ANNUAL FINANCIAL REPORT OF ELEKTROTIM S.A. FOR THE YEAR 2023

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SELECTED FINANCIAL DATA IN PLN AND CONVERTED TO EUR

	in thousands of PLN		in thousands of EUR	
	01.01.-31.12.2023/ 31.12.2023	01.01.-31.12.2022/ 31.12.2022	01.01.-31.12.2023/ 31.12.2023	01.01.-31.12.2022/ 31.12.2022
I. Net sales revenue from sales of products, goods, and materials	**532,246**	**428,243**	**117,535**	**91,343**
II. Operating profit (loss)	**53,893**	**29,519**	**11,901**	**6,296**
III. Gross profit (loss)	**52,511**	**30,517**	**11,596**	**6,509**
IV. Net profit (loss)	**40,737**	**23,086**	**8,996**	**4,924**
V. Net cash flows from operating activities	**-3,290**	**33,188**	**-727**	**7,079**

VI. Net cash flows from investing activities	1,066	10,509	235	2,242
VII. Net cash flows from financing activities	-20,437	-3,670	-4,513	-783
VIII. Net cash flows, total	**-22,661**	**40,027**	**-5,004**	**8,538**
IX. Total assets	**256,128**	**240,239**	**58,907**	**51,225**
X. Liabilities and provisions for liabilities	**139,011**	**148,742**	**31,971**	**31,715**
XI. Long-term liabilities	16,320	7,515	3,753	1,602
XII. Short-term liabilities	122,691	141,227	28,218	30,113
XIII. Equity	**117,117**	**91,497**	**26,936**	**19,509**
XXIV. Share capital	9,983	9,983	2,296	2,129
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)	4.08	2.31	0.90	0.49
XVII. Diluted profit (loss) per ordinary share (in PLN/EUR)	4.08	2.31	0.90	0.49
XVIII. Book value per ordinary share (in PLN/EUR)	11.73	9.17	2.70	1.96
XIX. Diluted book value per ordinary share (in PLN/EUR)	11.73	9.17	2.70	1.96
XX. Declared or paid dividend per ordinary share (in PLN/EUR)	1.50	0.00	0.33	0.00

EXCHANGE RATES USED FOR CONVERSIONS TO EUR

	31.12.2023	31.12.2022
Average annual exchange rate	**4.5284**	**4.6883**
Exchange rate as of the last day of the reporting period	**4.3480**	**4.6899**

FINANCIAL POSITION STATEMENT

				in thousands of PLN
Item description		note	31.12.2023	31.12.2022
I.	**Fixed assets**		**32,799**	**28,058**
-	Intangible assets	2.3	158	104
-	Goodwill	2.4	2,396	2,396
-	Tangible fixed assets	2.5	12,793	12,088
-	Investment properties	2.5	4,890	4,058
-	Investments in subsidiaries	2.2	644	644
-	Other long-term financial assets	2.6	1,328	2,394

-	Deferred tax assets	2.8	9,456	4,900
-	Other long-term non-financial assets	2.9	1,134	1,474
II.	**Current assets**		**223,329**	**212,181**
-	Inventories	2.10	2,876	3,358
-	Trade receivables and other receivables	2.11	167,157	94,654
-	Assets from contracts	2.12	21,305	57,645
-	Cash and cash equivalents	2.13	31,991	54,652
	Current assets other than assets held for sale		**223,329**	**210,309**
	Non-current assets held for sale	2.14	**0**	**1,872**
Total assets			**256,128**	**240,239**

				in thousands of PLN
Item description		**note**	**31.12.2023**	**31.12.2022**
I.	**Shareholders' equity**		**117,117**	**91,497**
-	Share capital	2.15	9,983	9,983
-	Share premium over nominal value		44,522	44,522
-	Other reserves		-152	-10
-	Retained earnings		22,027	13,916
-	Net profit (loss)		40,737	23,086
II.	**Liabilities and provisions**		**139,011**	**148,742**
1.	**Long-term liabilities**		**16,320**	**7,515**
-	Deferred tax liability	2.8	843	1,532
-	Long-term provisions	2.16	12,704	2,459
-	Long-term lease liabilities	2.18	2,773	3,524
2.	**Short-term liabilities**		**122,691**	**141,227**
-	Short-term provisions	2.16	19,539	16,786
-	Trade payables and other liabilities	2.17	93,634	76,166
-	Other financial liabilities		61	0
-	Corporate income tax liabilities		1,689	2,977
-	Short-term lease liabilities	2.18	3,047	2,518
-	Short-term contract liabilities	2.12	4,721	42,780
	Other short-term liabilities not related to assets held for sale		**122,691**	**141,227**
Total liabilities			**256,128**	**240,239**

INCOME STATEMENT

Calculation variant, in thousands of PLN		**note**	**01.01.-31.12.2023**	**01.01.-31.12.2022**
-	Sales revenue	2.19	532,246	428,243
-	Cost of goods sold	2.20	453,356	375,468

1.	**Gross profit (loss) from sales**		**78,890**	**52,775**
-	Selling expenses		7,834	7,886
-	General administrative expenses		10,551	9,598
-	Other operating income	2.21	2,108	2,541
-	Other operating expenses	2.21	4,922	9,278
-	Profit (loss) from expected credit losses	2.21	-3,798	965
2.	**Operating profit (loss)**		**53,893**	**29,519**
-	Financial income	2.22	3,525	6,402
-	Financial expenses	2.22	4,907	5,404
-	Impairment of goodwill of subsidiaries		0	0
3.	**Gross profit (loss)**		**52,511**	**30,517**
-	Income tax	2.25	11,774	7,431
-	Net profit (loss) from continuing operations		40,737	23,086
-	Profit (loss) from discontinued operations		0	0
4.	**Net profit (loss)**		**40,737**	**23,086**

STATEMENT OF OTHER COMPREHENSIVE INCOME

in thousands of PLN	01.01.-31.12.2023	01.01.-31.12.2022
Net profit (loss)	**40,737**	**23,086**
Other comprehensive income, which:	**-142**	**-117**
will not be reclassified to profit or loss (actuarial gains and losses)	-142	-117
will be reclassified to profit or loss	0	0
Total comprehensive income	**40,595**	**22,969**

PROFIT PER SHARE

in PLN	01.01.-31.12.2023	01.01.-31.12.2022
Profit (loss) per share	4.08	2.31
Profit (loss) per share from continuing operations	4.08	2.31
Profit (loss) per share from discontinued operations	0.00	0.00
Diluted profit (loss) per share	4.08	2.31
Diluted profit (loss) per share from continuing operations	4.08	2.31
Diluted profit (loss) per share from discontinued operations	0.00	0.00

CASH FLOW STATEMENT

indirect method, in thousands of PLN		01.01.-31.12.2023	01.01.-31.12.2022
I.	**Cash flows from operating activities**		
1.	**Gross profit (loss)**	**52,511**	**30,517**
2.	**Total adjustments**	**-37,496**	**8,135**
-	Depreciation	3,644	3,547
-	(Profit) losses on foreign exchange	0	0
-	Interest	-1,098	-1,842
-	(Profit) loss from investing activities	3,341	1,470
-	Change in provisions	12,168	10,216
-	Change in inventories	481	137
-	Change in receivables	-41,079	-68,603
-	Change in short-term liabilities, excluding credit and loans	-20,197	70,641
-	Other adjustments	5,244	-7,431
	Cash flows used in operations	**15,015**	**38,652**
	Income tax paid classified as operating activities	-18,305	-5,464
3.	**Net cash flows from operating activities**	**-3,290**	**33,188**
II.	**Cash flows from investing activities**		
-	Proceeds from the sale of property, plant, and equipment, intangible assets other than goodwill, investment properties, and other long-term assets	202	63
-	Interest	1,118	377
-	Other investing income (including dividends and interest)	3,816	10,797
-	Purchase of property, plant, and equipment, intangible assets other than goodwill, investment properties, and other long-term assets	-1,570	-728
-	Other investing expenditures	-2,500	0
1.	**Net cash flows from investing activities**	**1,066**	**10,509**
III.	**Cash flows from financing activities**		
-	Net cash inflow from issuance of shares and other equity instruments	0	0

-	Loans and credits	61	0
-	Other financial income (expenses)	0	0
-	Acquisition of treasury shares (own shares)	0	0
-	Dividends and other distributions to owners	-14,975	0
-	Repayment of loans and credits	0	0
-	Payments of obligations under leasing agreements	-3,454	-2,975
-	Interest	-2,069	-695
1.	**Net cash flows from financing activities**	**-20,437**	**-3,670**
IV.	**Net cash flows, total**	**-22,661**	**40,027**
	Effect of exchange rate changes on cash and cash equivalents		
	Balance change in cash and cash equivalents, including:	**-22,661**	**40,027**
	Cash and cash equivalents at the beginning of the period	**54,652**	**14,625**
	Cash and cash equivalents at the end of the period	**31,991**	**54,652**
	with restricted use	13,196	8,698

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 01.01.2023 - 31.12.2023

in thousands of PLN	Share capital	Additional paid-in capital above par value	Other capital	Retained profit	Total
Balance at the beginning of the period	**9,983**	**44,522**	**-10**	**37,002**	**91,497**
Period profit				40,737	40,737
Other comprehensive income for the period			-142	0	-142
Total income	**0**	**0**	**-142**	**40,737**	**40,595**
Stock issuance					0
Dividend				-14,975	-14,975
Purchase of non-controlling interests					0
Increase (decrease) other					0
Increase (decrease) in capital	**0**	**0**	**-142**	**25,762**	**25,620**
Balance at the end of the period	**9,983**	**44,522**	**-152**	**62,764**	**117,117**

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 01.01.2022 - 31.12.2022

in thousands of PLN	Share capital	Additional paid-in capital above par value	Other capital	Retained profit	Total
Balance at the beginning of the period	**9,983**	**44,522**	**107**	**13,916**	**68,528**
Period profit				23,086	23,086
Other comprehensive income for the period			-117	0	-117
Total income	**0**	**0**	**-117**	**23,086**	**22,969**
Stock issuance					0
Dividend					0
Purchase of non-controlling interests					0
Increase (decrease) other					0
Increase (decrease) in capital	**0**	**0**	**-117**	**23,086**	**22,969**
Balance at the end of the period	**9,983**	**44,522**	**-10**	**37,002**	**91,497**

1. ADDITIONAL INFORMATION FOR THE INDIVIDUAL FINANCIAL STATEMENTS

1.1. General information about the Company

ELEKTROTIM S.A. (hereinafter referred to as the Company or Issuer): During the reporting period, there was no change in the Company's name.
Legal form: Joint Stock Company
Registered office address: Stargardzka 8 Street, 54-156 Wrocław
Headquarters: Poland
Country of incorporation: Poland
Primary location of business operations: Poland
Primary line of business: PKD 4321Z - electrical installation in buildings and structures
The duration of the Issuer's activity is not limited.
This individual financial statement for the year ended December 31, 2023 (with comparative data) was approved for publication by the Management Board of the Company on April 23, 2024.
Registry Court: District Court for Wrocław-Fabryczna in Wrocław, VI Economic Department of the National Court Register.

The composition of the Management Board and any changes that occurred within it during the year 2023

During the period from January 1, 2023, to December 31, 2023, the Management Board of ELEKTROTIM S.A. operated without any changes, namely:

1. Artur Więznowski	-	President of the Management Board,
2. Dariusz Kozikowski	-	Member of the Management Board,
3. Krzysztof Wójcikowski	-	Member of the Management Board.

"The joint three-year term of the Management Board will expire on the day of the Ordinary General Meeting of ELEKTROTIM S.A. approving the financial statements for the year 2024.

The composition of the Supervisory Board and the changes that occurred within it during 2023

During the period from January 1, 2023, to December 31, 2023, the Supervisory Board of ELEKTROTIM S.A. operated with an unchanged composition, namely:

Chairman of the Supervisory Board	-	Maciej Posadzy,
Vice Chairman of the Supervisory Board	-	Krzysztof Kaczmarczyk,
Secretary of the Supervisory Board	-	Lesław Kula,
Member of the Supervisory Board	-	Marek Gabryjelski,
Member of the Supervisory Board	-	Jan Walulik.

As of the Ordinary General Meeting of Shareholders of ELEKTROTIM S.A. approving the Company's financial statements for the year 2022, held on June 20, 2023, the mandate of Mr. Maciej Posadzy, the Chairman of the Supervisory Board, expired. Following the elections conducted, Mr. Marek Posadzy was reappointed to the Supervisory Board of ELEKTROTIM S.A.

1.2. Basis of preparation, presentation principles

1.2.1. Basis of preparation of the individual financial statements for the year 2023

This individual financial statement of the ELEKTROTIM Capital Group has been prepared in accordance with the International Financial Reporting Standards ("IFRS/IFRSs") endorsed by the European Union as of December 31, 2023.
ELEKTROTIM S.A., as a company whose shares are traded on a regulated market, prepares financial statements in accordance with the International Financial Reporting Standards ("IFRS/IFRSs") endorsed by the European Union, as well as related interpretations published in the form of regulations by the European Commission, as required by the Accounting Act of September 29, 1994 (consolidated text, Journal of Laws of 2023, item 120, as amended). As of December 31, 2023, according to the Company's Management, there are no differences between these principles and the IFRS/IFRSs issued by the International Accounting Standards Board (IASB) that would affect ELEKTROTIM.
It is prepared in accordance with the IFRS/IFRSs endorsed by the EU, issued and effective at the time of preparation of the individual financial statements.

The presented individual financial statements comply with all the IFRS/IFRSs requirements adopted by the EU and accurately represent the financial position of the Company as of December 31, 2023, and December 31, 2022, as well as its operating results and cash flows for 2023 and 2022.

1.2.2. Retrospective application of IFRS chosen by ELEKTROTIM S.A.

In case of retrospective changes in accounting policies, presentation, or error corrections, the Company presents an additional individual financial position statement for the beginning of the comparative period if these changes are significant to the data presented at the beginning of the comparative period. In such a situation, presenting notes to the third financial position statement is not required.

