 750	1 054
-	means of transport	3 886	3 593
-	other fixed assets	143	111
b)	fixed assets under construction	287	296
Tangible fixed assets, total		**12 088**	**12 184**

Balance sheet fixed assets (ownership structure)

	31.12.2022	31.12.2021
own	5 392	5 330
used under a rental, lease or other agreement, including a leasing agreement, including:	6 696	6 854
Balance sheet fixed assets, total	12 088	12 184

Changes in fixed assets (by type groups) for 2022

	land	buildings, premises and civil and water engineering facilities	technical devices and machines	means of transport	other fixed assets	Total fixed assets
gross value of fixed assets at the beginning of the period	869	9 103	7 521	11 314	1 778	30 585
increases (due to)	0	322	1 230	1 605	128	3 285
- purchase		322	1 230	1 605	128	3 285
- acquisition of a subsidiary						0
						0
reduction (due to)	0	0	8	939	0	947
sale and liquidation			8	939		947
						0
gross value of fixed assets at the end of the period	869	9 425	8 743	11 980	1 906	32 923
accumulated depreciation (redemption) at the beginning of the period		2 842	6 467	7 721	1 667	18 697
depreciation for the period (due to)	0	1 430	526	373	96	2 425
- planned write-offs		1 430	534	1 267	96	3 327
- acquisition of a subsidiary						0
- sale and liquidation			8	894		902
						0
accumulated depreciation (redemption) at the end of the period	0	4 272	6 993	8 094	1 763	21 122

impairment losses at the beginning of the period						0
- increase						0
- reduction						0
impairment losses at the end of the period	0	0	0	0	0	0
net value of fixed assets at the end of the period	869	5 153	1 750	3 886	143	11 801

Changes in fixed assets (by type groups) for 2021

	land	buildings, premises and civil and water engineering facilities	technical devices and machines	means of transport	other fixed assets	Total fixed assets
gross value of fixed assets at the beginning of the period	869	8 662	7 383	11 846	1 726	**30 486**
increases (due to)	**0**	**441**	**403**	**929**	**52**	**1 825**
- purchase	0	441	403	929	52	1 825
- acquisition of a subsidiary	0	0	0	0	0	
	0	0	0	0	0	**0**
reduction (due to)	**0**	**0**	**265**	**1 461**	**0**	**1 726**
sale and liquidation	0	0	265	1 461	0	1 726
-	0	0	0	0	0	**0**
gross value of fixed assets at the end of the period	**869**	**9 103**	**7 521**	**11 314**	**1 778**	**30 585**
accumulated depreciation (redemption) at the beginning of the period	0	1 455	6 249	7 799	1 559	**17 062**
depreciation for the period (due to)	**0**	**1 387**	**218**	**-78**	**108**	**1 635**
- planned write-offs	0	1 387	479	1 304	108	**3 278**
- acquisition of a subsidiary	0	0	0	0	0	
- sale and liquidation	0	0	261	1 382	0	**1 643**
	0	0	0	0	0	**0**
accumulated depreciation (redemption) at the end of the period	**0**	**2 842**	**6 467**	**7 721**	**1 667**	**18 697**
impairment losses at the beginning of the period	0	0	0	0	0	**0**
- increase	0	0	0	0	0	**0**
-reduction	0	0	0	0	0	**0**
impairment losses at the end of the period	**0**	**0**	**0**	**0**	**0**	**0**
net value of fixed assets at the end of the period	**869**	**6 261**	**1 054**	**3 593**	**111**	**11 888**

Leasing

Value of assets due to right of use was presented in the separate statement of financial position together with fixed assets owned by the Company.

The values of the right of use in accordance with IFRS 16 are presented in the table "Changes in assets due to right of use".

Changes in assets due to rights of use (by type) for 2022

	land	buildings, premises and civil and water engineering facilities	technical devices and machines	means of transport	other fixed assets	Total fixed assets
gross value at the beginning of the period		6 332	35	4 497		10 864
increases (due to)	0	191	643	1 602	0	2 436
- Conclusion of a leasing contract	0	0	643	1 602		2 245
- Changes resulting from contract modifications	0	191	0	0	0	**191**
	0	0	0	0	0	**0**
reduction (due to)	0	0	35	1 184	0	1 219
Termination of the leasing contract	0	0	0	395	0	395
profile changes/bought out	0	0	35	789	0	824
value at the end of the period	0	6 523	643	4 915	0	12 081
accumulated depreciation (redemption) at the beginning of the period	0	2 217	26	1 767	0	4 010
depreciation for the period (due to)	**0**	1 361	3	11	0	1 375
- planned write-offs	0	1 361	31	859	0	2 251
profile changes/bought out	0	0	-28	-336	0	-364
depreciation of the completed lease/return	0	0	0	512	0	512
-	0	0	0	0	0	0
accumulated depreciation (redemption) at the end of the period	**0**	3 578	29	1 778	0	5 385
impairment losses at the beginning of the period	0	0	0	0	0	**0**
- increase	0	0	0	0	0	**0**
-reduction	0	0	0	0	0	**0**
impairment losses at the end of the period	**0**	**0**	**0**	**0**	**0**	**0**
net worth at the end of the period	0	2 945	614	3 137	0	6 696

Changes in assets due to rights of use (by type) for 2021

	land	buildings, premises and civil and water engineering facilities	technical devices and machines	means of transport	other fixed assets	Total fixed assets
gross value at the beginning of the period	0	5 891	415	4 535	0	**10 841**
increases (due to)	**0**	**441**	**0**	**906**	**0**	**1 347**
Conclusion of a leasing contract	0	441	0	906	0	1 347
Changes resulting from contract modifications	0	0	0	0	0	
	0	0	0	0	0	**0**
reduction (due to)	0	**0**	**380**	**944**	**0**	**1 324**
Termination of the leasing contract	0	0	0	269	0	**269**
profile changes/bought out	0	0	380	675	0	**1 055**
value at the end of the period	**0**	**6 332**	**35**	**4 497**	**0**	**10 864**
accumulated depreciation (redemption) at the beginning of the period	0	899	247	1 596	0	**2 742**
depreciation for the period (due to)	**0**	**1 318**	**-221**	**171**	**0**	**1 268**
planned write-offs	0	1 318	75	819	0	**2 212**
depreciation of the completed lease/return	0	0	0	269	0	**269**
profile changes/bought out	0	0	296	379	0	**675**
accumulated depreciation (redemption) at the end of the period	**0**	**2 217**	**26**	**1 767**	**0**	**4 010**
impairment losses at the beginning of the period	0	0	0	0	0	**0**
increase	0	0	0	0	0	**0**
reduction	0	0	0	0	0	**0**
impairment losses at the end of the period	**0**	**0**	**0**	**0**	**0**	**0**
net worth at the end of the period	**0**	**4 115**	**9**	**2 730**	**0**	**6 854**

2.6. Financial assets

Other long-term financial assets

		31.12.2022	31.12.2021
a)	shares or shares in related entities	644	13 080
b)	other entities	2 394	3 340
	other long-term financial assets, including long-term deposits	2 394	3 340
Long-term financial assets, total		3 038	16 420

