



Letter from the President of the Management Board of ELEKTROTIM S.A. to Shareholders

Artur Więznowski

President of the Management Board, Chief Executive Officer

Dear Sir or Madam,

Once again, we are pleased to present the excellent results of ELEKTROTIM S.A. and the satisfactory performance of the ELEKTROTIM Group.

In 2023, ELEKTROTIM S.A. successfully executed a wide array of projects as part of our diversified operations. We continued our contract with the Border Guard, involving the construction of a perimeter barrier on the border with Belarus, and at the end of the year, the company won a tender to secure another significant section of this border. We carried out several modernization projects for PGE Energetyka Kolejowa. Our presence in renewable energy sources (RES) remained strong, with significant photovoltaic projects completed. We also increased our turnover with long-term partners such as Tauron, Enea, Nestle, PCC Rokita, and KGHM. We continued to expand our service and investment offerings to meet the needs of municipalities and cities in Lower Silesia. Our involvement in sectors crucial to Poland's defense also grew significantly. By entering new market niches and creatively developing innovative and attractive services and solutions for our customers, we once again significantly increased our revenues (by approximately 25%, or over 100 million PLN) and achieved, for the second consecutive year, the highest profit in the company's history. ELEKTROTIM S.A., on a standalone basis, significantly exceeded 0.5 billion PLN in revenues, while net profits surpassed 40 million PLN. This represents an almost 80% increase in profits compared to the very successful year of 2022.

Last year, ELEKTROTIM S.A. strengthened its market position, increasingly reflecting the broad spectrum of our employees' skills, references, and 25 years of operational experience. We remain active in five key markets for ELEKTROTIM, each characterized by distinct dynamics, customer expectations, competitive landscape, and product parameters. This diversification helps mitigate operational risks and limits exposure to adverse changes. To secure financing for our rapidly growing scale of operations, we have established new credit lines, leasing arrangements, factoring lines, treasury limits, and acquired new insurance products. As a result, ELEKTROTIM S.A.'s available debt financing has exceeded 100 million PLN, allowing us to fully meet peak season financing needs, conduct necessary foreign exchange operations, and fulfill contractual

obligations. This approach ensures the security that our collaboration provides to our clients, investors, subcontractors, suppliers, shareholders, employees, and business partners. In our view, this security is immensely valuable in turbulent times. Additionally, we offer our clients the technical safety of our solutions and resources, enabling us to meet our contractual commitments effectively.

The results at the ELEKTROTIM Group level were dominated by ELEKTROTIM S.A., which accounts for a significant majority of the revenues and profits. A notable, though one-time, impact was also made by the situation of the subsidiary ZEUS S.A. In 2023, this entity was subject to a review of strategic options. However, the sale of its shares only took place after the balance sheet date, in March 2024, and therefore its results for the year 2023 are included in the consolidation. ZEUS S.A. had been struggling with serious issues for years, exacerbated by inflationary cost increases and a lack of working capital. The engagement in financing its own projects, a sense of responsibility towards our shareholders, and the scale of ZEUS S.A.'s problems made it impossible and irrational to finance the losses incurred by this company. Consequently, the Board Management of ZEUS S.A. filed for bankruptcy.

The situation of ZEUS S.A. burdened the Group's results with a loss of over 20 million PLN. However, the Group's revenues reached 550 million PLN, and the profits attributable to the parent company, after accounting for the losses recorded in ZEUS S.A., exceeded 22 million PLN. This represents an increase in revenues and profits compared to the Group's results in 2022 and previous years. It is important to note that the majority of ZEUS S.A.'s losses do not impact the cash flows of the other entities within the Group. The appointment of a temporary court supervisor on January 24, 2024, who reserved decision-making powers for themselves, and the subsequent sale of ZEUS S.A. shares, mean that the negative net equity generated by this company will be reversed in the first quarter of 2024. Consequently, the vast majority of the discussed losses will permanently disappear from the financial statements of the ELEKTROTIM Group.

ELEKTROTIM S.A. is implementing the strategy adopted at the beginning of 2023, ensuring precise and transparent communication with stakeholders, with a particular focus on capital markets. Open communication regarding both our successes and the risks and barriers to growth strengthens investor trust, which is reflected in, among other things, a more than threefold increase in the company's market capitalization and steadily growing trading volumes of our shares. This growth allowed us to enter the sWIG80 index at the end of 2023. These trends reflect the immense trust placed in the company and its Management Board, for which I am grateful. They set our obligations and ambitions, which we will continue to pursue in our ongoing activities, continuously subjecting ourselves to your evaluation.

The leading factor driving change and development at ELEKTROTIM S.A. is our employees. We owe our successes, reflected in the presented results, to a team of competent and experienced individuals who dedicate a significant part of their lives—their time and energy—to our company. We have a cohesive team that understands the market and customer needs, which forms the foundation for the continued growth of ELEKTROTIM S.A. This core group of personnel enables us to expand our available resources, stabilize our achieved market position, and improve our performance.

There is no doubt that most of the markets in which our company operates will experience dynamic growth in the coming years. This includes the transformation of the energy sector, with the development of the renewable energy segment and nuclear energy, increased defense spending and the securing of critical infrastructure and the European Union's borders,

modernization of the railway network and urban transport, and—funded by the National Recovery Plan (KPO)—local government spending on optimizing communication solutions and modern, aesthetic lighting (required by tourism development). Additionally, there are plans for the construction and modernization of industrial plants within the European supply chain. All these markets form the foundation for the growth and success of ELEKTROTIM S.A. We are not complacent about the stabilization of order volumes in some of these areas during the "election decision-making pause" that materialized in the last quarter of 2023 and continues to this day. In our view, this is merely a temporary phenomenon, which should be used to stabilize and consolidate new structures and prepare resources that will enable us to achieve a new phase of dynamic growth in the coming years.

The fourth consecutive year of improving results, transparent communication reflected in the trust placed in us by investors, and high efficiency and profitability indicators, demonstrating the sustainable nature of our growth, confirm that ELEKTROTIM S.A. has become a predictable and highly profitable company. We provide a high return on investment with a stable dividend policy, making us a desirable asset in investors' portfolios. Market prospects, available resources, and accumulated experience allow us to look to the future with optimism, pursuing a vision that we, as the management board, are deeply convinced of, and that has gained the trust of our employees, business partners, and investors.

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