1.2.3. Changes in accounting policies

The accounting policies applied in preparing the individual financial statements are consistent with those applied in preparing the Company's individual financial statements for the year ended December 31, 2022, except for the following changes to standards and new interpretations applicable to annual periods beginning on January 1, 2023:

Changes in standards or interpretations applicable and applied by the Company since 2023

New or amended standards and interpretations that have been effective since January 1, 2023, and their impact on the Company's individual financial statements include:

a) New IFRS 17 "Insurance Contracts"
The new standard regulates the recognition, measurement, presentation, and disclosure of insurance and reinsurance contracts. It replaces the previous IFRS 4. The standard applies to annual periods beginning on or after January 1, 2023.
The new standard did not impact the company's financial statements because the contracts it enters into do not meet the definition of insurance contracts.

b) Amendment to IFRS 17 "Insurance Contracts"
The Board has established transitional provisions regarding comparative data for entities simultaneously implementing IFRS 17 and IFRS 9 to reduce potential accounting mismatches resulting from differences between these standards. The change applies to annual periods beginning on or after January 1, 2023.
The change did not impact the Company's financial statements..

c) Amendment to IAS 1 "Presentation of Financial Statements"
The IASB clarified which information regarding the accounting policies applied by the entity is material and requires disclosure in the financial statements. The guidelines 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 the basis for valuing financial instruments to be recognized as material information. The change applies to annual periods beginning on or after January 1, 2023. The change did not impact the company's financial statements.

d) Amendment to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"
The Board introduced into the standard a definition of accounting estimate: Accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendment applies to annual periods beginning on or after January 1, 2023.
The change had no impact on the Company's financial statements.

e) Amendment to IAS 12 "Income Taxes"
The board introduced a principle that if transactions result in both positive and negative temporary differences of the same amount, assets and deferred tax liabilities should be recognized even if the transaction does not result from a combination and has no impact on either financial or tax results. This means that assets and deferred tax liabilities need to be recognized, for example, when equal temporary differences occur in leasing (distinct temporary difference from the liability and the right to use) or in reclamation liabilities. The principle that assets and liabilities for deferred income tax are offset if they relate to the same tax authority has not been changed. The change applies to annual periods beginning on or after January 1, 2023.
The change did not affect the Company's financial statements.

f) Amendment to IFRS 12 "Income Taxes"
The change introduces a temporary exemption from recognizing deferred tax arising from the implementation of the international tax reform (Pillar II) and imposes additional disclosure requirements related to it. The change applies to annual periods beginning on or after January 1, 2023.
The change did not impact the Company's financial statements.

The standards and interpretations applicable in the version published by the IASB but not endorsed by the European Union are listed below in the section concerning standards and interpretations that have not yet come into force.

The application of a standard or interpretation before its effective date

In this individual financial statement, there was no voluntary early adoption of any standard or interpretation.

Standards and interpretations in the version published by the IASB but not approved by the European Union are listed below in the section regarding standards and interpretations that have not yet come into effect.

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1.2.4. New standards and interpretations that have been published but are not yet effective

The following standards and interpretations have been issued by the International Accounting Standards Board (IASB) or the IFRS Interpretations Committee but have not yet come into effect:

Application of a standard or interpretation before its effective date

In this individual financial statement, there was no voluntary early adoption of any standard or interpretation.

Published standards and interpretations that are not yet effective for periods beginning on January 1, 2023, and their impact on the Company's individual financial statements

Until the date of preparation of this individual financial statement, new or amended standards and interpretations have been published, which will be effective for annual periods after 2023. The list also includes changes, standards, and interpretations that have been published but not yet approved by the European Union.

a) Amendment to IAS 1 "Presentation of Financial Statements"
The IASB clarified the principles for classifying liabilities as long-term or short-term, focusing primarily on two aspects:
    - Clarification that the classification depends on the rights the entity has at the balance sheet date,
    - Management's intentions regarding accelerating or delaying the settlement of the liability are not considered.

The amendments apply to annual periods beginning on or after January 1, 2024.
Since the Company already applies principles consistent with the amended standard, the changes will not impact its financial statements.

b) Amendment to IAS 1 "Presentation of Financial Statements"
The amendment clarifies that, as of the balance sheet date, an entity does not consider covenants that will need to be met in the future when classifying liabilities as long-term or short-term. However, the entity should disclose information about these covenants in the notes to the financial statements. The amendment applies to annual periods beginning on or after January 1, 2024.
The Company is still assessing the impact of the amendment on its financial statements.

c) Amendment to IFRS 16 "Leases"
The amendment clarifies the requirements regarding the measurement of a lease liability arising from a sale and leaseback transaction. It aims to prevent the incorrect recognition of gains or losses on the transaction related to the retained right of use when lease payments are variable and do not depend on an index or rate. The amendment applies to annual periods beginning on or after January 1, 2024.
The Company is still assessing the impact of the amendment on its financial statements.

d) Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures"
The amendments clarify the characteristics of financing arrangements for supplier liabilities (so-called reverse factoring agreements) and introduce a requirement to disclose information about agreements with suppliers, including their terms, amounts of liabilities, payment dates, and liquidity risk information. The amendments apply to annual periods beginning on or after January 1, 2024.
The Company is still assessing the impact of the amendments on its financial statements.

e) Amendment to IAS 21 "The Effects of Changes in Foreign Exchange Rates"
The amendment clarifies how an entity should assess whether a currency is exchangeable and how to determine the exchange rate when the currency is not exchangeable. It also requires the disclosure of information that enables users of the financial statements to understand the impact of the lack of exchangeability of the currency. The amendment applies to annual periods beginning on or after January 1, 2025.

The Company estimates that the amendments will not impact its financial statements.

The Company intends to implement the above regulations by the dates specified for application by the standards or interpretations.

The Company has not opted for early adoption of any other standard, interpretation, or amendment that has been published but is not yet effective under the provisions of the European Union.

As of the date of approval of the individual financial statements, the Company is in the process of assessing the impact of the implementation of the above standards and interpretations on the Company's accounting policies, financial position, operating results, and the scope of information presented in the individual financial statements.

1.2.5. Continuation of operations

The individual financial statement has been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. As of the date of preparation of the individual financial statement, there are no circumstances indicating a threat to the continuation of ELEKTROTIM's operations.

As of the date of approval of this individual financial statement for publication, there are no circumstances indicating a threat to the Company's ability to continue as a going concern over the 12 months following the date of the individual financial statement, except for companies that are in the process of planned liquidation.

1.3. Adopted accounting principles

1.3.1. Functional currency and presentation currency of financial statements and the principles adopted for translating financial data

Functional currency
The functional currency of the Company and the presentation currency of this individual financial statement is the Polish złoty.

Presentation currency
All amounts included in the individual financial statement are expressed in thousands of Polish złoty (unless otherwise indicated). Due to the presentation of financial data in thousands of złoty and the rounding techniques used, individual items in the statements may not add up to the amounts shown (difference of 1 thousand złoty).

As a general rule, transactions expressed in currencies other than the Polish złoty are converted into Polish złoty using the exchange rate effective on the transaction date (spot rate). However, if a sale or purchase transaction is preceded by the receipt or payment of an advance in a foreign currency, the advance on the day it is paid is recorded at the exchange rate on that day. Subsequently, at the time of recognizing revenue earned in foreign currency or the cost or purchased asset in the income statement, these transactions are recorded at the exchange rate from the day the advance was recorded, not at the rate from the day the revenue, cost, or asset component was recognized.

On the balance sheet date, monetary items expressed in currencies other than the Polish złoty are converted into Polish złoty using the closing rate effective at the end of the reporting period, i.e., the average rate determined for the specific currency by the National Bank of Poland.
Non-monetary items carried at historical cost, expressed in a foreign currency, are reported using the historical exchange rate from the transaction date.
Non-monetary items recorded at fair value, expressed in a foreign currency, are valued using the exchange rate on the day the fair value is determined, i.e., the average rate established for the specific currency by the National Bank of Poland.

Exchange rate differences arising from the settlement of transactions or the translation of monetary items other than derivatives are recognized in the income or financial expenses line items in the net amount, except for exchange rate differences that are capitalized to the value of assets in cases specified by accounting principles (in the event of occurrence, presented in the section concerning external financing costs).

1.3.2. Operating segments

In accordance with IFRS 8, the results of operating segments are derived from internal reports periodically reviewed by the Company's Management Board. The Management Board analyzes the results of the operating segments at the level of operating profit (loss).
The measurement of operating segment results used in management calculations is consistent with the accounting principles applied in preparing the individual financial statement. The sales revenue reported in the individual income statement does not differ from the revenue presented within the operating segments.
To present information in a manner that allows for a proper assessment of the nature and financial effects of the business activities conducted by the Company, the operating segments have been combined based on the product group criterion into three segments:
a) Installation Segment
b) Network Segment
c) Automation Segment

These segments exhibit similar economic characteristics and are similar in terms of:
- the type of products and services
- the nature of the production processes
- the type or group of customers for the products and services
- he methods used for distributing products or providing services.

The Company's assets that cannot be directly attributed to the activities of a specific operating segment are not allocated to the operating segments' assets.

1.3.3. Accounting principles

The individual financial statement has been prepared based on the historical cost principle, except for: derivative financial instruments, equity instruments measured at fair value with changes recognized in the individual income statement, and financial assets held for trading, which have been measured at fair value.
The individual financial statement has 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 category also includes intangible assets that have not yet been put into use (intangibles under construction). As of the balance sheet date, intangible assets are measured at acquisition cost or production cost, less amortization and impairment write-downs. Intangible assets with a definite useful life are amortized on a straight-line basis over their economic useful life. The useful lives of individual intangible assets are reviewed annually and adjusted if necessary, from the beginning of the next financial year.

The estimated useful life for each group of intangible assets:
- Copyrights, related rights, licenses, concessions: from 1 to 5 years
- Costs of completed development work: from 3 to 5 years

Costs related to the maintenance of software, incurred in subsequent periods, are recognized as an expense in the period in which they are incurred.

Gains or losses arising from the disposal of intangible assets are determined as the difference between the sales proceeds and the net carrying amount of these intangible assets and are recognized in the income statement within other operating income or expenses.
Depreciation charges are made in accordance with the Company's accounting policy.

Research costs are recognized in the result when incurred.

Expenditures on development work performed within a given project are carried forward if it can be assumed that they will be recovered in the future. The assessment of future benefits is based on the principles specified in IAS 36.

1.3.3.2. Tangible fixed assets

Tangible fixed assets are initially recognized at acquisition cost or production cost. The acquisition cost includes all expenses directly attributable to the purchase and preparation of the asset for its intended use.

After initial recognition, tangible fixed assets, except for land, are carried at acquisition cost or production cost less accumulated depreciation and impairment write-downs.

Tangible fixed assets under construction are not depreciated until the construction or assembly is completed and the asset is put into use. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, which for different groups of tangible fixed assets is as follows:
- Buildings, premises, and civil engineering structures: 3 to 40 years
- Technical equipment and machinery: 1 to 10 years
- Transportation means: 2.5 to 9 years
- Other fixed assets: 2 to 10 years.

Depreciation charges are made in accordance with the Company's accounting policy.

The useful lives and depreciation methods are reviewed annually, resulting in adjustments to depreciation charges in subsequent years if necessary.
Fixed assets are divided into components that are items of significant value, for which a separate useful life can be assigned. A component also includes the costs of major inspections and significant spare parts and equipment, if they are expected to be used for more than one year.

Current maintenance costs incurred after the date of commissioning of the fixed asset, such as maintenance and repair costs, are recognized in the income statement as incurred.

An item of tangible fixed assets may be removed from the individual statement of financial position upon its disposal or when no future economic benefits are expected from its continued use. Gains or losses arising from the sale, liquidation, or cessation of use of tangible fixed assets are determined as the difference between the sales proceeds and the net carrying amount of these assets and are recognized in the income statement within other operating income or expenses.

1.3.3.3. Tangible fixed assets under construction

Tangible fixed assets under construction are classified as fixed assets during their construction, assembly, or improvement of an existing fixed asset.

Fixed assets under construction are valued no less frequently than at the balance sheet date at the total cost directly attributable to their acquisition or production, less any impairment write-downs.

Tangible fixed assets under construction are not subject to depreciation until the construction or assembly is completed and the fixed asset is put into use.

1.3.3.4. Leasing

Leasing is defined as an agreement or part of an agreement that transfers the right to control the use of an identified asset for a certain period in exchange for consideration. In this regard, four basic aspects are analyzed:

a) Whether the agreement pertains to an identified asset, which is either explicitly specified in the contract or implicitly determined at the time the asset is made available to the Company,
b) Whether the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use as specified in the agreement,
c) Whether the Company has the right to direct the use of the identified asset throughout the period of use,
d) Whether the agreement is for consideration.

On the commencement date, the Company recognizes an asset and a liability arising from the lease. The right-of-use asset is initially measured at the cost, which comprises the present value of the lease liability, initial direct costs, an estimate of costs expected to be incurred in dismantling and removing the underlying asset, and lease payments made at or before the commencement date, less any lease incentives received. The Company depreciates the right-of-use assets using the straight-line method from the commencement date to the end of the right-of-use term or the lease term, whichever is shorter.

On the commencement date, the Company values the lease liability at the present value of lease payments remaining to be made 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 lease liability comprise fixed lease payments, variable lease payments based on an index or rate, amounts expected to be paid as a guaranteed residual value, and payments for exercising purchase options, if their exercise is reasonably certain. In subsequent periods, the lease liability is reduced by payments made and increased by accrued interest. The valuation of the lease liability is updated to reflect changes in the lease agreement and reevaluation of the lease term, exercise of purchase options, guaranteed residual value, or lease payments dependent on an index or rate. The valuation of the lease liability is periodically reconciled with lease payments.

The assets under the right-of-use are depreciated linearly over the lease term. Additionally, the interest on discounted lease liabilities is included in financial costs. As a principle, the update of the liability value is recorded as an adjustment to the right-of-use asset component.

The Company applies the practical expedients allowed by IFRS 16 for short-term leases and leases of low-value assets. For such agreements, instead of recognizing right-of-use assets and lease liabilities, lease payments are recognized in the income statement on a straight-line basis over the lease term. The Company presents the right-of-use assets in the same line items of the individual financial statements as tangible fixed assets.