Change in long-term financial assets (by type)

	31.12.2022	31.12.2021
state at the beginning of the period	16 420	18 406
shares or stocks	13 080	14 436
loans granted	0	0
other long-term financial assets	3 340	3 970
increases (due to)	0	835
shares or stocks	0	809
loans granted	0	0
other long-term financial assets	0	26
reductions (due to)	13 382	2 821
shares or stocks	12 436	2 165
a) sale	6 538	0
b) transfer to assets held for sale	1 872	0
c) update	4 026	2 165
loans granted	0	0
other long-term financial assets	946	656
state at the end of the period	3 038	16 420
shares or stocks	644	13 080
loans granted	0	0
other long-term financial assets, including long-term deposits	2 394	3 340

Other short-term assets

	31.12.2022	31.12.2021
in other units	0	14
other short-term financial assets (by type)	0	14

Securities and other short-term financial assets (currency structure)

		31.12.2022	31.12.2021
a)	in Polish currency	0	14
b)	in foreign currencies (by currency and after conversion into PLN)	0	0
Securities, shares and other short-term financial assets, total		**0**	**14**

Short-term financial assets (by marketability)

		31.12.2022	31.12.2021
D.	Restricted (carrying amount)	0	14
c)	other - by type groups (carrying amount):	0	14
-	fair value	0	14
-	market value	0	0
-	value at purchase prices	0	0
Carrying amount, total		**0**	**14**

Receivables

For the purposes of presentation in the separate statement of financial position, the Company distinguishes a class of receivables. In the long-term part, receivables are presented in one item in the statement of financial position.

2.7. Financial liabilities

Long-term financial liabilities

		31.12.2022	31.12.2021
-	credits and loans	0	0
Long-term liabilities, total		**0**	**0**

Short-term financial liabilities

	31.12.2022	31.12.2021
Financial liabilities (credits, loans, debt securities, etc.)	0	0
– credits and loans	0	0

2.8. Assets and provision for deferred income tax

Change in deferred tax assets

	31.12.2022	31.12.2021
Deferred tax assets at the beginning of the period, including:	4 051	5 425
recognized in the financial result	4 051	5 425
Increase	4 900	4 051
Recognized to the financial result for the period due to negative temporary differences (due to)	4 900	4 051
- write-downs on receivables	878	1 035
- write-downs on inventories	591	125
- unpaid wages	0	0
- provision for employee benefits	1 640	495
- reserve for warranty repairs	580	570

- other	1 211	1 242
- IAS / IFRS	0	584
Recognized to the financial result for the period due to tax loss (due to)	0	0
Reductions	4 051	5 425
Recognized to the financial result for the period due to negative temporary differences (due to)	4 051	5 425
- reversal of temporary differences	0	0
Total deferred tax assets at the end of the period, including:	4 900	4 051
Charged to the financial result	4 900	4 051
- write-downs on receivables	878	1 035
- write-downs on inventories	591	125
- unpaid wages	0	0
- provision for employee benefits	1 640	495
- reserve for warranty repairs	580	570
- other	1 211	1 242
- IAS / IFRS	0	584
- recognized in the financial result of the period in connection with the tax loss (due to)	0	0
Charged to equity	0	0
Recognized in goodwill	0	0

Change in the balance of the provision resulting from deferred income tax

	31.12.2022	31.12.2021
Deferred tax liability at the beginning of the period, including:	795	1 855
recognized in the financial result	795	1 855
Increase	1 532	795
Charged to the financial result for the period due to positive temporary differences (due to)	1 532	795
- valuation of receivables	0	0
- valuation of long-term contracts	799	0
- fixed assets and intangible assets	699	780
- others	34	15
Reductions	795	1 855
Recognized to the financial result for the period due to positive temporary differences (due to)	795	1 855
	0	0
Total deferred tax liability at the end of the period	1 532	795
Related to the financial result	1 532	795
- valuation of receivables	0	0
- valuation of long-term contracts	799	0
- fixed assets and intangible assets	699	780
- others	34	15
Charged to equity	0	0
Recognized in goodwill	0	0

2.9. Other long-term non-financial assets

	31.12.2022	31.12.2021
Prepayments and accruals, including:	830	591
- Insurance	762	522
- other	68	69
Other accruals, including:	644	0
- other accruals	644	0
Other accruals, total	1 474	591

2.10. Inventory

	31.12.2022	31.12.2021
materials	1 494	1 646
semi-finished products and work in progress	1 864	1 848
finished products	0	0
goods	0	0
remaining	0	0
Inventory, total	3 358	3 494
Inventory write-downs	3 110	659
Inventories, gross total	6 468	4 153

Change in inventory write-downs

	31.12.2022	31.12.2021
State at the beginning of the period	659	718
increase	2 471	4
use	0	0
termination	20	63
Inventory write-downs at the end of the period:	3 110	659
Materials	3 110	659
Goods	0	0

In 2022, the Company revaluated inventories in the amount of PLN 2,471 thousand. PLN.
There was also a release of write-offs in the total amount of PLN 20 thousand. PLN.

2.11. Trade receivables and other receivables

Trade receivables and other receivables

		31.12.2022	31.12.2021
-	from related parties	1 517	48

-	receivables from other entities	91 690	69 408
-	active accruals of costs	1 447	1 020
	Total trade receivables and other receivables, net	94 654	70 476

Short-term receivables

	31.12.2022	31.12.2021
Receivables from related parties	1 517	48
- Trade receivables	0	48
- other receivables	1 517	0
Receivables from other entities	91 690	69 408
For deliveries and services, with a repayment period:	84 652	66 812
- up to 12 months	83 417	63 627
- over 12 months	1 235	3 185
Other receivables	0	0
Other receivables, including:	7 038	2 596
- taxes, customs duties, social and health insurance and other benefits	5 765	1 817
- other	1 273	779
Net short-term receivables, total	93 207	69 456
write-downs on receivables	5 214	6 179
Gross short-term receivables, total	98 421	75 635

Gross short-term receivables (by currency)

		31.12.2022	31.12.2021
a)	in Polish currency	98 421	75 635
b)	) in foreign currencies (by currency and after conversion into PLN)	0	0
	PLN	0	0
	EUR	0	0
	PLN	0	0
	USD	0	0
Short-term receivables, total		98 421	75 635

Change in write-downs on short-term receivables

	31.12.2022	31.12.2021
State at the beginning of the period	6 179	5 202
Increases (due to)	70	2 095
- write-offs for overdue and threatened receivables	70	1 987
Reductions (due to)	1 035	1 118
- liquidation of write-offs after repayment of debts	941	882
- writing off uncollectible debts	94	60
Write-downs on short-term receivables at the end of the period	5 214	6 179

Trade receivables (gross) - with the repayment period remaining from the balance sheet date

	31.12.2022	31.12.2021
Up to 1 month	48 211	29 719
Over 1 month to 3 months	25 002	28 306
Over 3 months to 6 months	31	1 080
Over 6 months to 1 year	221	154
Over 1 year	1 632	3 581
Overdue receivables	14 576	10 062
Total trade receivables (gross)	89 673	72 902
Write-downs on trade receivables	5 021	6 042
Total trade receivables (net)	84 652	66 860