Based on the general definition of leasing, the Company has identified that the right of land leasehold according to IFRS 16 meets the definition of a lease and should be recognized in the individual financial statements as right-of-use assets.

1.3.3.5. Shares and stocks in associated entities

Shares and stocks in subsidiaries, associates, and other entities are recognized at historical cost net of impairment losses, except for investments in shares or stocks in other unrelated entities, which, according to IFRS 9, have been classified as financial assets measured at fair value through profit or loss. As the fair value of these assets cannot be reliably measured (they are unquoted), it is deemed that the most reliable measure is the carrying amount.

1.3.3.6. Impairment of non-financial fixed assets

Annual impairment tests are conducted on the following asset components:

a) Goodwill, with the first impairment test performed by the end of the period in which the combination occurred,
b) Intangible assets with indefinite useful lives,
c) Intangible assets that are not yet in use.

For the remaining components such as other intangible assets, tangible fixed assets, investments in associated entities, and right-of-use assets, an assessment is made to determine if there are indicators that may suggest impairment. If events or circumstances indicate that the carrying amount of an asset may not be recoverable, an impairment test is conducted.

For the purpose of conducting impairment tests, assets are grouped at the lowest level for which there are identifiable cash flows independent of other assets or asset groups (known as cash-generating units). Components of assets that individually generate cash flows are tested separately.
The value of the business is allocated to these cash-generating units where synergy benefits from the combination of business units are expected, with at least operational segments being considered as cash-generating units.

If the carrying amount exceeds the estimated recoverable amount of assets or cash-generating units to which those assets belong, then the carrying amount is reduced to the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell or the value in use. In determining the value in use, estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks associated with the asset.

The impairment loss for a cash-generating unit is first allocated to reduce the carrying amount of the goodwill. Any remaining impairment loss is then allocated proportionally to reduce the carrying amounts of the assets in the cash-generating unit.
Impairment losses recognized for cash-generating units are presented within "Other operating expenses" in the income statement.

Revaluation allowances on the company's value are not subject to reversal in subsequent periods. For other asset components, premises indicating the potential reversal of revaluation allowances are assessed for each subsequent balance sheet date. Reversal of the write-down is recognized in the result under other operating income.

1.3.3.7. Investment properties

Investment property is held to earn rentals or for capital appreciation or both, and is measured at fair value.

Investment property is initially recognized at cost, which includes transaction expenses. Subsequently, it is valued at fair market value on each reporting date, determined by an independent appraiser, considering the property's location, characteristics, and prevailing market conditions.
Profits or losses resulting from changes in the fair value of investment properties are recognized in the income statement in the period in which the changes occur, under the line item of other operating income or expenses.

Investment property is removed from the entity's financial statements upon its sale or permanent withdrawal from use if no future economic benefits are expected. Profits or losses from these transactions are determined as the difference between the sales proceeds and the carrying amount of the investment property. These gains and losses are recognized in the income statement under other operating income or expenses in the period in which the disposal or sale of the investment property occurs, at the time the buyer gains control over the disposed asset in accordance with the requirements of IFRS 15. The amount of consideration in the sale of investment property is determined in accordance with the requirements of IFRS 15 regarding the determination of the transaction price.

1.3.3.8. Inventories

Inventory consists of tangible current assets, including materials purchased for internal consumption, finished products (goods and services) produced or processed, ready for sale or in the process of production, work-in-progress, and goods purchased for resale in an unprocessed state..

Inventories are valued at the lower of cost or net realizable value. The cost or production cost includes purchase costs, processing costs, and other costs.
The cost of goods sold is determined using the weighted average method of actual production cost. The cost of materials and goods is determined using the 'first in, first out' (FIFO) method.
The net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and the costs necessary to make the sale.
The valuation of material inventories on the balance sheet date includes creating updating allowances for inventories that have not been moved.
Work in progress is valued based on the direct costs incurred.

1.3.3.9. Financial instruments

Financial assets
For financial assets, on the acquisition date, the Company values them at fair value, usually determined by the consideration paid. Transaction costs are included in the initial measurement of all financial assets, except for assets measured at fair value through profit or loss. An exception to this rule is receivables for goods and services, which the Company values at their transaction price as defined in IFRS 15. After initial recognition, financial assets other than derivative hedging instruments are classified as follow:

- Financial assets measured at amortized cost,
- Financial assets measured at fair value through other comprehensive income,

- Financial assets measured at fair value through profit or loss,
- Equity instruments measured at fair value through other comprehensive income.

These categories define the valuation principles as of the balance sheet date and the recognition of gains or losses from valuation in the financial result or other comprehensive income. The Company classifies financial assets into a specific category based on the business model operating within the Company for managing financial assets and the cash flow characteristics inherent to the financial asset component.

The financial asset component is valued at amortized cost if both of the following conditions are met (and they were not designated at initial recognition to be measured at fair value through profit or loss):
- the financial asset component is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows,
- the contractual terms of the financial asset component give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The categories of financial assets measured at amortized cost include:
- loans,
- trade receivables and other receivables (excluding those for which the requirements of IFRS 9 are not applied),
- cash and cash equivalents,
- debt securities.

The mentioned classes of financial assets are presented in the individual financial statements divided into long-term and short-term assets.
The valuation of short-term receivables as well as cash and cash equivalents is carried out at an amount equal to their nominal value due to the insignificant effects of discounting.

Revenue from interest, gains and losses from impairment, as well as foreign exchange differences related to these assets, are calculated and recognized in the financial result in the same manner as for financial assets measured at amortized cost. Other changes in the fair value of these assets are recognized through other comprehensive income. When the recognition of a financial asset measured at fair value through other comprehensive income ceases, any cumulative gains or losses recognized previously in other comprehensive income are reclassified from equity to the income statement.

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 to be measured at fair value through other comprehensive income. Additionally, this category includes financial assets designated at initial recognition to be measured at fair value through profit or loss due to meeting the criteria specified in IFRS 9.

This category includes:
- All derivative instruments presented separately in the individual statement of financial position under the separate line item "Derivative financial instruments",
- Shares and equity interests in entities other than subsidiaries and associates,
- Units and investment certificates of investment funds.

Instruments belonging to this category are valued at fair value, and the effects of valuation are recognized in the income statement under "Financial income" or "Financial costs" accordingly. Gains and losses from the valuation of financial assets are determined by the change in fair value established based on current market prices as of the balance sheet date or based on valuation techniques if an active market does not exist. Dividends from equity instruments classified in this category are recognized in the income statement under "Financial income" after meeting the conditions for recognizing dividend income as specified in IFRS 9.

Financial assets classified into categories valued at amortized cost and fair value through other comprehensive income, due to the business model and nature of the cash flows associated with them, are subject to assessment on each balance sheet date to account for expected credit losses, regardless of whether impairment indicators are present. The method of performing this assessment and estimating allowances for expected credit losses varies for each class of financial assets.

For receivables from goods and services, the Company estimates them individually, meaning the credit risk of each counterparty is assessed individually.
Receivables are reported on the balance sheet at the amount requiring payment, following conservative valuation principles, at net value – after considering updating allowances for receivables. The company employs a simplified approach, assuming the calculation of allowances for expected credit losses for the entire instrument's lifetime. The estimate of the allowance is primarily based on historically evolving delinquencies and the correlation of arrears with actual repayments from the past 5 years, considering available future information. The company pays particular attention to receivables overdue by more than 90 days, for which individual analysis is conducted.

For other asset classes, in the case of instruments where the increase in credit risk from initial recognition was not significant or the risk is low, the company assumes the recognition of losses from default for the next 12 months initially. If there has been a significant increase in credit risk since initial recognition, losses appropriate for the entire lifetime of the instrument are recognized.

Trade receivables and other receivables
Accounts payable for goods and services, with a term exceeding 12 months from the due date, are valued at the amortized cost using the effective interest rate based on WIBOR.
The company employs a simplified approach, assuming the calculation of expected credit loss provisions for the entire instrument's lifetime. The estimate of the provision is primarily based on historical default rates and the correlation of defaults with actual repayment experience from the last 5 years, with consideration of available future information.

In the line items for trade and other receivables, the company includes, to ensure the matching of costs and revenues, expenses incurred in the current period related to revenues of the subsequent period, which will then become costs. These assets include, among others, prepaid rents, insurance premiums, subscriptions, costs of ongoing development work, and costs related to preparing new production.

Financial liabilities
Financial liabilities are presented in the following sections of the financial statements:
a) Loans, credits, and other debt instruments,
b) Liabilities from trade payables, other payables, and accruals
c) Derivative financial instruments, and
d) Liabilities arising from lease agreements.

On the acquisition date, the Company values financial liabilities at fair value, typically based on the fair value of the amount received. Transaction costs are included in the initial measurement of all financial liabilities, except for those categorized as 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 designated as held for trading or designated at fair value through profit or loss.

The Company classifies derivative instruments other than hedging instruments as financial liabilities measured at fair value through profit or loss.

Gains and losses from the valuation of financial liabilities are recognized in the financial income statement under financial activities.

Trade and other liabilities
Liabilities are obligations arising from past events, the settlement of which will result in the use of existing or future assets, and they are reliably quantifiable in terms of value.

The company classifies a liability as short-term when:
- It expects the liability to be settled within the normal operating cycle of the entity,
- The liability is primarily held for trading purposes,
- The liability is due within twelve months from the end of the reporting period, or
- It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Long-term liabilities are those not classified as short-term.
As of the balance sheet date, liabilities are reported at their settlement amount.

Short-term liabilities from deliveries and services are valued at the settlement amount due to insignificant discount effects.

1.3.3.10. Cash and cash equivalents

Cash and cash equivalents include cash on hand and in bank accounts, demand deposits, and short-term investments with high liquidity (up to 3 months), easily convertible into cash, with insignificant risk of value changes.

1.3.3.11. Other short-term financial assets

The company uses forward currency contracts as hedges against exchange rate risk.

Instruments belonging to this category are valued at fair value, and the effects of valuation are recognized in the income statement, respectively under "Financial Income" or "Financial Costs". Gains and losses from the valuation of financial assets are determined by the change in fair value established based on current market prices as of the balance sheet date or using valuation techniques if an active market does not exist.

Derivative instruments are initially recognized at fair value on the contract inception date and subsequently revalued to fair value at each balance sheet date. Any resulting gain or loss is recognized immediately in the income statement.

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

Non-current assets and companies classified as held for sale are categorized as such if their carrying amount will be recovered primarily through a sale transaction rather than through continuing use. This condition is considered met only when the occurrence of a sales transaction is highly probable, and the asset (or company held for sale) is available for immediate sale in its current condition. The classification of an asset as held for sale assumes the company management's intention to complete the sale transaction within one year from the date of classification change.

Non-current assets (and the Company's held for sale) classified as held for sale are measured at the lower of two values: their carrying amount or fair value less costs to sell.

1.3.3.13. Equity

Shareholders' equity is determined in accordance with applicable regulations and the company's articles of association, and is presented at nominal value with a breakdown of its components.

Share capital (stock capital) is shown at nominal value in accordance with the company's agreement and entry in the National Court Register.

Treasury shares (stocks) are shown with a negative sign and are valued at cost. These are typically shares of the company acquired for the purpose of their redemption according to the resolution of the General Meeting of Shareholders.

Capital from the sale of shares above their nominal value arises from the premium over the nominal value of the shares, reduced by issuance costs.

Retained earnings include results from previous years (including those allocated to capital by shareholder resolutions).

1.3.3.14. Payments made in the form of stocks

Payments made in the form of stocks to employees and other individuals providing similar services are valued at the fair value of equity instruments on the date of grant. Fair value is determined using the Black-Scholes model. The expected service period used in the model has been adjusted based on the best estimates of company management, as well as the impact of restrictions on transferability, exercise, and behavior. Detailed information on the determination of the fair value of transactions settled in the form of stocks, accounted for using the equity method, is provided in the explanatory notes.

The fair value determined on the date of stock-based payment grant is expensed using the straight-line method over the vesting period based on the Company's estimated number of shares that will ultimately be acquired.

1.3.3.15. Deferred tax assets and reserves

Deferred tax is calculated using the balance sheet liability method as the tax payable or refundable in the future, referring to differences between the balance sheet values of assets and liabilities and their corresponding tax values used to calculate the taxable base.

A deferred tax liability is recognized for taxable temporary differences, while a deferred tax asset is recognized to the extent that it is probable that future taxable profits will be reduced by recognized deductible temporary differences.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and if it is expected that future taxable profits will not be sufficient to recover all or part of the asset, the carrying amount should be reduced accordingly.

Deferred tax assets and liabilities are calculated using tax rates that are expected to apply when the asset is realized or the liability is settled, based on tax rates that are legally or effectively enacted on the balance sheet date, in accordance with the applicable tax regulations or those in effect on the balance sheet date.

1.3.3.16. Provisions for liabilities

Reserves are created when the Company has an existing obligation (legally or customarily expected) arising from past events, and it is probable that fulfilling this obligation will result in an outflow of economic benefits, and a reliable estimate of the amount of the liability can be made. The timing and the exact amount requiring settlement may be uncertain.

Reserves are created for, among others, the following reasons:

- Provision for warranty services provided for completed construction contracts and other services rendered,
- Pending legal proceedings and disputes,
- Restructuring, only if the Company is obligated to carry out such restructuring based on separate regulations or binding agreements.

Provisions are recognized at the estimated costs necessary to fulfill the current obligation, based on the most reliable evidence available as of the date of preparation of the individual financial statements, including information regarding risk and the degree of uncertainty. When the time value of money is significant, the amount of the provision is determined by discounting the projected future cash flows to their present value, using a discount rate that reflects current market assessments of the time value of money and any associated risk related to the obligation.
If the discounted cash flow method is applied, 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 policy, then this reimbursement is recognized as a separate asset, but only when there is sufficient certainty that the reimbursement will actually occur. However, the value of this asset cannot exceed the amount of the provision.

In cases where the expenditure of funds to fulfill the current obligation is not probable, amounts of contingent liabilities are not recognized in the individual financial statements, except for contingent liabilities identified in the business combination process in accordance with IFRS 3.

Potential inflows that offer economic benefits to the Company, but do not currently meet the criteria for recognition as assets, are considered contingent assets and are not recorded in the individual financial statements.
Information about contingent assets is disclosed in additional explanatory notes.

1.3.3.17. Employee benefits

The liabilities and provisions for employee benefits presented in the individual financial statements include the following items:

- Short-term employee benefits for wages (including bonuses and commissions),
- Provisions for unused leave,
- Other long-term employee benefits, including pension severance.

The amount of short-term employee benefit obligations is determined without discounting and is recognized in the individual financial statements at the undiscounted amount required to settle them.

The provision for unused leave is established by the Company as a reserve for the costs of accumulated paid absences that it will incur due to employees' unused entitlement, which has accrued as of the balance sheet date.
The provision for unused leave constitutes a short-term reserve and is not discounted.

According to the Company's compensation systems, employees are entitled to retirement benefits. These benefits are paid out as lump sums upon retirement. The amount of retirement benefits depends on the length of service and the employee's average salary. The Company creates a reserve for future obligations related to retirement benefits to match costs with the periods during which employees earn these entitlements.

The present value of reserves on each balance sheet date is estimated by an independent actuary. Accrued reserves equal the discounted payments that will be made in the future and relate to the period up to the balance sheet date. Demographic information and employment turnover data are based on historical data.
The effects of valuing reserves for future obligations related to retirement benefits are reflected through other comprehensive income.

1.3.3.18. Accruals of inter-period revenues

The Company records in the assets under "Accrued revenues" pre-paid expenses related to future reporting periods.

In "Accruals of inter-period revenues" within the liabilities section, the Company presents revenues from future periods, including cash received for financing fixed assets, which are accounted for in accordance with IAS 20 "Government Grants".

Grants are recognized only when there is sufficient certainty that the Company will meet the conditions associated with the grant and that the grant will be received. A grant related to a specific cost item is recognized as revenue on a proportional basis to the costs intended to be compensated by that grant. A grant financing an asset component is gradually recognized as revenue over time, proportionally to the depreciation charges incurred on that asset component. For presentation purposes in the individual financial statements, the Company does not deduct grants from the carrying amount of assets but shows grants as revenues of future periods in the "Accruals of inter-period revenues" category.

Accrued inter-period cost accruals are shown within the category of "Liabilities for supplies, services, and other payables.

1.3.3.19. Revenue, expenses, and financial result

Revenue from sales consists solely of revenue from contracts with customers covered by IFRS 15. The method of recognizing sales revenue in the individual financial statements, including both the amount and the timing of revenue recognition, follows a five-step model which includes the following steps:

a) Identification of the contract with the customer,
b) Identification of performance obligations,
c) Determination of the transaction price,
d) Allocation of the transaction price to the performance obligations,
e) Recognition of revenue during the fulfillment of performance obligations or upon their completion.

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

a) The parties to the contract have approved the contract (in writing, orally, or in accordance with other customary business practices) and are committed to performing their respective obligations,
b) The Company can identify each party's rights regarding the goods or services to be transferred,
c) The Company can identify the payment terms for the goods or services to be transferred,
d) The contract has commercial substance (i.e., it is expected that the risk, timing, or amount of the Company’s future cash flows will change as a result of the contract),
e) It is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Identification of performance obligations

At the time of entering into the contract, the Company evaluates the promised goods or services in the contract with the customer and identifies each promise to transfer a good or service (or a bundle of goods or services) to the customer as a performance obligation. This includes distinct goods or services or groups of distinct goods or services that are substantially the same and are transferred to the customer in the same way.
A good or service is distinct if it meets both of the following conditions:

a) The customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer, and
b) The Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

Determination of the transaction price and allocation to performance obligations
To determine the transaction price, the Company considers the terms of the contract and its customary business practices. The transaction price is the amount of consideration the Company expects to be entitled to in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties. The consideration in a contract with a customer may include fixed amounts, variable amounts, or both.

If a contract contains a significant financing component, the Company adjusts the promised amount of consideration for the effects of the time value of money. The Company applies a practical expedient and does not adjust for the impact of a significant financing component if the period between the transfer of the promised goods or services and the payment is less than one year.
The Company enters into contracts with customers that do not contain a significant financing component.

Warranties provided by the Company on sold services are accounted for in accordance with IAS 37, as their terms only reflect assurance that the services delivered by the Company will perform as intended, as specified in the agreed-upon specifications.

The Company allocates the transaction price to each performance obligation in an amount that reflects the consideration it expects to receive in exchange for transferring the promised goods or services to the customer.

Revenue recognition when or as performance obligations are fulfilled
The Company recognizes revenue when (or as) it fulfills a performance obligation by transferring the promised good or service to the customer.

The Company measures revenue in accordance with IFRS 15 for contracts based on the provision of broadly defined construction and construction-assembly services. The transfer of an asset occurs when the customer gains control of that asset. Revenue is recognized as amounts equal to the transaction price allocated to the specific performance obligation. It is considered that in the case of the Company's provision of construction and assembly services, there is generally a single performance obligation. Therefore, the allocation of the transaction price to the performance obligation does not require estimation.
The Company applies various payment terms, including prepayments made several days before delivery and deferred payment terms up to 60 days. Payment terms are determined based on the assessment of the customer's credit risk and the ability to secure receivables. Therefore, payment terms are not dependent on the timing of the fulfillment of performance obligations. Prepayments received are recognized as contract liabilities, whereas, for deferred payment terms, the Company recognizes the due consideration as a receivable at the time of invoicing if the only condition for receiving payment is the passage of time. Payment of the consideration becomes due, depending on the payment terms

specified in the individual contracts, either before the delivery is made (prepayment) or within the specified number of days from the date of sale indicated on the invoice.

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

IFRS 15 requires the use of a consistent method of recognizing revenue for contracts and obligations with similar characteristics. The method used by the Company to measure the value of goods and services is the cost-to-cost method, which is based on the proportion of costs incurred to date to the total estimated costs of fulfilling the performance obligation (input method). When it is not possible to use the input method, or if the nature of the contract requires it, the Company applies an alternative measurement method. If a performance obligation is not satisfied over time, it is considered that the Company satisfies it at a specific point in time. When it is probable that the total costs associated with fulfilling the contract will exceed the total revenue, the anticipated loss (excess of costs over revenue) is charged to operating expenses in accordance with IAS 37, and a provision for onerous contracts (provision for expected losses on contracts) is recognized.

The company presents the valuation in relation to contracts in progress subject to valuation under 'Contract assets' in the assets section. Unsettled amounts accrued and invoiced for work performed under the contract, as well as amounts retained by customers, are presented under 'Trade and other receivables.' Unsettled amounts payable to suppliers for which the company has received invoices and amounts retained for suppliers are presented under 'Trade and other payables."
Payments received for undelivered goods and unfinished services (advances) are recognized in the individual statement of financial position as contract liabilities.
Customer contracts do not contain a significant financing component.

The cost of goods sold, products, and materials is determined proportionately to revenue from core operations and recognized in the statement of profit or loss using the functional format. Costs are grouped in parallel by type, with a simultaneous breakdown by cost center within the functional format.

In accordance with the accrual principle, the company recognizes all costs attributable to a given reporting period in the statement of profit or loss, regardless of the period in which they are actually settled. Costs incurred but not related to the given period are recognized as prepaid expenses in the assets, while costs not yet incurred but attributable to the given period are recognized as accrued liabilities.

The company continuously accounts for project acquisition costs and does not capitalize customer acquisition costs. The project acquisition costs are settled as sales commission in the year in which the acquired project is sold.

Other operating income and expenses include recurring income and costs that are only indirectly related to regular business activities. These particularly pertain to activities not constituting the company's core operations, such as the disposal and liquidation of fixed assets, revaluation of fixed assets and inventory, transfer or receipt of assets and funds without consideration, fines, penalties, and other similar items.

Financial income and expenses include benefits obtained from holding, borrowing, or selling financial assets, as well as fees charged for lending cash to third parties, resulting in financial liabilities. This also includes the impact of impairment of financial assets. Financial income and expenses recognized here pertain to the revenues and costs from financial operations relevant to the current financial year.

1.3.3.20. Subjective judgments and estimation uncertainty

Estimation uncertainty

Key assumptions about the future and other major sources of uncertainty at the end of the reporting period that entail a significant risk of substantial adjustment to the carrying amounts of assets and liabilities in the next financial year:

Construction service contracts

For ongoing contracts, the company applies the provisions of IFRS 15 "Revenue from contracts with customers" and recognizes revenue in the statement of profit or loss based on the percentage of completion method. This is determined by the proportion of contract costs incurred for work performed up to the end of the period relative to the estimated total contract costs. There is a risk that the company may improperly estimate production costs, that production costs may change during the production process, that errors may occur in task management or in technical and technological solutions, and that the task may be delayed. These risks could lead to reduced revenue and/or increased costs, ultimately lowering the company's financial performance.

Component of deferred tax assets

The company recognizes a deferred tax asset based on the assumption that taxable profit will be achieved in the future, allowing for its utilization. A deterioration in future taxable profits could render this assumption unjustified.

Impairment write-downs of goodwill (value of shares in subsidiaries)

At the end of each reporting period, the Management Board assesses whether there are any indicators of impairment of goodwill (the value of shares in subsidiaries). If such indicators exist, the Management Board writes down these assets to their recoverable amount.

The recoverable amount is determined as the higher of either the fair value less costs to sell or the value in use of the asset. The value in use is estimated using the DCF method. The DCF method is based on discounted cash flows generated by the subsidiaries according to their operational schedules and sales projections. The discount rate takes into account the weighted average cost of capital (WACC), including both debt and equity. The recoverable amount of shares and the amount of impairment write-downs of shares are estimated as of December 31, 2023, and may change depending on the revenue achieved, incurred production costs, project schedules, and future discount rate calculations. Actual results may differ from these estimates, which were calculated based on the data available at the time of their preparation. This is also associated with the uncertainty regarding the accurate estimation of market conditions in subsequent years.

Depreciation rates

The depreciation rates are determined based on the estimated useful economic life of tangible fixed assets and intangible assets.
During the 12-month period ended December 31, 2023, the company reviewed the initially estimated useful lives of its fixed assets and intangible assets and found no need to revise the estimated useful lives.

Provisions

Provisions for employee benefits, including retirement benefits, are estimated using actuarial methods. The provisions reported in the individual financial statements are based on estimates provided by an independent actuary. These provisions are influenced by assumptions about the discount rate and salary growth rate.

Income tax

Tax regulations in Poland are subject to frequent changes, leading to significant differences in interpretation and substantial uncertainties in their application. Tax authorities have the tools to audit the tax bases (in most cases for the previous five fiscal years). Consequently, determining tax liabilities, assets, and deferred tax provisions may require significant judgment, including for transactions that have already occurred. The amounts presented and disclosed in the financial statements may change in the future as a result of tax audits.

Consequently, determining tax liabilities, assets, and deferred tax provisions may require significant judgment, including for transactions that have already occurred. The amounts presented and disclosed in the financial statements may change in the future as a result of tax audits.

Lease period

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

- the non-cancellable lease period,
- periods covered by an extension option if it is reasonably certain that the lessee will exercise that option,
- periods covered by a termination option if it is reasonably certain that the lessee will not exercise that option.

When assessing whether the company will exercise an extension option or not exercise a termination option, the company considers all relevant facts and circumstances that provide an economic incentive to do so or not do so.

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

2. ADDITIONAL INFORMATION FOR THE INDIVIDUAL FINANCIAL STATEMENTS

2.1. Information regarding operating segments

Products and services from which the reportable segments derive their revenue
ELEKTROTIM provides its products to the construction and installation market, serving both public and private sector clients.

The reportable segments within the company are an aggregation of its organizational structure, with the operational part divided into separately managed business units (divisions) grouped into sectors. The criteria for distinguishing the various divisions and sectors were product groups and geographical locations.
To present information in a manner that allows for a proper assessment of the nature and financial effects of the company's business activities, operational segments were consolidated based on product group criteria into three segments:

- Installation Segment
- Network Segment
- Automation Segment

These segments collectively adhere to the following principles::

a) The consolidation was carried out in accordance with the overarching principle of IFRS 8: "to present information in a manner that enables users of financial statements to assess the nature and financial effects of the business activities in which the entity is engaged and the economic environment in which it operates."
b) The segments exhibit similar economic characteristics
c) The segments are similar in:
   - The type of products and services,
   - The nature of the production processes,
   - The type or group of customers for the products and services,
   - The methods used to distribute the products or provide the services.

The measurement principles applied to segment information are consistent with the Company's accounting policies.

Products offered by the Installation Segment
a) Construction and execution projects, including:
   - Electrical power and lighting installation projects for industrial and commercial facilities,
   - Medium and low voltage cable power line projects,
   - Substation projects for medium/low voltage,
   - Road, street, and square lighting projects,
   - Traffic light signaling projects,
   - Architectural illumination projects,
   - Festive lighting projects,
   - Sanitary installation projects,
   - Low-voltage installation projects.

The mentioned products are offered by the Design Office.
b) Electrical installations including:
   — Transformer stations,
   — Power and lighting electrical installations in buildings:

- Industrial
- Residential
- Public utility
- Warehousing
- Sports
- Military

The mentioned products are offered by the Electrical Installations Department.

c) Electrical switchgear including:
   - SM6 type MV switchgear,
   - OKKEN type MCC low voltage switchgear,
   - PRISMA type low voltage distribution switchgear,
   - X-ENERGY type switchboards,
   - SOT type street lighting cabinets,
   - Meter boards

The mentioned products are offered by the Production Department.

d) Low-voltage installations including:
   - Computer systems integrating BMS and SMS
   - Structured cabling systems
   - Fire alarm systems
   - Access control systems
   - Industrial television systems
   - Technical protection systems
   - Building automation installations
   - Work recording systems
   - Circumferential protection systems
   - EiB systems
   - Telecommunication systems.

The mentioned products are offered by the Low-Voltage Installations Department.

e) Electrical installation and equipment servicing including:
   - Low-voltage equipment servicing,
   - Measurement and control work for station and dispatcher telemechanics,
   - Electrical measurements.

The mentioned services are provided by the Service Department.

Products offered by the Networks Segment

a) Electrical networks including:
   - Traffic light signaling,
   - Street lighting,
   - Object illuminations,
   - Airport navigational lighting,
   - MV and LV cable lines,
   - Telecommunication networks,
   - MV and LV transformer stations.