Trade receivables, overdue (gross) - divided into receivables outstanding in the period

	31.12.2022	31.12.2021
Up to 1 month	8 459	1 071
Over 1 month to 3 months	8	416
Over 3 months to 6 months	3	19
Over 6 months to 1 year	0	1 575
Over 1 year	6 106	6 981
Trade receivables, overdue, total (gross)	14 576	10 062
write-downs on trade receivables, overdue	4 619	5 646
Total trade receivables past due (net)	9 957	4 416

2.12. Contract assets and liabilities

Settlement of assets due to contracts during the implementation of IFRS 15

	31.12.2022	31.12.2021
Services in progress - valuation of the transaction amount assigned to liabilities, which was not met as at December 31, 2022.	13 552	22 376
Services in progress - valuation of the transaction amount assigned to liabilities, which was not met as at December 31, 2022.	57 645	13 552
Impact on revenue for the current reporting period	44 093	-8 824
Capitalized costs for contracts in progress at the end of December 31, 2022.	16 625	23 819
Capitalized costs for contracts in progress at the end of December 31, 2022.	53 442	16 625
Impact on the cost of production for the current reporting period	36 817	-7 194
Impact on the financial result per balance	7 276	-1 630

Assets from the contracts relate to the revenues from construction and assembly contracts estimated as at 31/12/2022.

Additional information on contracts during the implementation of IFRS 15

	31.12.2022	31.12.2021
Estimated amount of receivables from contracts in progress	57 645	13 552

Estimated amount of liabilities due to contracts in progres	53 442	16 625
Amount of retained deposits and guarantee collateral for work done	2 625	2 159
Amount of advance payments received for deliveries and services	42 781	9 962

Liabilities under contracts

		31.12.2022	31.12.2021
-	advances received for deliveries	42 781	9 962
Total contract liabilities		42 781	9 962

2.13. Cash and cash equivalents

		31.12.2022	31.12.2021
g)	cash and cash equivalents	54 652	14 625
-	cash in hand and on accounts	54 652	13 731
-	other monetary assets	0	894
Short-term financial assets, total		54 652	14 639

Cash and cash equivalents (currency structure)

		31.12.2022	31.12.2021
a)	in Polish currency	46 684	13 643
b)	in foreign currencies (by currency and after conversion into PLN)	7 968	982
	EUR	826	110
	PLN	3 875	505
	CZK	1	1
	PLN	0	0
	USD	926	113
	PLN	4 077	459
	GBP	3	3
	PLN	16	18
	CHF	0	0
	PLN	0	1
Cash and cash equivalents, total		**54 652**	**14 625**

2.14. Non-current assets held for sale

		31.12.2022	31.12.2021
a)	the initial value at the beginning of the period	0	0
	reclassification to assets for sale	1 872	0

sale	0	0
Non-current assets held for sale at the end of the period	**1 872**	**0**

Non-current assets held for sale relate to shares in a subsidiary.

2.15. Equity

Share capital

	Share capital (structure)	31.12.2022	31.12.2022	31.12.2022	31.12.2022	31.12.2022	31.12.2022	31.12.2022
a)	nominal value of one share in PLN	1	1	1	1	1	1	1
b)	series/issue	A	B	C	C	C	C	D
c)	type of shares	bearer	bearer	bearer	bearer	bearer	bearer	bearer
d)	type of preference shares	ordinary	ordinary	ordinary	ordinary	ordinary	ordinary	ordinary
e)	type of limitation of rights to shares							
f)	number of shares in thous. pieces	5 206	794	91	74	111	24	3683
g)	value of the series/issue at nominal value in thous. PLN	5 206	794	91	74	111	24	3683
h)	the method of covering the capital	cash	cash	cash	cash	cash	cash	cash
i)	date of registration	30-11-1998	18-10-2006	27-02-2009	16-03-2010	28-02-2011	11-04-2013	11-05-2007
j)	right to dividend (from date)	01-01-1999	01-01-2006	01-01-2009	01-01-2010	01-01-2011	01-01-2013	01-01-2007
k)	number of shares, in total in thous. units							
Share capital, in total in thous. PLN								**9 983**

Excess of the issue price above the nominal value of the shares

		31.12.2022	31.12.2021
a)	from the sale of shares above their nominal value	44 522	44 522
Reserve capital, together		**44 522**	44 522

Other capitals

		31.12.2022	31.12.2021
a)	due to revaluation of fixed assets	277	277
b)	gains/losses on valuation of financial instruments, including:	0	0
-	valuation of hedging instruments	0	0
c)	due to deferred tax	0	0
d)	exchange differences on conversion of foreign branches	0	0
e)	other (by type)	-287	-170
Other capitals in total		-10	107

Retained earnings and net profit

		31.12.2022	31.12.2021
-	Other reserve capitals	32 225	22 661
-	Profit (loss) from previous years	-18 309	-18 309
-	Net profit (loss)	23 086	9 564
Retained earnings, total		37 002	13 916

2.16. Reserves

Change in other long-term provisions (by title)

		31.12.2022	31.12.2021
a)	stock at the beginning of the period	2 381	2 076
	reserves for warranty repairs	2 120	1 759
	provision for employee benefits	261	317
	provisions for contractual penalties	0	
	the remaining	0	
b)	increases (due to)	207	576
	reserves for warranty repairs	107	576
	provision for employee benefits	100	0
	provisions for contractual penalties	0	
	the remaining	0	
c)	use (due to)	0	0
	reserves for warranty repairs	0	
	provision for employee benefits	0	
	provisions for contractual penalties	0	
	the remaining	0	
d)	termination (due to)	129	271
	reserves for warranty repairs	129	215
	provision for employee benefits	0	56
	provisions for contractual penalties	0	0
	the remaining	0	
e)	balance at the end of the period	2 459	2 381
	reserves for warranty repairs	2 098	2 120
	provision for employee benefits	361	261
	provisions for contractual penalties	0	0
	the remaining	0	0

Change in other short-term provisions (by title)

		31.12.2022	31.12.2021
a)	stock at the beginning of the period	7 266	9 636
	reserves for warranty repairs	879	825
	provision for employee benefits	2 511	3 054
	provisions for contractual penalties	3 876	5 062
	the remaining	0	695
b)	increases (due to)	13 713	3 404
	reserves for warranty repairs	954	878
	provision for employee benefits	7 883	2 476
	provisions for contractual penalties	4 876	50
	the remaining	0	0
c)	use (due to)	0	0
	reserves for warranty repairs	0	0
	provision for employee benefits	0	0
	provisions for contractual penalties	0	0
	the remaining	0	0

d)	termination (due to)	4 193	5 774
	reserves for warranty repairs	878	824
	provision for employee benefits	1 837	3 019
	provisions for contractual penalties	1 478	1 236
	the remaining	0	695
e)	balance at the end of the period	16 786	7 266
	reserves for warranty repairs	955	879
	provision for employee benefits	8 557	2 511
	provisions for contractual penalties	7 274	3 876
	the remaining	0	0

2.17. Trade and other payables

		31.12.2022	31.12.2021
-	To related parties	3 255	234
-	Trade liabilities	66 961	36 946
-	taxes, duties, insurance and other benefits	3 346	6 896
-	for remuneration	2 248	1 725
-	other	356	200
-	short-term accruals and accruals	0	0
	Total trade and other payables	76 166	46 001

Liabilities due to deliveries and services (gross) - with the repayment period remaining from the balance sheet date

		31.12.2022	31.12.2021
a)	liabilities before the due date	61 644	27 921
b)	overdue liabilities	8 572	9 259
	Up to 1 month	3 557	8 816
	Over 1 month to 3 months	4 962	36
	Over 3 months to 6 months	5	44
	Over 6 months to 1 year	32	331
	Over 1 year	16	32
Total trade payables (gross)		70 216	37 180

Short-term accruals

		31.12.2022	31.12.2021
a)	accrued expenses	0	0
b)	accrued income	0	0
Other accruals, total		**0**	**0**

2.18. Lease liabilities

		31.12.2022	31.12.2021
a)	Short-term liabilities	2 518	2 267
b)	Long-term liabilities	3 524	4 061
Liabilities due to lease, rental and other similar contracts together		6 042	6 328

Additional information on leasing (IFRS 16)

The Company does not recognize liabilities due to short-term leases and leases for which the underlying asset is of low value. In addition, the value of lease liabilities does not include contingent lease payments depending on factors other than an index or rate.

	31.12.2022	31.12.2021
lease interest	585	427
the cost of short-term leases and leases of low-value assets	178	162
value of the lease payments	2 716	2 424
Total	3 479	3 013

2.19. Corporate income tax liabilities

		31.12.2022	31.12.2021
a)	Liabilities at the beginning of the period	896	1 170
b)	Liabilities at the end of the period	2 977	896
Liabilities due to corporate income tax at the end of the period		2 977	896

2.20. Sales revenue

Net revenues from the sale of products (material structure - types of activity)

	01.01.-31.12.2022	01.01.-31.12.2021
Installation Segment	269 380	108 182
Grid Segment	158 864	99 817
Automation Segment	0	0
Net revenue from product sales, total	**428 244**	**207 999**

Net revenues from the sale of products (territorial structure)

		01.01.-31.12.2022	01.01.-31.12.2021
a)	domestic	428 244	207 999
b)	export	0	0
Net revenue from product sales, total		428 244	207 999

Net revenues from the sale of goods and materials (material structure - types of activity)

	01.01.-31.12.2022	01.01.-31.12.2021
Sale of materials	0	0
Total net revenue from sales of goods and materials	**0**	0

Net revenues from the sale of goods and materials (territorial structure)

		01.01.-31.12.2022	01.01.-31.12.2021
a)	domestic	0	0
Total net revenue from sales of goods and materials		**0**	0

Territorial sales structure of the ELEKTROTIM Capital Company in 2022

The company presents recognition of revenues from external customers broken down by particular voivodeships. Elektotim does not present revenues from external customers assigned to individual countries. In the Company's opinion, the allocation of aggregated revenues to individual voivodeships reliably illustrates the structure of revenues by region.

Territorial sales structure of the ELEKTROTIM Capital Company by voivodeships

No.	Voivodeship	Share in revenues (%)
1	podlaskie	45
2	dolnośląskie	26
3	śląskie	9
4	zachodniopomorskie	7
5	mazowieckie	4
6	łódzkie	3
7	warmińsko-mazurskie	2
8	opolskie	1
9	pozostałe województwa	3
	Total:	**100**

2.21. Cost of sales

		01.01.-31.12.2022	01.01.-31.12.2021
a)	depreciation	3 547	3 586
b)	consumption of materials and energy	179 363	88 811
c)	external services	157 311	64 415
d)	taxes and fees	511	521
e)	remuneration	35 057	30 990
f)	social insurance and other benefits	6 951	6 165
g)	other costs by type (due to)	4 809	3 737
	business travels	1 152	848
	representation and advertising costs	312	184
	Insurance	2 981	1 786
	other	364	919
Costs by type, total		387 549	198 225
Change in inventory, products and accruals		5 403	-1 371
Selling costs (negative value)		-7 886	-6 475
Administrative expenses (negative value)		-9 598	-5 929
The cost of producing the products sold		**375 468**	**184 450**

2.22. Other operating income and expenses

Other operating income

	01.01.-31.12.2022	01.01.-31.12.2021
- Profit from the sale of non-financial fixed assets	17	122
- Grants	0	0
- Other operating income	2 524	2 527
Other operating income, total	2 541	2 649

Other operating income

		01.01.-31.12.2022	01.01.-31.12.2021
a)	released provisions (due to)	1 477	1 237
	expected contract losses	1 477	1 237
	Other operational costs	0	
b)	other, including:	1 047	1 290
	resale of services	499	56
	revaluation write-downs	87	63
	compensation received	200	630
	other	261	541
Other operating income, total		2 524	2 527

Other operating cost

`

	01.01.-31.12.2022	01.01.-31.12.2021
- Loss on disposal of non-financial fixed assets	0	0
- Revaluation of non-financial assets	2 481	4
- Other operational costs	6 797	1 628
Other operating expenses, total	9 278	1 632

Other Operating Expenses

		01.01.-31.12.2022	01.01.-31.12.2021
a)	created provisions (due to)	4 875	50
	Other, including expected losses on contracts	4 875	50
b)	other, including:	1 922	1 578
	write-off of receivables	0	0
	costs of services resold	76	13
	damages due to traffic incidents	198	115
	court costs	236	228
	donations	3	3
	contractual penalties and compensations	1 047	966
	other costs	362	253
Other operating costs, total		6 797	1 628

Profit(loss) due to expected credit losses

	01.01.-31.12.2022	01.01.-31.12.2021
- Revocation of write-downs on receivables	1 035	1 117
- Creation of a write-down on credit receivables, in total	-70	-1 987
Total expected credit loss score	965	-870

2.23. Finance income and costs

Finance income

		01.01.-31.12.2022	01.01.-31.12.2021
-	Dividends and profit sharing	2 160	2 700
-	Interest	607	117
-	Profit on disposal of investments	2 552	0
-	Update of the investment value	0	7
-	Other	1 083	82
Operating income, total		6 403	2 906

Financial income from dividends and profit sharing

		01.01.-31.12.2022	01.01.-31.12.2021
a)	from related entities	2 160	2 700
b)	from other entities	0	0
Financial income from dividends and profit sharing, total		2 160	2 700

Interest income

		01.01.-31.12.2022	01.01.-31.12.2021
a)	due to loans granted	0	0
b)	other interest	607	117
-	from other units	607	117
Total interest finance income		607	117

Other financial income

		01.01.-31.12.2022	01.01.-31.12.2021
a)	surplus of positive exchange differences over negative ones	1 069	82
-	completed	989	-15
-	unrealized	80	97
b)	released provisions (due to)	0	0
c)	other, including:	14	0
	Other, including discounting of long-term receivables	14	0
Other financial income, total		1 083	82