The listed products are offered by the Electrical Networks Department.

b) Telecommunication networks, including:
- Telecommunication ducts,
- Copper telecommunication lines,
- Optical fiber telecommunication lines,
- Radio beacons (NDB, DVOR/DME),
- Radar systems,
- Antenna systems,
- Other navigation and radiocommunication systems.

The listed products are offered by the Telecommunication Networks Department.

c) Road infrastructure elements, including:
- Horizontal road markings (thin and thick layers) for roads and streets,
- Vertical road markings,
- Road traffic organization: temporary and permanent,
- Road traffic safety devices,
- Traffic organization projects.

The listed products are offered by the Traffic Engineering Department.

d) Signal and lighting maintenance services, including:
- Operation, modernization, and maintenance of traffic signals,
- Operation and maintenance of road and plaza lighting,
- Operation, modernization, and maintenance of external lighting and illumination of objects,
- Maintenance of power light installations,
- Traffic signal controllers.

The listed products are offered by the Signaling and Lighting Department.

e) Systems:
- Automation systems for power generation,
- Automation systems for environmental protection installations,
- Industrial informatics,
- Automation systems for industry.

f) High voltage networks, including:
- Overhead high voltage power lines
- Underground high voltage power lines
- Power system protection automation (PSPA)
- Telemechanics
- Master systems
- High voltage / medium voltage substations

The listed products are offered by the High Voltage Division.

Products offered by the Automation Segment

a) Automation systems for power generation, including:
- automation system for power generation blocks,
- automation system for water treatment and wastewater treatment installations,
- automation system for fuel handling, ash removal, and slag removal installations,
- automation system for heating systems,

- automation system for compressor systems,
- automation system for flue gas cleaning installations,
- design of automation for power generation blocks and auxiliary installations,
- automation system for small installations in the power industry,
- maintenance services.

The listed products are offered by the Energy Automation Department.

b) Automation systems for environmental protection installations, including:
- automation and electrical installations for wastewater treatment plants,
- automation and electrical installations for water treatment plants,
- automation and electrical installations for pumping systems,
- automation systems for wastewater treatment plants,
- automation systems for water treatment plants,
- automation systems for pumping systems,
- monitoring systems for water and sewage networks,
- automation projects for wastewater treatment plants,
- automation projects for water treatment plants,
- maintenance services,
- fish protection and monitoring system – Neptun,
- scanner for monitoring fishways.

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

c) Electrical power automation systems, including:
- CERTAN PQ-100 - electric power quality meter,
- disturbance recorder,
- supervision system for the power system and energy balancing,
- disturbance and power quality recording and analysis system,
- network and equipment operation system,
- maintenance services.

The listed products are offered by the Electrical Power Automation Department.

d) Industrial informatics systems, including:
- SKSR Startup Loss Control System
- MESKAN Modular Exploitation Control System
- VECTAN Device Exploitation Control System
- PROMAN Production Process Management and Visualization System
- CERTAN SYSTEM
- Communication interfaces
- Custom software development
- Maintenance services for proprietary products

The products are offered by the Industrial Informatics Department.

e) Other automation systems, including:
- BMS
- Fire detection and temperature monitoring system – PROList.

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

Segment revenues and results

Below is an analysis of the company's revenues and results by reportable segments.

Business segments	01.01-31.12.2023	01.01-31.12.2023	01.01-31.12.2023	01.01-31.12.2022	01.01-31.12.2022	01.01-31.12.2022
	Installation Segment	**Network Segment**	**Automation Segment**	**Installation Segment**	**Network Segment**	**Automation Segment**
revenue from external customers	160,646	371,563	0	269,380	158,864	0
revenue within and from other segments	12,347	612	0	14,629	1,500	0
cost of goods sold	160,069	306,180	0	244,717	146,880	0
Gross profit (loss) from sales	**12,924**	**65,995**	**0**	**39,291**	**13,484**	**0**

Segment assets

The company does not analyze segment assets and liabilities in the reports used by the Management Board for operational and analytical purposes, as assets and liabilities are not allocated to segments.

Geographical information

The company operates in only one geographical area – Poland. The breakdown of revenue by geographical structure is presented in Note 2.19.

Information on leading customers

Customer	Sales revenue, in thousands of PLN	Share (%) in sales revenue
PGE Energetyka Kolejowa S.A.	90,151	17
PGE Dystrybucja S.A.	86,439	16
Komenda Główna Straży Granicznej	67,102	13
Nestle Purina Manufacturing Operations Poland Sp. z o.o.	51,963	10
Solartech Sp. z o.o.	50,260	9
ENEA Operator Sp. z o.o.	25,579	5
TAURON Dystrybucja S.A.	19,229	4
SKARB PAŃSTWA - CENTRUM ZASOBÓW CYBERPRZESTRZENI SIŁ ZBROJNYCH	17,852	3
ONDE S.A.	11,302	2
ENERGA - OPERATOR S.A.	11,227	2
Others	101,142	19

2.2. Investments in subsidiaries

Selected information about the subsidiaries included in the consolidation

Name of the entity (company), indicating the legal form	PROCOM SYSTEM S.A.	ZEUS S.A.	OSTOYA-DataSystem Sp. z o.o.
Registered office	Wrocław	Pruszcz Gdański	Gdańsk
Business activity	production of systems for industrial controllers	production of electrical installations	implementation of IT systems in the area of security management
Nature of the relationship (subsidiary, joint venture, associate, specifying direct and indirect relationships)	shares of the company were sold on 12-12-2022	subsidiary	subsidiary
Applied consolidation method (equity method, or indication that the entity is not subject to consolidation/equity method valuation)		full consolidation method	full consolidation method
Date of obtaining control/joint control/significant influence		18.07.2012	11.01.2017
Value of shares (stock) at acquisition cost		0	233
Carrying amount of shares (stock)		0	644
Percentage of share capital owned		88.12	82.00
Share in the total number of votes at the general meeting		88.12	82.00
Indication of any other basis for control/joint control/significant influence other than specified in j) or k)			
Equity of the entity		-20,385	1,661
Liabilities and provisions of the entity		31,019	560
Receivables of the entity		8,727	130
Total assets of the entity		10,634	2,221
Sales revenue		14,063	3,267
Net profit (loss)		- 23,502	300
Unpaid value of shares (stock) by the issuer in the entity			
Dividends received or due from the entity for the last financial year		0	2,050

The impairment test conducted on assets indicated the need to write down the value of ZEUS S.A. shares. A write-down of PLN 1,872 thousand was made. This test was carried out assuming a 5-year forecast period for cash flows, a discount rate of 11%, and a growth rate of 3% after the forecast period.
The impairment tests were conducted by an external firm.

2.3. Intangible assets

Intangible assets

Item description		In thousands of PLN 31.12.2023	31.12.2022
a)	costs of completed development work	0	0
b)	acquired concessions, patents, licenses, and similar rights	158	104
c)	other intangible assets	0	0
Intangible assets, total		**158**	**104**

Changes in intangible assets (by category) in 2023

In thousands of PLN	Costs of development work	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	4,894	4,903
Increases (from)	**0**	**0**	**184**	**184**
- purchase	0	0	184	**184**
- acquisition of subsidiaries	0	0	0	**0**
Decreases (from)	**0**	**0**	**0**	**0**
- sale	0	0	0	**0**
- liquidation	0	0	0	**0**
Gross value of intangible assets at the end of the period	**9**	**0**	**5,078**	**5,087**
Accumulated depreciation (remission) at the beginning of the period	9	0	4,789	4,798
Depreciation for the period (from)	**0**	**0**	**131**	**131**
- planned write-downs	0	0	131	131
- acquisition of subsidiaries	0	0	0	0
- decreases	0	0	0	0
Accumulated depreciation (remission) at the end of the period	**9**	**0**	**4,920**	**4,929**
Write-downs due to permanent impairment at the beginning of the period	0	0	0	0
- increases	0	0	0	0
- decreases	0	0	0	0
Write-downs due to permanent impairment at the end of the period	**0**	**0**	**0**	**0**
Net value of intangible assets at the end of the period	**0**	**0**	**158**	**158**

Changes in intangible assets (by asset groups) in 2022

In thousands of PLN	Costs of development work	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	4,865	4,874
Increases (from)	**0**	**0**	**29**	**29**
- purchase	0	0	29	29
- acquisition of subsidiaries	0	0	0	**0**
Decreases (from)	**0**	**0**	**0**	**0**
- sale	0	0	0	**0**
- liquidation	0	0	0	**0**
Gross value of intangible assets at the end of the period	**9**	**0**	**4,894**	**4,903**
Accumulated depreciation (remission) at the beginning of the period	9	0	4,569	4,578
Depreciation for the period (from)	**0**	**0**	**220**	**220**
- planned write-downs	0	0	220	220
- acquisition of subsidiaries	0	0	0	0
- decreases	0	0	0	0
Accumulated depreciation (remission) at the end of the period	**9**	**0**	**4,789**	**4,798**
Write-downs due to permanent impairment at the beginning of the period	0	0	0	0
- increases	0	0	0	0
- decreases	0	0	0	0
Write-downs due to permanent impairment 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**

Intangible assets (ownership structure)

			In thousands of PLN
		31.12.2023	31.12.2022
a)	owned	158	104
b)	used under lease, rental, or other agreement, including lease agreement	0	0
Total intangible assets		**158**	**104**

2.4. Goodwill

Goodwill of subsidiaries

		31.12.2023	In thousands of PLN 31.12.2022
-	PWS (Power Substation Division in the Distribution Sector)	2,396	2,396
Goodwill of Subsidiaries, total		**2,396**	**2,396**
Carrying Amount, total		**2,396**	**2,396**

Change in the goodwill of subsidiaries

		31.12.2023	In thousands of PLN 31.12.2022
	balance at the beginning of the period	2,396	2,396
	balance at the end of the period	**2,396**	**2,396**

2.5. Tangible fixed assets

Tangible fixed assets

		31.12.2023	In thousands of PLN 31.12.2022
a)	**fixed assets, including:**	**12,265**	**11,801**
-	land	869	869
-	buildings, premises, and civil engineering structures	4,512	5,153
-	technical equipment and machinery	2,028	1,750
-	vehicles	4,682	3,886
-	other fixed assets	174	143
b)	**Fixed assets under construction**	**528**	**287**
tangible fixed assets, total		**12,793**	**12,088**

Fixed assets (ownership structure)

		31.12.2023	In thousands of PLN 31.12.2022
a)	owned	6,030	5,392
b)	used under lease, rental, or other agreement, including lease agreement	6,763	6,696
Total balance sheet fixed assets		**12,793**	**12,088**

Changes in fixed assets (by asset groups) in 2023

In thousands of PLN	land	buildings, premises, and civil engineering structures	technical equipment and machinery	vehicles	other fixed assets	total fixed assets
Gross value of fixed assets at the beginning of the period	869	9,425	8,743	11,980	1,906	32,923
increases (from)	**0**	**931**	**788**	**2,137**	**125**	**3,981**
- purchase	0	931	788	2,137	125	3,981
- acquisition of subsidiaries	0	0	0	0	0	0
decreases (from)	**0**	**0**	**264**	**685**	**27**	**976**
Sale and liquidation	0	0	264	685	27	976
Gross value of fixed assets at the end of the period	**869**	**10,356**	**9,267**	**13,432**	**2,004**	**35,928**
Accumulated depreciation (remission) at the beginning of the period	0	4,272	6,993	8,094	1,763	21,122
Depreciation for the period (from)	**0**	**1,572**	**246**	**656**	**67**	**2,541**
- planned write-downs	0	1,572	508	1,341	94	3,515
- acquisition of subsidiaries	0	0	0	0	0	0
- sale and liquidation	0	0	262	685	27	974
Accumulated depreciation (remission) at the end of the period	**0**	**5,844**	**7,239**	**8,750**	**1,830**	**23,663**
Write-downs due to permanent impairment at the beginning of the period	0	0	0	0	0	0
- increases	0	0	0	0	0	0
- decreases	0	0	0	0	0	0
Write-downs due to permanent impairment at the end of the period	0	0	0	0	0	0
Net value of fixed assets at the end of the period	**869**	**4,512**	**2,028**	**4,682**	**174**	**12,265**

Changes in fixed assets (by type groups) in 2022

In thousands of PLN	land	buildings, premises, and civil engineering structures	technical equipment and machinery	vehicles	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 (from)	**0**	**322**	**1,230**	**1,605**	**128**	**3,285**
- purchase	0	322	1,230	1,605	128	3,285
- acquisition of subsidiaries	0	0	0	0	0	0
decreases (from)	**0**	**0**	**8**	**939**	**0**	**947**
Sale and liquidation	0	0	8	939	0	947

Gross value of fixed assets at the end of the period	**869**	**9,425**	**8,743**	**11,980**	**1,906**	**32,923**
Accumulated depreciation (remission) at the beginning of the period	0	2,842	6,467	7,721	1,667	18,697
Depreciation for the period (from)	**0**	**1,430**	**526**	**373**	**96**	**2,425**
- planned write-downs	0	1,430	534	1,267	96	3,327
- acquisition of subsidiaries	0	0	0	0	0	0
- sale and liquidation	0	0	8	894	0	902
Accumulated depreciation (remission) at the end of the period	**0**	**4,272**	**6,993**	**8,094**	**1,763**	**21,122**
Write-downs due to permanent impairment at the beginning of the period	0	0	0	0	0	0
- increases	0	0	0	0	0	0
- decreases	0	0	0	0	0	0
Write-downs due to permanent impairment 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**

Lease

The value of right-of-use assets is presented in the individual statement of financial position together with the Company's owned fixed assets.

The right-of-use values in accordance with IFRS 16 are shown in the table "Changes in right-of-use assets."