Financial costs

		01.01.-31.12.2022	01.01.-31.12.2021
-	Interest	1 168	903
-	Loss on disposal of investment	0	0
-	Update of the investment value	4 040	2 165
-	Other	197	118
Financial costs, total		5 404	3 186

Interest finance costs

		01.01.-31.12.2022	01.01.-31.12.2021
a)	on credits and loans	0	0

-	for related entities, including:	0	0
-	for other units	0	0
b)	other interest	1 167	903
-	for related entities, including:	0	0
-	for other units	1 167	903
Total interest finance charges		1 167	903

Other financial costs

		01.01.-31.12.2022	01.01.-31.12.2021
a)	surplus of negative exchange differences over positive ones, including:	135	0
-	completed	125	0
-	unrealized	10	0
b)	created provisions (due to)	0	0
c)	other, including:	62	118
	Discounting of receivables	0	108
	Other	62	10
Other financial costs, together		197	118

2.24. Profit (loss) on the sale of shares in subsidiaries

In 2022, shares in the subsidiary Procom System S.A. were sold, which brought a profit from the sale of investments of PLN 2,552 thousand. PLN.
The sale transaction was preceded by a dividend payment from Procom to Elektrotim in the amount of PLN 2,160 thousand.

2.25. Write-down of goodwill of subsidiaries

As at December 31, 2022, the Management Board of ELEKTORTIM S.A. subjected cash-generating units to which goodwill has been allocated to impairment tests by comparing the carrying amount of the unit, including goodwill, with its recoverable amount, assuming the following assumptions: cash flow forecasting period - 5 years, growth rate after the forecasting period – 3%, discount rate – 11% and stated that the shares of Zeus S.A. were impaired, and a write-down of PLN 4,026 thousand was made. However, there was no impairment in the value of the Power Stations Department as part of the Network Division and the goodwill of the Airport Services Department as part of the Special Division and other subsidiaries of ELEKTROTIM S.A.

2.26. Income tax

Effective tax rate

	01.01.-31.12.2022	01.01.-31.12.2021
Result before tax	30 517	11 012
The tax rate applied by the Company	19%	19%
Income tax at the national rate	5 798	2 092

Debiting/crediting the result due to income tax	7 431	1 448
Effective tax rate	24%	13%

Income tax on the Company's profit before tax differs from the theoretical amount obtained using the weighted average tax rate.

Current income tax

		01.01.-31.12.2022	01.01.-31.12.2021
1.	Gross profit (loss).	30 517	11 012
2.	Differences between gross profit (loss) and the income tax base (by title)	9 190	-5 045
	valuation of long-term contracts	-44 093	8 824
	subsidies settled over time, dividend	-2 160	-2 700
	reversal of write-downs	-2 598	-2 359
	valuation and write-off of interest and exchange differences	-60	-22
	non-tax depreciation	2 827	2 831
	valuation of long-term contracts	36 817	-7 194
	remuneration from the Social Insurance Institution shifting payments	0	0
	discounting long-term receivables	0	108
	creation and dissolution of reserves	10 958	-814
	write-downs	4 096	1 998
	interest - valuation and budgeting	0	71
	payments to the State Fund for the Rehabilitation of People with Disabilities	433	436
	donations	3	3
	exceeding the limit of representation and advertising costs	239	118
	other	2 728	1 210
	tax losses	0	-7 555
	donations	0	0
	Income tax base	39 707	5 967
	Income tax at the rate of 19%	7 544	1 134
		0	
	Current income tax included (reported) in the tax return for the period, including:	7 544	1 134
-	shown in the profit and loss account	7 544	1 134

Deferred income tax, shown in the profit and loss account

		01.01.-31.12.2022	01.01.-31.12.2021
-	decrease (increase) due to creation and reversal of temporary differences	-113	314
Deferred income tax, total		-113	314

2.27. Share in net profit (loss) of subordinated entities accounted for using the equity method

Share in net profits (losses) of subsidiaries valued using the equity method - the item does not exist.

2.28. Profit (loss) from discontinued operations

In the period covered by the report and comparable data, no type of business activity was discontinued and such discontinuation is not planned in the next period.

2.29. Information on financial instruments

In the period covered by the separate statements, the Company purchased and sold assets held for trading, understood as financial assets acquired in order to obtain economic benefits resulting from short-term price changes and fluctuations of other market factors in a period not longer than 3 months (excluding hedging instruments). Security deposits were also established for periods longer than 12 months.

	31.12.2022	31.12.2021
a) deposits over 12 months	2 394	3 340
b) loans granted	0	0

Interest income

		31.12.2022	31.12.2021
a)	due to loans granted	0	0

Credit and lease liabilities:

	31.12.2022	31.12.2021
a) long-term loans	0	0
b) short-term loans	0	0

As at December 31, 2022, there are no loans.

Derivatives

The Company uses derivative transactions as collateral for existing currency payments.

As at December 31, 2022, there were no forward transactions.

Reclassification of financial assets

In the period covered by the separate statements, no reclassification of financial assets was carried out.

Financial risk management objectives

The risk to which the Company is exposed includes market risk (including currency risk, interest rate risk at fair value and price risk), as well as credit risk, liquidity risk and cash flow interest risk.
The Company strives to minimize the impact of various types of risk using ongoing monitoring and diversification of financial instruments.

Market risk

The activities of ELEKTROTIM involve exposure to financial risk resulting from changes in interest rates and changes in exchange rates.

Currency risk management

The Company concludes transactions in foreign currencies. As a result, there is a risk of currency fluctuations. The carrying amount of the Company's monetary assets and liabilities denominated in foreign currencies as at the balance sheet date is presented in the notes below.

Sensitivity to currency risk

Most transactions are carried out in PLN. The Company is exposed primarily to the risk related to the EUR and USD currencies.

The Company's financial assets and liabilities, other than derivatives, denominated in foreign currencies, translated into PLN at the closing rate as at the balance sheet date, are as follows:

	Value expressed in currency:					Value after conversion (PLN thousand)
	EUR	USD	GBP	CHF	other	
						As of 31.12.2022
Financial assets (+):						
loans						
Trade receivables and						
other financial receivables						
Other financial assets						
Cash and cash equivalents	826	926	3	0	1	7 968
Financial liabilities (-):						
Credits, loans, other debt instruments						
Leasing liabilities						
Trade liabilities and other financial liabilities	671	296				4 459
Remaining financial liabilities						
Total currency risk exposure	1 497	1 222	3	0	1	12 427
						As of 31.12.2021
Financial assets (+):						
loans						
Trade receivables and						
other financial receivables						
Other financial assets						
Cash and cash equivalents	110	113	3		1	982
Financial liabilities (-):						
Credits, loans, other debt instruments						
Leasing liabilities						
Trade liabilities and other financial liabilities	487					2 242
Remaining financial liabilities						

Total currency risk exposure	597	113	3	0	1	3 224

	Value expressed in currency:			Value after conversion (PLN thousand)
	EUR	USD	GBP	
				As of 31.12.2022
Derivative financial instruments	0	0	0	0
Financial assets (+):				
Financial liabilities (-):				
Total currency risk exposure	0	0	0	0
				As of 31.12.2021
Derivative financial instruments	353	300		2 818
Financial assets (+):				
Financial liabilities (-):				
Total currency risk exposure	353	300	-	2 818

The sensitivity analysis of the financial result and equity in relation to the Company's financial assets and liabilities and fluctuations in the EUR/PLN and USD/PLN exchange rates is presented below.