Changes in right-of-use assets (by category) in 2023

In thousands of PLN	land	buildings, premises, and civil engineering structures	technical equipment and machinery	vehicles	other fixed assets	total fixed assets
Gross value at the beginning of the period	0	6 523	643	4,915	0	12,081
Increases (from)	**0**	**907**	**0**	**1,796**	**0**	**2,703**
- conclusion of a lease agreement	0	0	0	1,796	0	1,796
- changes resulting from modifications to agreements	0	907	0	0	0	**907**
Decreases (from)	**0**	**0**	**0**	**419**	**0**	**419**
- termination of a lease agreement	0	0	0	142	0	142

- changes in profile / buyouts	0	0	0	277	0	277
Value at the end of the period	**0**	**7,430**	**643**	**6,292**	**0**	**14,365**
Accumulated depreciation (remission) at the beginning of the period	**0**	**3,578**	**29**	**1,778**	**0**	**5,385**
Depreciation for the period (from)	**0**	**1,490**	**72**	**655**	**0**	**2,217**
- planned write-downs	0	1,490	72	943	0	2,505
- changes in profile / buyouts	0	0	0	0	0	0
- depreciation of terminated leases / return	0	0	0	142	0	142
- changes in profile / buyouts	0	0	0	146	0	146
Accumulated depreciation (remission) at the end of the period Write-downs due to permanent impairment at the beginning of the period - increases	**0**	**5,068**	**101**	**2,433**	**0**	**7,602**
- decreases	0	0	0	0	0	**0**
Write-downs due to permanent impairment at the end of the period	0	0	0	0	0	**0**
Accumulated depreciation (remission) at the end of the period	**0**	**0**	**0**	**0**	**0**	**0**
Net value at the end of the period	**0**	**2,362**	**542**	**3,859**	**0**	**6,763**

Changes in right-of-use assets (by category) in 2022

In thousands of PLN	land	buildings, premises, and civil engineering structures	technical equipment and machinery	vehicles	other fixed assets	total fixed assets
Gross value at the beginning of the period	0	6,332	35	4,497	0	10,864
Increases (from)	**0**	**191**	**643**	**1,602**	**0**	**2,436**
- conclusion of a lease agreement	0	0	643	1,602	0	2,245
	0	191	0	0	0	**191**

- changes resulting from modifications to agreements						
Decreases (from)	**0**	**0**	**35**	**1,184**	**0**	**1,219**
- termination of a lease agreement	0	0	0	395	0	395
- changes in profile / buyouts	0	0	35	789	0	824
Value at the end of the period	**0**	**6,523**	**643**	**4,915**	**0**	**12,081**
Accumulated depreciation (remission) at the beginning of the period	0	2,217	26	1,767	0	4,010
Depreciation for the period (from)	**0**	**1,361**	**3**	**11**	**0**	**1,375**
- planned write-downs	0	1,361	31	859	0	2,251
- changes in profile / buyouts	0	0	-28	-336	0	-364
- depreciation of terminated leases / return	0	0	0	512	0	512
Accumulated depreciation (remission) at the end of the period	**0**	**3,578**	**29**	**1,778**	**0**	**5,385**
- increases	0	0	0	0	0	**0**
- decreases	0	0	0	0	0	**0**
Write-downs due to permanent impairment at the end of the period	**0**	**0**	**0**	**0**	**0**	**0**
Net value at the end of the period	**0**	**2,945**	**614**	**3,137**	**0**	**6,696**

Change in investment property

			In thousands of PLN
		31.12.2023	**31.12.2022**
a)	**Balance at the beginning of the period**	4,058	4,058
b)	**Increases (from)**	**832**	**0**
	Revaluations to fair value	832	0
d)	**Balance at the end of the period**	4,890	4,058

Investment properties	**4,890**	**4,058**

2.6. Financial assets

Other long-term financial assets

			In thousands of PLN
		31.12.2023	31.12.2022
a)	**in related entities**	**644**	**644**
-	shares or stocks	644	644
b)	**other entities**	**1,328**	**2,394**
-	other long-term financial assets (including deposits and guarantees)	1,328	2,394
total long-term financial assets		**1,972**	**3,038**

Change in the state of long-term financial assets (by type groups)

			In thousands of PLN
		31.12.2023	31.12.2022
a)	**Balance at the beginning of the period**	**3,038**	**16,420**
	shares or stocks	644	13,080
	granted loans	0	0
	other long-term financial assets	2,394	3,340
b)	**Increases (from)**	**0**	**0**
	shares or stocks capital increase	0	0
	granted loans	0	0
	other long-term financial assets	0	0
c)	**Decreases (from)**	**1,066**	**13,382**
	shares or stocks revaluation	0	12,436
	granted loans	0	0
	other long-term financial assets	1,066	946
d)	**Balance at the end of the period**	**1,972**	**3,038**
	shares or stocks	644	644
	granted loans	0	0
	other long-term financial assets	**1,328**	**2,394**

Receivables

For presentation purposes in the individual statement of financial position, the company distinguishes a class of receivables. Long-term receivables are presented in the statement of financial position as a single item.

2.7. Financial liabilities

Long-term financial liabilities

	31.12.2023	In thousands of PLN 31.12.2022
Credits and loans	0	0
Long-term financial liabilities, total	**0**	**0**

Short-term financial liabilities

	31.12.2023	In thousands of PLN 31.12.2022
Financial liabilities (credits, loans, debt securities, etc.)	**61**	**0**
Credits and loans	61	0

2.8. Deferred tax assets and provisions

Change in deferred tax assets

		31.12.2023	In thousands of PLN 31.12.2022
1.	**State of assets from deferred income tax at the beginning of the period, including:**	**4,900**	**4,051**
a)	recognized in the financial result	4,900	4,051
b)	recognized in equity	0	0
c)	recognized in goodwill	0	0
2.	**Increases**	**9,456**	**4,900**
a)	recognized in the income statement for the period due to temporary differences, including:	9,456	4,900
	impairment write-downs of receivables	955	878
	impairment write-downs of inventory	559	591
	unpaid salaries	0	0
	provisions for employee benefits	1,730	1,640
	provisions for warranty repairs	2,538	580
	Other	3,674	1,211
b)	recognized in the income statement for the period due to tax loss	0	0
3.	**Decreases**	**4,900**	**4,051**
a)	recognized in the income statement for the period due to temporary differences, including:	4,900	4,051
	reversal of temporary differences	0	0
4.	**State of assets from deferred income tax at the end of the period, total, including:**	**9,456**	**4,900**
a)	recognized in the income statement for the period, including:	9,456	4,900
	impairment write-downs of receivables	955	878
	impairment write-downs of inventory	559	591

	unpaid salaries	0	0
	provisions for employee benefits	1,730	1,640
	provisions for warranty repairs	2,538	580
	Other	3,674	1,211
	recognized in the income statement for the period due to tax loss	0	0
b)	recognized in equity	0	0
c)	recognized in goodwill	0	0

Change in deferred tax liabilities

			w tys. PLN
		31.12.2023	31.12.2022
1.	**Deferred tax liabilities at the beginning of the period, including:**	**1,532**	**795**
a)	recognized in the income statement	1,532	795
b)	recognized in equity	0	0
c)	recognized in goodwill	0	0
2.	**Increases**	**843**	**1,532**
a)	recognized in the income statement for the period due to positive temporary differences, including:	843	1,532
	valuation of receivables	0	0
	valuation of long-term contracts	0	799
	fixed assets and intangible assets	670	699
	Other	173	34
3.	**Decreases**	**1,532**	**795**
a)	recognized in the income statement for the period due to positive temporary differences	1,532	795
4.	**Deferred tax liabilities at the end of the period, total**	**843**	**1,532**
a)	recognized in the income statement	843	1,532
	valuation of receivables	0	0
	valuation of long-term contracts	0	799
	fixed assets and intangible assets	670	699
	Other	173	34
b)	recognized in equity	0	0
c)	recognized in goodwill	0	0

2.9. Other long-term non-financial assets

			In thousands of PLN
		31.12.2023	31.12.2022
a)	**prepaid expenses, including:**	**1,044**	**830**
	Insurance	1,044	762
	Other	0	68
b)	**other accruals**	**90**	**644**

Total other accruals	**1,134**	**1,474**

2.10. Inventories

		In thousands of PLN
	31.12.2023	31.12.2022
a) Materials	1,242	1,494
b) semi-finished products and work in progress	1,634	1,864
c) finished products	0	0
d) Goods	0	0
e) advances for deliveries	0	0
Total inventory	**2,876**	**3,358**
Inventory write-downs	2,944	3,110
Total gross inventory	**5,820**	**6,468**

Change in inventory write-downs

		In thousands of PLN
	31.12.2023	31.12.2022
Balance at the beginning of the period	3,110	659
a) Increases	21	2,471
b) Utilization	0	0
c) Reversal	187	20
Balance of inventory write-downs at the end of the period, including:	**2,944**	**3,110**
Materials	2,944	3,110

In 2023, the Company recognized an inventory write-down of 21 thousand PLN. Additionally, write-downs totaling 187 thousand PLN were released.

2.11. Trade receivables and other receivables

Trade and other receivables

		In thousands of PLN
	31.12.2023	31.12.2022
- from related entities	102	1,517
- receivables from other entities	165,368	91,690
- prepaid expenses	1,687	1,447
Net trade and other receivables, total	**167,157**	**94,654**

Short-term receivables

			In thousands of PLN
		31.12.2023	31.12.2022
a)	**from related entities**	**102**	**1,517**
-	**Trade receivables, with payment terms:**	**102**	**0**
-	up to 12 months	102	0
-	over 12 months	0	0
-	other receivables	0	1,517
b)	**from other entities**	**165,368**	**91,690**
	Financial assets (IFRS 9)	**159,962**	**84,652**
-	Trade receivables, with payment terms:	159,962	84,652
	up to 12 months	158,578	83,417
	over 12 months	1,384	1,235
	Financial assets (excluding IFRS 9)	**5,406**	**7,038**
-	**Corporate income tax receivables**	**0**	**0**
-	**Other receivables, including:**	**5,406**	**7,038**
	taxes, grants, customs duties, social security and health insurance, and other benefits	3,680	5,765
	surplus of Social Fund (ZFSŚ)	0	0
	Other	1,726	1,273
Net short-term receivables, total		**165,470**	**93,207**
c)	**Impairment write-downs of receivables**	**6,512**	**5,214**
Gross short-term receivables, total		**171,982**	**98,421**

Gross short-term receivables (currency structure converted to PLN)

			In thousands of PLN
		31.12.2023	31.12.2022
a)	**in Polish currency**	**170,873**	**98,421**
b)	**in foreign currencies (by currency and converted to PLN)**	**1,109**	**0**
	PLN	920	0
	EUR	209	0
	PLN	189	0
	USD	47	0
Total short-term receivables		**171,982**	**98,421**

Change in impairment write-downs of short-term receivables

	31.12.2023	In thousands of PLN 31.12.2022
Balance at the beginning of the period	5,214	6,179
a) Increases (from)	**1,539**	**70**
impairment write-downs on receivables	1,539	70
b) Decreases (from)	**241**	**1,035**
reversals of write-downs after receivable repayment	76	941
write-offs of uncollectible receivables	165	94
Balance of impairment write-downs of short-term receivables at the end of the period	**6,512**	**5,214**

Trade Receivables (gross) - remaining payment term from the balance sheet date

	31.12.2023	In thousands of PLN 31.12.2022
a) up to 1 month	30,406	48,211
b) over 1 month to 3 months	108,430	25,002
c) over 3 months to 6 months	13,774	31
d) over 6 months to 1 year	195	221
e) over 1 year	1,741	1,632
f) overdue receivables	11,060	14,576
Total trade receivables (gross)	**165,606**	**89,673**
g) impairment write-downs of trade receivables	5,542	5,021
Total trade receivables (net)"	**160,064**	**84,652**

Overdue trade receivables (gross) - categorized by the overdue period

	31.12.2023	In thousands of PLN 31.12.2022
a) up to 1 month	3,314	8,459
b) over 1 month to 3 months	82	8
c) over 3 months to 6 months	0	3
d) over 6 months to 1 year	1,626	0
e) over 1 year	6,038	6,106
Total overdue trade receivables (gross)	**11,060**	**14,576**
f) Impairment write-downs of overdue trade receivables	5,261	4,619
Total overdue trade receivables (net))	**5,799**	**9,957**

2.12. Assets and liabilities from contracts

Settlement of contract assets for ongoing contracts under IFRS 15

		In thousands of PLN
	31.12.2023	31.12.2022
Services in progress - valuation of the transaction price allocated to obligations not fulfilled as of December 31, 2022	57,645	13,552
Services in progress - valuation of the transaction price allocated to obligations not fulfilled as of December 31, 2023	21,305	57,645
Impact on revenue for the current reporting period	**-36,340**	**44,093**
Capitalized costs related to contracts in progress as of December 31, 2022	53,442	16,625
Capitalized costs related to contracts in progress as of December 31, 2023	34,120	53,442
Impact on the cost of production for the current reporting period	**-19,322**	**36,817**
Net impact on financial results	**-17,018**	**7,276**

Contract assets represent estimated revenue from construction and installation contracts as of December 31, 2023.

Additional Information on Ongoing Contracts under IFRS 15

		In thousands of PLN
	31.12.2023	31.12.2022
Estimated amount of receivables from contracts in progress	21,305	57,645
Estimated amount of liabilities from contracts in progress	34,120	53,442
Amount of retained deposits and performance guarantees for completed work	3,254	2,625
Amount of advances received for the performance of deliveries and services	4,721	42,781

Contract liabilities

	31.12.2023	31.12.2022 In thousands of PLN
Advances received for deliveries	4,721	42,781
Total contract liabilities	**4,721**	**42,781**

2.13. Cash and cash equivalents

		31.12.2023	In thousands of PLN 31.12.2022
	Cash and other financial assets	**31,991**	**54,652**
-	cash on hand and in bank accounts	31,991	54,652
-	other financial assets	0	0
Total short-term financial assets		**31,991**	**54,652**

Restricted cash as of December 31, 2023, totals 13,196 thousand PLN.

Cash and other financial assets (currency structure)

		31.12.2023	In thousands of PLN 31.12.2022
a)	**in Polish currency**	**30,646**	**46,684**
b)	**in foreign currencies (by currency and converted to PLN)**	**1,345**	**7,968**
	EUR	257	826
	PLN	1,116	3,875
	CZK	1	1
	PLN	0	0
	USD	54	926
	PLN	214	4,077
	GBP	3	3
	PLN	15	16
Total cash and other financial assets		**31,991**	**54,652**

2.14. Non-current assets held for sale

		31.12.2023	In thousands of PLN 31.12.2022
a)	initial value at the beginning of the period	1,872	0
b)	increases (from)	0	1,872
	reclassification to assets held for sale	0	1,872
c)	decreases (from)	1,872	0
	Revaluation	1,872	0
Non-current assets held for sale at the end of the period		**0**	**1,872**

Non-current assets held for sale pertain to the shares of the subsidiary ZEUS S.A.

2.15. Equity

Primary capital

	Item description	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023
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 shares	Bearer shares	Bearer shares	Bearer shares	Bearer shares	Bearer shares	Bearer shares
d)	Type of share privileges	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary
e)	Type of share rights restrictions							
f)	Number of shares in thousands	5,206	794	91	74	111	24	3,683
g)	Value of series/issue based on nominal value in thousands of PLN	5,206	794	91	74	111	24	3,683
h)	Capital coverage method	cash	cash	cash	cash	cash	cash	cash
i)	Registration date	30-11-1998	18-10-2006	27-02-2009	16-03-2010	28-02-2011	11-04-2013	11-05-2007
j)	Right to dividends (from date)	01-01-1999	01-01-2006	01-01-2009	01-01-2010	01-01-2011	01-01-2013	01-01-2007
Total share capital in thousands of PLN								**9,983**

Excess of the issue price over the nominal value of shares

			in thousands of PLN
		31.12.2023	31.12.2022
a)	From the sale of shares above their nominal value	44,522	44,522
Reserve capital, total		**44,522**	**44,522**

Other equity

			in thousands of PLN
		31.12.2023	31.12.2022
a)	from the revaluation of fixed assets	277	277
b)	from gains/losses on the valuation of financial instruments, including:	0	0
-	from the valuation of hedging instruments	0	0
c)	from deferred tax	0	0
d)	foreign exchange differences from the translation of foreign branches	0	0
e)	other	-429	-287
Total capital from valuation adjustments		**-152**	**-10**

Retained earnings and net profit

		in thousands of PLN
	31.12.2023	31.12.2022
- Other reserve capital	40,336	32,225

- Profit (loss) from previous years	-18,309	-18,309
- Net profit (loss)	40,737	23,086
Retained earnings, total	**62,764**	**37,002**

2.16. Reserves

Change in the state of other long-term reserves (by titles)

			in thousands of PLN
		31.12.2023	31.12.2022
a)	**Balance at the beginning of the period**	**2,459**	**2,381**
	Warranty repair reserves	2,098	2,120
	Employee benefits reserve	361	261
	Contractual penalties reserves	0	0
	Other reserves	0	0
b)	**Increases (from)**	**11,097**	**207**
	Warranty repair reserves	10,989	107
	Employee benefits reserve	108	100
	Contractual penalties reserves	0	0
	Other reserves	0	0
c)	**Utilization (from)**	**0**	**0**
	Warranty repair reserves	0	0
	Employee benefits reserve	0	0
	Contractual penalties reserves	0	0
	Other reserves	0	0
d)	**Termination (from)**	**852**	**129**
	Warranty repair reserves	852	129
	Employee benefits reserve	0	0
	Contractual penalties reserves	0	0
	Other reserves	0	0
e)	**Balance at the end of the period**	**12,704**	**2,459**
	Warranty repair reserves	12,235	2,098
	Employee benefits reserve	469	361
	Contractual penalties reserves	0	0
	Other reserves	0	0

Change in the state of other short-term reserves (by titles)

			in thousands of PLN
		31.12.2023	31.12.2022
a)	**Balance at the beginning of the period**	**16,786**	**7,266**
	Warranty repair reserves	955	879
	Employee benefits reserve	8,557	2,511
	Contractual penalties reserves	7,274	3,876
	Other reserves	0	0
b)	**Increases (from)**	**11,339**	**13,713**
	Warranty repair reserves	425	954
	Employee benefits reserve	8,684	7,883
	Contractual penalties reserves	2,101	4,876

	Other reserves	129	0
c)	**Utilization (from)**	**0**	**0**
	Warranty repair reserves	0	0
	Employee benefits reserve	0	0
	Contractual penalties reserves	0	0
	Other reserves	0	0
d)	**Termination (from)**	**8,586**	**4,193**
	Warranty repair reserves	260	878
	Employee benefits reserve	8,176	1,837
	Contractual penalties reserves	150	1,478
	Other reserves	0	0
e)	**Balance at the end of the period**	**19,539**	**16,786**
	Warranty repair reserves	1,120	955
	Employee benefits reserve	9,065	8,557
	Contractual penalties reserves	9,225	7,274
	Other reserves	129	0

2.17. Liabilities from trade payables and other liabilities

			in thousands of PLN
		31.12.2023	31.12.2022
	Financial liabilities (IFRS 9)	**69,372**	**70,468**
-	to related entities	522	3,255
-	delivery and service liabilities	68,465	66,961
-	liabilities for the purchase of fixed assets	385	252
	Financial liabilities (excluding IFRS 9)	**24,262**	**5,698**
-	taxes, customs duties, insurance, and other benefits	21,250	3,346
-	from salaries	2,849	2,248
-	Other	163	104
-	short-term accrued liabilities	0	0
Liabilities from deliveries and services and other liabilities, total		**93,634**	**76,166**

Liabilities from supplies and services (gross) - pre-due and overdue

			in thousands of PLN
		31.12.2023	31.12.2022
a)	**Liabilities pre-due**	**64,449**	**61,644**
b)	**Overdue liabilities**	**4,538**	**8,572**
	up to 1 month	4,205	3,557
	over 1 month to 3 months	305	4,962
	over 3 months to 6 months	11	5
	over 6 months to 1 year	13	32
	over 1 year	4	16

Total liabilities from supplies and services (gross)	**68,987**	**70,216**

2.18. Lease obligations

			in thousands of PLN
		31.12.2023	31.12.2022
a)	Short-term liabilities	3,047	2,518
b)	Long-term liabilities	2,773	3,524
Leasing, rental, and similar agreements obligations, total		**5,820**	**6,042**

Additional information regarding leases (IFRS 16)

he company does not recognize liabilities for short-term leases or leases for which the underlying asset is of low value. Additionally, the value of lease liabilities does not include variable lease payments that depend on factors other than an index or rate.

			in thousands of PLN
		31.12.2023	31.12.2022
a)	lease interest	**798**	**585**
b)	cost of short-term leases and low-value asset leases	**289**	**178**
c)	lease payments (principal repayment)	**2,925**	**2,716**
Total		**4,012**	**3,479**

2.19. Revenue from sales

Net income from sales of products (structural breakdown- types of activity)

		in thousands of PLN
	01.01.-31.12.2023	01.01.-31.12.2022
Installation Segment	160,646	269,380
Network Segment	371,563	158,864
Automation Segment	0	0
Total net sales revenue from products	**532,209**	**428,244**

Net sales revenue of products (geographical structure)

			in thousands of PLN
		01.01.-31.12.2023	01.01.-31.12.2022
a)	Country	532,209	428,244
b)	Export	0	0
Net sales revenue of products, total		**532,209**	**428,244**

Net sales revenue of goods and materials (by item structure)

	01.01.-31.12.2023	in thousands of PLN 01.01.-31.12.2023
Sales of materials	37	0
Net sales revenue of goods and materials, total	**37**	**0**

Net sales revenue of goods and materials (geographical structure)

	01.01.-31.12.2023	in thousands of PLN 01.01.-31.12.2022
Country	37	0
Net sales revenue of goods and materials, total	**37**	**0**

Territorial structure of sales of ELEKTROTIM Capital Company in 2023

The company presents revenue from external customers by individual voivodeships. ELEKTROTIM does not present revenue from external customers by individual countries. In the company's view, assigning aggregated revenue to individual voivodeships accurately reflects the revenue structure for regional distribution.

A crucial revenue category that is thoroughly analyzed before entering into contracts is the payment term. Due to the typically extended return periods in construction, the Company aims to keep this term within 30 days, as is the case with most agreements. However, in contracts with PGE Energetyka Kolejowa S.A., the terms extend to 60 days. Further details regarding specific procedures (in contractor selection) can be found in the section addressing credit risk management.

Another crucial category analyzed by the Company is the market sales structure. In line with the implementation of ELEKTROTIM S.A.'s new strategy for the years 2023-2025, ELEKTROTIM S.A. conducted a review of the Company's operating markets, defining 5 markets serviced by the Company.

ELEKTROTIM S.A. distinguishes 5 market segments (differentiated according to customer and product criteria):

- Industrial - infrastructure for industrial plants
- Energy - energy generation, transmission, and distribution
- Local governments - road infrastructure, urban infrastructure, traffic engineering, municipal infrastructure
- Defense ministries - military, security services, border protection, airports
- Traction - power supply infrastructure for railway and urban traction

The market sales structure of ELEKTROTIM S.A.

Market segment	Share (%)	
	2023	2022
Energy	36	25
Defense Ministries	24	51
Traction	15	0
Industrial	14	7
Local governments	11	17
SUMMARY	**100**	**100**

The territorial sales structure of the ELEKTROTIM Capital Group by voivodeships

Voivodeship	Share %
Lower Silesian Voivodeship	34
Podlaskie Voivodeship	21
Łódź Voivodeship	16
Masovian Voivodeship	11
Lubusz Voivodeship	6
Greater Poland Voivodeship	2
Kuyavian-Pomeranian Voivodeship	2
Lublin Voivodeship	2
Other	5
SUMMARY	**100**

2.20. Cost of goods sold

		in thousands of PLN
	01.01.-31.12.2023	01.01.-31.12.2022
a) Depreciation	3,644	3,547
b) Consumption of materials and energy	180,675	179,363
c) External services	217,787	157,311
d) Taxes and fees	624	511
e) Salaries	44,338	35,057
f) Social insurance and other benefits	8,600	6,951
g) Other specific costs	5,416	4,809
Total costs by type	**461,084**	**387,549**
Change in inventory of goods, products, and accruals	10,591	5,403
Cost of products manufactured for internal use (negative value)	0	0
Costs of sale (negative value)	-7,834	-7,886
General administrative costs (negative value)	-10,551	-9,598
Cost of goods sold	**453,356**	**375,468**

2.21. Other operating revenues and costs

Other operating revenues

		in thousands of PLN
	01.01.-31.12.2023	01.01.-31.12.2022
- Profit from the disposal of non-financial fixed assets	200	17
- Subsidies	0	0
- Other operating revenues	1,908	2,524
Total other operating revenues	**2,108**	**2,541**

Other operating revenues

			in thousands of PLN
		01.01.-31.12.2023	01.01.-31.12.2022
a)	**Resolved provisions (from)**	**0**	**1,477**
	Estimated contract losses	0	1,477
	Other operating expenses	0	0
b)	**Others, including:**	**1,908**	**1,047**
	Resale of services	522	499
	Resolved updating allowances	951	87
	Received compensations	255	200
	Others	180	261
Total other operating income		**1,908**	**2,524**

Other operating costs

		in thousands of PLN
	01.01.-31.12.2023	01.01.-31.12.2022
- Loss on disposal of non-financial fixed assets	0	0
- Revaluation of non-financial assets	296	2,481
- Other operating costs	4,626	6,797
Total other operating costs	**4,922**	**9,278**

Other operating costs

			in thousands of PLN
		01.01.-31.12.2023	01.01.-31.12.2022
a)	**Provisions created (for)**	**2,101**	**4,875**
	Others, including expected contract losses	2,101	4,875
b)	**Others, including:**	**2,525**	**1,922**
	Write-off of receivables	2	0
	Costs of resold services	106	76
	Damages from traffic incidents	36	198
	Legal costs	129	236
	Donations	7	3
	Contractual penalties and compensations	1,754	1,047
	Other costs	491	362
Total other operating costs		**4,626**	**6,797**

Profit (loss) from expected credit losses

	01.01.-31.12.2023	in thousands of PLN 01.01.-31.12.2022
- Reversal of allowances for updating receivables	241	1,035
- Creation of an allowance for updating receivables	-1,539	-70
- Creation of an allowance for updating receivables for loans	-2,500	0
Other operating expenses, total	**-3,798**	**965**

2.22. Financial income and costs

Financial income

	01.01.-31.12.2023	in thousands of PLN 01.01.-31.12.2022
- Dividends and profit shares	2,050	2,160
- Interest	1,110	607
- Gain on sale of investments	0	2,552
- Fair value adjustments of investments	0	0
- Others	365	1,083
Total financial income	**3,525**	**6,402**

Financial income from dividends and profit shares

	01.01.-31.12.2023	in thousands of PLN 01.01.-31.12.2022
a) from associated entities, including:	**2,050**	**2,160**
- From subsidiaries	2,050	2,160
b) from other entities	**0**	**0**
Total financial income from dividends and profit shares	**2,050**	**2,160**

Financial income from interest

	01.01.-31.12.2023	in thousands of PLN 01.01.-31.12.2022
a) from loans granted	**0**	**0**
b) other interests	**1,110**	**607**
- other entities	1,110	607
Total financial income from interest	**1,110**	**607**

Other financial income

	01.01.-31.12.2023	in thousands of PLN 01.01.-31.12.2022
a) Surplus of positive exchange rate differences over negative	**239**	**1,069**
- Realized	239	989
- Unrealized	0	80

b)	**resolved reserves**	**0**	**0**
c)	**Other**	**126**	**14**
Other financial income, total		**365**	**1,083**

Financial costs

		01.01.-31.12.2023	in thousands of PLN 01.01.-31.12.2022
-	Interests	3,035	1,167
-	Loss from disposal of investments	0	0
-	Revaluation of investments	1,872	4,040
-	Other	0	197
Total financial costs		**4,907**	**5,404**

Financial costs from interest

		01.01.-31.12.2023	in thousands of PLN 01.01.-31.12.2022
a)	**from credits and loans**	**0**	**0**
b)	**other interests:**	**3,035**	**1,167**
-	for other entities	3,035	1,167
Financial expenses from interest, total		**3,035**	**1,167**

Other financial costs

		01.01.-31.12.2023	in thousands of PLN 01.01.-31.12.2022
a)	**Excess of negative exchange rate differences over positive ones, including:**	**0**	**135**
-	Realized	0	125
-	Unrealized	0	10
b)	**Created provisions**	**0**	**0**
c)	**Other, including:**	**0**	**62**
-	Discount on receivables	0	0
-	Other	0	62
Other financial expenses, total		**0**	**197**

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

In 2022, shares of the subsidiary company Procom System S.A. were sold, resulting in a gain on disposal of investments amounting to 2,552 thousand PLN.
The sale of shares was preceded by a dividend payout from Procom to ELEKTROTIM in the amount of 2,160 thousand PLN.