The sensitivity analysis assumes an increase or decrease in the EUR/PLN and USD/PLN exchange rates by 5% compared to the closing rate applicable as at the balance sheet date, i.e. 31/12/2022.

	Exchange rate fluctuations	Impact on the financial result:			Impact on equity:		
		EUR	USD	total	EUR	USD	total
							Stan na 31.12.2022
Exchange rate increase	5%	351	270	621	351	270	621
Decrease in the exchange rate	-5%	-351	-270	-621	-351	-270	-621
							Stan na 31.12.2021
Exchange rate increase	5%	219	83	-	219	83	-
Decrease in the exchange rate	-5%	-219	-83	-	-219	-83	-

Exposure to currency risk changes during the year depending on the volume of transactions carried out in the currency. Thus, the above sensitivity analysis can be considered as determined by the scale of the analysed change, the estimation of the Company's exposure to currency risk as at the balance sheet date. As at December 31, 2022 the risk is immaterial due to the value of assets and liabilities denominated in foreign currencies.

Interest rate risk management

The Company is exposed to interest rate risk because its entities borrow funds at variable interest rates. The Company manages this risk by maintaining appropriate monitoring of its debt. Interest rate risk management focuses on minimizing fluctuations in interest flows on financial assets and liabilities bearing variable interest rates. The Company is exposed to interest rate risk in connection with the following categories of financial assets and liabilities:

- loans,
- debt securities (bonds),
- loans, borrowings, other debt instruments

The following is a sensitivity analysis of the financial result and other comprehensive income in relation to the potential interest rate fluctuations. The calculation was made on the basis of the change in the average interest rate applicable in the period by (+/-) 1 p.p. (based on the volatility of WIBOR 3M in the last 5 years) and in relation to financial assets and liabilities sensitive to changes in interest rates, i.e. bearing variable interest rates.

		31.12.2022		31.12.2021	
	Interest rate fluctuations	Impact on the financial result	Impact on equity	Impact on the financial result	Impact on equity
Interest rate increase	1%	314	314	226	226
Interest rate drop	-1%	-314	-314	-226	-226

Due to the small share of financial instruments with a variable interest rate, Elektrotim does not analyse the sensitivity to changes in interest rates, as in its opinion such risk is not significant for the Company.

Credit risk management

The basic practice of the Company in the field of credit risk management is to strive to conclude transactions only with entities of confirmed credibility. Potential recipients are subject to verification procedures by the Parent Company and the Company's companies before granting a trade credit limit. Ongoing monitoring of the level of trade receivables by contractors serves to reduce the level of credit risk related to these assets. Thus, the Company categorizes contractors who organize tenders on the basis of the Public Procurement Act as well as central and local government budget units as financially credible. For regular partners, we assign categories of financial credibility based on credit limits granted by the insurer under the receivables insurance contract. We also use financial credibility ratings provided by credible rating institutions. If the above criteria are not met, we ask for security in the form of an advance payment, partial prepayments for services or bank guarantees. When we work for a general contractor, we secure our receivables in accordance with Art. 647 of Civil Code at the investor by reporting them. Such customer credibility research is aimed at building a reliable portfolio of receivables.
The company built a model for estimating expected losses from the portfolio of receivables and contract assets.

Credit risk is the risk of incurring financial losses by Elektrotim as a result of failure by a customer or contractor being a party to a financial instrument to fulfil its contractual obligations.

The Company's maximum exposure to credit risk is determined by the carrying amount of the following financial assets and off-balance sheet liabilities:

Credit risk exposure	31.12.2022	31.12.2021
Loans		
Trade receivables and other receivables	94 654	70 476
Derivative financial instruments	0	14
Debt securities		
Investment fund units		
Other classes of other financial assets		
Cash and cash equivalents	54 652	14 639
Contingent liabilities	294	1 000

Credit risk is mainly related to the Company's receivables from customers and financial investments. Elektrotim's main customers are commercial law companies, including companies with State Treasury shareholding. Credit risk is minimized by the agreement concluded with Atradius Credit Insurance NV S.A. Branch in Poland agreement for insurance of trade receivables.

In order to reduce the credit risk of receivables, the Company applies the principle of concluding transactions only with counterparties with proven creditworthiness and pursues a restrictive policy in the scope of granting credit limits.

The company continuously monitors the arrears of customers and creditors in settling payments, analyzing the credit risk. In the opinion of the Company's Management Board, the above financial assets, which are not overdue and covered by an impairment loss as at each balance sheet date, can be considered assets of good credit quality. However, the above assessment should be defined in the context of uncertainty and unknown effects of the current pandemic caused by the SARS-CoV-2 virus.

Exposure to credit risk in terms of arrears and the age structure of overdue receivables not covered by a write-down are presented in notes 7.4 and 7.5.

Gross trade receivables as at 31-12-2022

	Write-offs for receivables	Receivables	Write-downs in %
a) not past due	396	75 097	0,53%
b) overdue by 1 month	6	8 459	0,07%
c) overdue from 1 month to 3 months	0	8	0,00%
d) overdue from 3 months to 6 months	0	3	0,00%
e) overdue from 6 months to 1 year	0	0	0,00%
f) past due more than 1 year	4 619	6 106	75,65%
Total	5 021	89 673	**5,60%**
g) write-downs on trade receivables	5 021	5 021	100,00%
Total	0	84 652	

In 2017, a presentation change was made regarding the provision for penalties received from the Military Infrastructure Board in Poznań (Wojskowy Zarząd Infrastruktury) in the amount of PLN 1,956 thousand.
Due to the underpayment of receivables from WZI Poznań in the amount of PLN 1,956 thousand, the item of receivables on the assets side and the item of provisions on the liabilities side were decreased by the amount of PLN 1,956 thousand.
In 2018, a change was made in the presentation of provisions for penalties received from the District Infrastructure Board in Szczecin (Rejonowy Zarząd Infrastruktury) in the amount of PLN 503 thousand; provisions for penalties received from the Military Counterintelligence Service (Służby Kontrwywiadu Wojskowego) in the amount of PLN 35,000; provision for penalties received from Tauron Dystrybucja in the amount of PLN 35 thousand.
The above presentation changes resulted in a decrease in the balance sheet total by the total amount of PLN 2,494 thousand.
Starting from the separate financial statements for the first half of 2020, the amount of PLN 2,494 thousand is presented both on the side of receivables (assets) and on the side of provisions (liabilities).
As a result, as provisions for the above penalties were recognized in the costs, no write-downs for receivables were opened in the same items of receivables.

Trade receivables (gross) - as at 31-12-2021

		Write-offs for receivables	Receivables	Write-downs in %
a)	not past due	265	62 840	0,42%
b)	overdue by 1 month	0	1 071	0,00%
c)	overdue from 1 month to 3 months	0	416	0,00%
d)	overdue from 3 months to 6 months	19	19	100,00%
e)	overdue from 6 months to 1 year	1 575	1 575	100,00%
f)	past due more than 1 year	4 183	6 981	59,92%
Total		6 042	72 902	
g)	write-downs on trade receivables	6 042	6 042	
Total		0	66 860	

The analysis of receivables in their presented age structure shows that the majority of receivables are receivables belonging to two age ranges with a payment period of up to 1 month 54% and over 1 month up to 3 months 28% in 2022. Receivables with a payment date up to one month and between 1 and 3 months do not create credit risk due to the fact that these are receivables within the payment deadline, their inflow is monitored on an ongoing basis by the debt collection units and the financial risk committee so that appropriate security procedures can be implemented as requesting a guarantee or requesting payment from a credible investor when we work for a general contractor.
Another significant group of receivables are overdue receivables, constituting 16% of gross receivables, and here the largest receivables are receivables over 1 year, constituting 7% of total gross receivables.
Historically analysing overdue payments and finally lost receivables, we came to the conclusion that a significant increase in credit risk occurs when more than 90 days are overdue in relation to the original payment date, which leads to the counterparty's default. In such a case, regardless of the future estimation risk, the Company covers these receivables with a 100% write-down.

With regard to trade receivables, the Company is not exposed to credit risk in connection with a single significant counterparty or a group of counterparties with similar characteristics. Based on the historical trends in arrears with payments, overdue receivables not covered by a write-down do not show a significant deterioration in quality.
The credit risk of cash and cash equivalents, marketable securities and derivative financial instruments is considered insignificant due to the high credibility of the parties to the transaction. Cash and cash equivalents are invested in financial institutions with high financial credibility, which mainly include banks.
For loans granted, the Company considers them to have low credit risk if they are not overdue as at the assessment date and the borrower has confirmed the balance of receivables

The carrying amount of financial assets disclosed in the separate financial statements, after taking into account impairment losses, corresponds to the Company's maximum exposure to credit risk.

The Company did not conduct negotiations and did not make arrangements resulting from a significant increase in credit risk or changes in payment dates, or would otherwise modify the expected cash flows from receivables and contract assets.

Liquidity risk management

The Company is exposed to the risk of losing liquidity, i.e. the ability to pay its financial liabilities on time. Elektrotim manages liquidity risk by monitoring payment dates and demand for cash in the area of short-term payments (current transactions monitored on a weekly basis) and long-term demand for cash based on cash flow forecasts updated bimonthly.

The demand for cash is compared with the available sources of obtaining funds (in particular by assessing the ability to obtain financing in the form of loans and the possibility of obtaining advance payments for services) and is confronted with liquid investments and free financial resources. Responsibility for liquidity risk management rests with the Management Board, which has developed an appropriate system for managing this risk for the purposes of managing the Company's short-, medium- and long-term funds and meeting the requirements of liquidity management. The Company manages the liquidity risk by using banking services and reserve credit lines, constantly monitoring projected and actual cash flows and adjusting the maturity profiles of financial assets and liabilities, as well as obtaining advance payments for services rendered.

Trade liabilities (gross) - with the repayment period remaining from the balance sheet date:

		31.12.2022	31.12.2021
a)	liabilities before the due date	61 644	27 921
b)	overdue liabilities	8 572	9 259
	Up to 1 month	3 557	8 816
	Over 1 month to 3 months	4 962	36
	Over 3 months to 6 months	5	44
	Over 6 months to 1 year	32	331
	Over 1 year	16	32
Zobowiązania z tytułu dostaw i usług, razem (brutto) - Total trade payables (gross)		70 216	37 180

Capital risk management

The company manages its capital to ensure that its entities will be able to continue operations while maximizing profitability for shareholders by optimizing the debt to equity ratio.

In 2018, taking into account the dynamically changing market conditions, the Management Board of the parent company developed and implemented the "Strategy of ELEKTROTIM S.A. for 2019-2022", Strategy of ELEKTROTIM S.A. for the years 2019-2022 has been focused on long-term, stable and sustainable development ensuring an increase in the Company's value.

In their operations, companies from the ELEKTROTIM Capital Company use financial products such as working capital loans, bid bonds and performance bonds.

2.30. Data on off-balance sheet items, in particular contingent liabilities

Contingent liabilities understood as a possible liability arising from past events, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events not under the entity's full control.

Guarantee lines owned by the company and their use.

As at December 31, 2022, the company has total limits for bid bonds, performance bonds, for the duration of the guarantee and warranty and for advance payments in the amount of PLN 207,700 thousand and EUR 3,000. Utilization as at December 31, 2022 amounts to PLN 102,621 thousand and EUR 2,810,000.

Management Board of ELEKTROTIM S.A. concluded with two shareholders of ZEUS S.A. an agreement for the purchase of up to 165,000 shares in ZEUS S.A. in the period from 01/01/2015 to 31/12/2025 for the purchase price determined on the basis of the income formula (earnings per share calculated as the average of the company's results for several years). In 2018, 78,000 shares of ZEUS SA were purchased. 87,000 shares remain to be purchased.

On behalf of Elektrotim, the bank issued a contract performance bond up to the amount of PLN 294,000 for a subsidiary whose beneficiary is a commercial law company. The warranty is valid until July 31, 2023.

2.31. Calculation of book value per share and diluted book value per share

The book value per share is the quotient of the book value, i.e. the difference between the total assets and the company's external capital, divided by the number of shares.
The diluted book value per share is the book value divided by the number of ordinary shares plus the potential number of shares that the entity has committed to issue.
Detailed values of the ratio for 2022 and 2021 are presented in the table "Selected financial data".

2.32. Method of calculating profit (loss) per ordinary share and diluted profit (loss) per ordinary share

Earnings per ordinary share is the quotient of the net profit from the income statement for a given period divided by the weighted average number of ordinary shares from a given period. The weighted average number of ordinary shares is calculated as the sum of the number of shares at the end of each month of the period divided by the number of months in the period.
Diluted earnings per ordinary share is the quotient of the net profit from the income statement for a given period divided by the weighted average number of shares from the given period increased by the weighted average potential number of shares to be issued by the entity.
Detailed values of the ratio for 2022 and 2021 are presented in the table "Selected financial data".

	31.12.2022	**31.12.2021**
Book value	91 497	68 528
The number of actions	9 983 009	9 983 009
Book value per share (in PLN)	9,17	6,86
Diluted number of shares	9 983 009	9 983 009
Diluted book value per share (in PLN)	9,17	6,86

2.33. Capital expenditures incurred and planned in the next 12 months from the balance sheet date

Capital expenditures 2022

	Implementation 31/12/2022
Buildings and structures and related fixed assets	141
Machines, devices, means of transport	576
Intangible assets	86
Total	**803**

The Company has sufficient own funds to finance the above. investment expenses.

2.34. Information on transactions with related entities, if individually or jointly they are significant and were concluded on terms other than market conditions

Transactions with related entities were concluded on an arm's length basis, taking into account the prices and conditions prevailing on the market.
In its purchasing strategy, the Company is guided by the selection of the best market price from those available on the market through constant monitoring of prices from many suppliers and selection from several best offers.

01.01.-31.12.2022	**Interdependent entities**	**Key management**	**Other related entities**
Purchase of goods and services	-	-	14 428
Sale of goods and services	-	-	959
Real estate rental income			
Real estate purchase	-	-	
Sale of a fixed asset			-
Receivables	-	-	1 517
Liabilities	-	-	3 255

01.01.-31.12.2021	Interdependent entities	Key management	Other related entities
Purchase of goods and services	-	-	1 030
Sale of goods and services	-	-	13
Real estate rental income			48
Real estate purchase	-	-	4 000
Sale of a fixed asset		22	-
Receivables	-	-	48
Liabilities	-	-	234

2.35. Information on average employment in full-time equivalents

		31.12.2022	31.12.2021
a)	Workers in blue-collar positions	101	106
b)	Non-manual workers	178	169
Total employment		279	275

2.36. Information on the value of remuneration and bonuses paid and due to persons managing and supervising the issuer

Detailed data on the remuneration received by individual Members of the Management Board of ELEKTROTIM S.A., broken down into the part of the remuneration received for performing functions in the management board and the part related to employment in the company on a job position (in PLN)

Year 2022

		Remuneration for the appointment (in PLN)		Remuneration under the employment contract (in PLN)		Total remuneration (in PLN)
		Constant	Variables	Constant	Variables	
Name of the Member of the Management Board / function	Term of office	1a	2a	1b	2b	
Ariusz Bober	01.01.2022	245 117,20	196 308,00	325 350,29	27 018,88	793 794,37
Chairman of the Board	13.12.2022					
Dariusz Kozikowski	01.01.2022	144 933,34	128 299,00	281 648,29	34 800,00	589 680,63
Member of the Board	31.12.2022					
Artur Więznowski	01.01.2022	151 320,44	45 000,00	320 428,58	34 800,00	551 549,02
Member of the Board to 13.12.2022; Chairman of the Board to 14.12.2022	31.12.2022					
Krzysztof Wójcikowski	14.12.2022	8 129,03	0,00	16 000,00	0,00	24 129,03
Member of the Board	31.12.2022					
Dariusz Połetek	01.01.2021		83 299,00			83 299,00
	31.12.2021*					
TOTAL		549 500,01	452 906,00	943 427,16	96 618,88	2 042 452,05

*Mr Dariusz Połetek, who held the position from 01/01/2021 to 31/12/2021, received a bonus in 2022 for achieving the objectives of the Management Board for 2021.

Members of the Management Board are participants in the Employee Pension Plan and the Employee Capital Plan.

Information on the value of remuneration received by Members of the Management Board of ELEKTROTIM S.A. for performing functions in the authorities of subordinated entities

Year 2022

Name of the Member of the Management Board / function in the Supervisory Board	Name of the company from the Capital Group	Term of office in 2022 r.	Total gross salary
Ariusz Bober Member of the Supervisory Board	ZEUS S.A.	13.06.2022 - 31.12.2022	500,00
Artur Więznowski Chairman of the Supervisory Board	ZEUS S.A.	13.06.2022 - 31.12.2022	500,00

The table below presents the remuneration (in PLN) received by each member of the Supervisory Board in the period from January 1, 2022 to December 31, 2022, jointly for performing functions in the Supervisory Board and for performing functions in the Audit Committee:

Maciej Posadzy	Chairman of the Supervisory Board	67 780,00 zł
Marek Gabryjelski	Member of the Supervisory Board	73 175,44 zł
Krzysztof Kaczmarczyk	Member of the Supervisory Board	55 207,33 zł
Lesław Kula	Member of the Supervisory Board	43 661,33 zł
Jan Walulik	Member of the Supervisory Board	54 553,33 zł

The total cost of remuneration of the Supervisory Board in 2022 is PLN 294,377.43.

2.37. Information on the value of outstanding contracts obliging to provide services to entities of the Capital Company

The Company did not grant any advances, credits, loans, guarantees, sureties or other agreements obliging the issuer, its subsidiaries, co-subsidiaries and associates to the managing and supervising persons.

2.38. Proposed distribution of net profit/loss of the parent company

As at the date of this report, the Management Board of ELEKTROTIM S.A. did not submit a request for the assessment of the Supervisory Board regarding the distribution of net profit earned in 2022. The recommendation of the Management Board is in line with the dividend policy.

2.39. Information on the remuneration of the Auditor of the parent company

ELEKTROTIM S.A. concluded on November 2, 2021 with the entity authorized to audit financial statements, i.e. Grant Thornton Polska Prosta Spółka Akcyjna (previously: Grant Thornton Polska Spółka z ograniczoną odpowiedzialnością Spółka komandytowa) with its registered office in Poznań, an agreement for the performance of standalone reviews of interim financial statements for the years 2022-2024 and audits of the annual separate financial statements for the years 2022-2024.

The remuneration for the services for 2022 was set at a total amount of PLN net 113,000, including Grant Thornton Polska P.S.A. for the review of the separate and consolidated statements for the first half of 2022, she received remuneration in the amount of PLN net 52 thousand, and will receive PLN net 61,000 for the audit in 2022.

In 2022, it was provided to ELEKTROTIM S.A. by Grant Thornton Polska P.S.A. with its registered office in Poznań, another non-audit service, i.e. an assurance service regarding the assessment of the report on the remuneration of the Management Board and the Supervisory Board for 2021 in terms of including information required under Art. 90g of the Act on Public Offering and Conditions for Introducing Financial Instruments to Organized Trading and on Public Companies.

2.40. Information on significant events that occurred after the balance sheet date

After the balance sheet date, according to the Management Board of the parent company, there were significant events not included in the separate financial statements:

The possible impact of the war in Ukraine on the business and financial situation

The war in Ukraine, and the resulting sanctions against Russia, do not have a direct impact on the directions of sales of our products and the purchase of materials, as we do not conduct direct business in Russia and Ukraine. Our distribution channels have never been linked to these markets, and our direct supply network has never been and is not dependent on these markets.

We employ several people from Ukraine and even their departure will not undermine the Company's workforce. The war has a negative impact on the financial and commodity markets. Increasing shortages in the supply of raw materials affect the increase in prices and the availability of certain materials. There is also exchange rate risk as the markets react nervously in such uncertain times, which brings fluctuations in the exchange rates of major currencies. Such a situation makes it necessary to hedge both raw material prices and exchange rates, which in turn requires the involvement of larger working capital resources.

Increasing inflation resulting from, among others, shortages of raw materials and materials is an additional risk factor in the conducted business activity. When offering future projects, we take into account the risks of inflation and exchange rate increases, we also try to avoid tasks with a long time horizon.

Wrocław, April 27 2023.

Made by:

Dariusz Połetek
Chief Accountant

MANAGEMENT BOARD OF ELEKTROTIM S.A.

President of the Management Board – Artur Więznowski	
Member of the Management Board – Dariusz Kozikowski	
Member of the Management Board – Krzysztof Wójcikowski	