2.24. Impairment of goodwill of subsidiaries

As of December 31, 2023, the Management of ELEKTORTIM S.A. subjected cash-generating units, to which the goodwill was assigned, to impairment tests by comparing the carrying amount of the unit, including the goodwill, with its recoverable amount, assuming the following assumptions: cash flow forecasting period - 5 years, growth rate after the forecast period - 3%, discount rate - 11%, and concluded that there was an impairment of the value of ZEUS S.A. shares. As a result, an impairment charge of PLN 1,872,000 was recognized. However, there was no impairment of the value of the Power Substation Plant within the Network Division, the Airport Services Plant within the Special Division, and other subsidiaries of ELEKTROTIM S.A.

2.25. Income tax

Effective tax rate

		in thousands of PLN
	01.01.-31.12.2023	01.01.-31.12.2022
Profit before taxation	**52,511**	**30,517**
Tax rate applied by the Company	19%	19%
Income tax at the Company's national rate	9,977	5,798
Tax charge/credit	11,774	7,431
Effective tax rate	**22%**	**24%**

Tax expense on profit before tax of the Company differs from the theoretical amount obtained using the weighted average tax rate.

Current income tax

			in thousands of PLN
		01.01.-31.12.2023	01.01.-31.12.2022
1.	**Gross profit (loss)**	**52,511**	**30,517**
2.	**Consolidation adjustments**	**-**	**-**
3.	**Differences between gross profit (loss) and taxable income (by titles)**	**37,060**	**9,190**
	Long-term contract valuation	36,340	-44,093
	Grants recognized over time, dividends	- 2,050	-2,160
	Release of valuation adjustments	- 1,410	- 2,598
	Valuation and write-off of interest and exchange rate differences	121	-60
	Non-taxable depreciation	2,851	2,827
	Long-term contract valuation	- 19,322	36,817
	Social Security contributions deferral	-	-
	Long-term receivables discount	-	-
	Establishment and release of provisions	13,006	10,958
	Updating allowances	5,881	4,096
	Contributions to PFRON (National Disabled Persons Rehabilitation Fund)	498	433
	Donations	4	3
	Representation costs	267	239
	Other	874	2,728
	Tax losses	-	-
4.	**Taxable income base**	**89,571**	**39,707**
5.	**Income tax at a rate of 19%**	**17,018**	**7,544**
6.	**Increases, omissions, exemptions, deductions, and reductions of tax**	**0**	**0**
7.	**Current income tax recognized (reported) in the tax return for the period, including:**	**17,018**	**7,544**

- Reported in the profit and loss account	17,018	7,544

Deferred tax, shown in the income statement

		In thousands of PLN
	01.01.-31.12.2023	01.01.-31.12.2022
- Decrease (increase) due to the creation and reversal of temporary differences	-5,244	-113
Total deferred tax	**- 5,244**	**-113**

2.26. Profit (loss) from discontinued operations

In the reporting period and comparable data, no type of business activity was discontinued, and no such discontinuation is planned in the next period.

2.27. Information on financial instruments

During the reporting period, the Company acquired and disposed of assets held for trading, understood as financial assets acquired to gain economic benefits from short-term price changes and fluctuations in other market factors over a period not exceeding 3 months (excluding hedging instruments). The Company also established hedging deposits for periods longer than 12 months.

		In thousands of PLN
	31.12.2023	31.12.2022
a) Deposits exceeding 12 months	1,328	2,394
b) Loans granted	0	0

Liabilities from loans

		In thousands of PLN
	31.12.2023	31.12.2022
a) long-term loans	0	0
b) short-term loans	0	0

In 2023, ELEKTROTIM made an impairment provision of 2,500,000 PLN on the loan granted to its subsidiary ZEUS due to the submission of a bankruptcy petition. Consequently, the value of loans granted at the end of the period amounts to 0.

Derivative instruments
The company utilizes derivative transactions to hedge existing currency payments.
As of December 31, 2023, there were no forward transactions.

Reclassification of financial assets
In the period covered by the individual financial statements, there were no reclassifications of financial assets.

Financial risk management objectives
The risks faced by the Company include market risk (including currency risk, fair value interest rate risk, and price risk), as well as credit risk, liquidity risk, and interest rate risk on cash flows.

The Company aims to minimize the impact of various types of risk by employing ongoing monitoring and diversification of financial instruments.

Market risk
ELEKTROTIM's operations expose it to financial risks arising from changes in interest rates and currency exchange rates.

Currency risk management
The Company engages in transactions in foreign currencies, which exposes it to the risk of currency fluctuations. The carrying amount of the Company's monetary assets and liabilities denominated in foreign currencies as of the balance sheet date is presented in the notes below.

Sensitivity to currency risk
Most transactions are conducted in PLN. The Company is primarily exposed to risks associated with the EUR and USD currencies.

The Company's financial assets and liabilities, other than derivative instruments, expressed in foreign currencies and converted to PLN using the closing exchange rate as of the balance sheet date are as follows:

Item description	Value expressed in currency:					Value after conversion (in thousands of PLN)
	EUR	USD	GBP	CHF	other	
			Balance as of 31.12.2023			
Financial assets (+):						
Loans	0	0	0	0	0	0
Trade and other receivables and	**209**	**47**	**0**	**0**	**0**	**1,109**
Other financial receivables	0	0	0	0	0	0
Other financial assets	0	0	0	0	0	0
Cash and cash equivalents	**257**	**54**	**3**	**0**	**1**	**1,345**
Financial liabilities (-):	0	0	0	0	0	0
Loans, credits, and other debt instruments	0	0	0	0	0	0
Lease liabilities	0	0	0	0	0	0
Trade and other payables and	**395**	**0**	**0**	**0**	**0**	**1,742**
Other financial liabilities	0	0	0	0	0	0
Total currency risk exposure	**861**	**101**	**3**	**0**	**1**	**4,196**
			Balance as of 31.12.2022			
Financial assets (+):						
Loans	0	0	0	0	0	0
Trade and other receivables and	**0**	**0**	**0**	**0**	**0**	**0**
Other financial receivables	0	0	0	0	0	0
Other financial assets	0	0	0	0	0	0
Cash and cash equivalents	**826**	**926**	**3**	**0**	**1**	**7,968**
Financial liabilities (-):	0	0	0	0	0	0
Loans, credits, and other debt instruments	0	0	0	0	0	0

Lease liabilities	0	0	0	0	0	0
Trade and other payables and	**671**	**296**	**0**	**0**	**0**	**4,459**
Other financial liabilities	0	0	0	0	0	0
Total currency risk exposure	**1,497**	**1,222**	**3**	**0**	**1**	**12,427**

Item description	**Value expressed in currency:**			**Value after conversion (in thousands of PLN)**
	EUR	USD	GBP	
		Balance as of 31.12.2023		
Derivative financial instruments	0	0	0	0
Financial assets (+)				
Financial liabilities (-)				
Total currency risk exposure	**0**	**0**	**0**	**0**
		Balance as of 31.12.2022		
Derivative financial instruments	0	0	0	0
Financial assets (+)				
Financial liabilities (-)				
Total currency risk exposure	**0**	**0**	**0**	**0**

Below is an analysis of the sensitivity of the financial result and equity in relation to the Company's financial assets and liabilities, as well as fluctuations in the EUR to PLN and USD to PLN exchange rates.

The sensitivity analysis assumes a 5% increase or decrease in the EUR/PLN and USD/PLN exchange rates relative to the closing rate as of the balance sheet date, i.e., December 31, 2023.

Item description	**Exchange rate fluctuations:**	**Impact on financial result:**			**Impact on equity:**		
		EUR	**USD**	**total**	**EUR**	**USD**	**total**
				Balance as of 31.12.2023			
Increase in exchange rate	5%	189	20	209	189	20	209
Decrease in exchange rate	- 5%	-189	-20	-209	-189	-20	-209
				Balance as of 31.12.2022			
Increase in exchange rate	5%	351	270	621	351	270	621
Decrease in exchange rate	- 5%	-351	-270	- 621	-351	-270	-621

Exposure to currency risk changes throughout the year depending on the volume of transactions conducted in foreign currencies. Therefore, the above sensitivity analysis can be considered an estimate of the Company's exposure to currency risk as of the balance sheet date, determined by the scale of the analyzed change. As of December 31, 2023, the risk is insignificant 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 levels.
Interest rate risk management focuses on minimizing fluctuations in interest cash flows from financial assets and liabilities with variable interest rates.

The Company is exposed to interest rate risk in relation to the following categories of financial assets and liabilities:

- bt securities,
- Loans, other debt instruments.

Below is an analysis of the sensitivity of the financial result and other comprehensive income in relation to potential interest rate fluctuations. The calculation is based on a change in the average interest rate applicable during the period by (+/-) 1 percentage point (based on the volatility of WIBOR 3M over the last 5 years) and in relation to financial assets and liabilities sensitive to interest rate changes, i.e., those with variable interest rates.

Item description	31.12.2023			31.12.2022	
	Interest rate fluctuations	Impact on financial result	Impact on equity	Impact on financial result	Impact on equity
Increase in interest rate	1%	421	421	314	314
Decrease in interest rate	-1%	-421	-421	-314	-314

Due to the small proportion of variable interest rate financial instruments, ELEKTROTIM does not perform sensitivity analysis on interest rate changes, as it considers such risk to be insignificant for the Company.

Credit risk management

The primary practice of the Company in credit risk management is to engage in transactions exclusively with entities that have confirmed credibility. Potential customers are subjected to verification procedures by the parent company and Group companies before a trade credit limit is assigned. Ongoing monitoring of the level of trade receivables by customer helps to reduce the credit risk associated with these assets. Accordingly, the Company categorizes contractors who organize tenders based on the Public Procurement Law and central and local government budgetary units as financially reliable. For regular partners, financial credibility categories are assigned based on credit limits granted by the insurer under a receivables insurance policy. Financial credibility ratings provided by reputable rating agencies are also used. If the above criteria are not met, the Company requests collateral in the form of advances, partial prepayments for services, or bank guarantees. When ELEKTROTIM works for a general contractor, the Company secures its receivables with the investor by registering them, in accordance with Article 647 of the Civil Code. This customer credibility assessment aims to build a reliable receivables portfolio. The Company has developed a model to estimate expected losses from the receivables portfolio and contract assets.

Credit risk is the risk of ELEKTROTIM incurring financial losses due to a customer or counterparty to a financial instrument failing to meet their 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:

Item description	31.12.2023	31.12.2022
Loans	0	0
Trade and other receivables	167,157	94,654
Derivative financial instruments	0	0
Debt securities	0	0
Investment fund units	0	0
Other classes of financial assets	0	0
Cash and cash equivalents	31,991	54,652
Contingent liabilities	259	294
Contract assets	21,305	57,645

Credit risk is primarily associated with the Company's receivables from customers and financial investments. The main customers of ELEKTROTIM are commercial law companies, including state-owned enterprises. Credit risk is minimized through a trade receivables insurance agreement with Atradius Credit Insurance NV S.A., Polish Branch.
To mitigate credit risk on receivables, the Company adheres to the principle of entering into transactions only with counterparties with proven creditworthiness and enforces a strict policy on granting credit limits.
The Company continuously monitors customer and creditor payment delays, analyzing credit risk. In the opinion of the Company's Management Board, the above financial assets that are neither overdue nor impaired as of the respective balance sheet dates can be considered to be of good credit quality. The exposure to credit risk in terms of overdue payments and the aging structure of overdue receivables not covered by impairment is presented in the table below.

Trade receivables gross as of 31-12-2023

Item description	Write-downs on receivables	Receivables	Write-downs as a %
a) not overdue	283	154,546	0.18%
b) overdue up to 1 month	53	3,314	1.60%
c) overdue over 1 month up to 3 months	0	82	0.00%
d) overdue over 3 months up to 6 months	0	0	0.00%
e) overdue over 6 months up to 1 year	656	1,626	40.34%
f) overdue over 1 year	4,550	6,038	75.36%
Total	**5,542**	**165,606**	**3.35%**
g) write-downs on trade receivables	5,542	5,542	
Total	**0**	**160,064**	

Trade receivables gross as of 31-12-2022

Item description	Write-downs on receivables	Receivables	Write-downs as a %
a) not overdue	396	75,097	0.53%
b) overdue up to 1 month	6	8,459	0.07%
c) overdue over 1 month up to 3 months	0	8	0.00%
d) overdue over 3 months up to 6 months	0	3	0.00%
e) overdue over 6 months up to 1 year	0	0	0.00%
f) overdue over 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**	

The analysis of receivables by aging structure presented in Note 2.11 indicates that most receivables fall into two age brackets: those with a payment due period of up to 1 month (18%) and over 1 month up to 3 months (65%) in 2023. Receivables with a payment term of up to one month and between 1 and 3 months do not create credit risk due to the fact that they are within the payment term. Their collection is continuously monitored by the collection department and the Financial Risk Committee to ensure that appropriate safeguarding procedures, such as demanding guarantees or requesting payment from a reliable investor, are implemented in cases where the Company works for a general contractor.
The next significant group of receivables consists of overdue receivables, which account for 7% of gross receivables. Within this group, the largest category is receivables overdue by more than 1 year, representing 4% of total gross receivables.
Based on historical analysis of payment delays and ultimately lost receivables, ELEKTROTIM has concluded that a significant increase in credit risk occurs when payments are more than 90 days overdue relative to the original due date, leading to a failure by the counterparty to fulfill their obligations. In such cases, regardless of the estimated future risk, the Company covers these receivables with a 100% write-down.

With regard to trade receivables, the Company is not exposed to credit risk associated with a single significant customer or a group of customers with similar characteristics. Based on historically observed payment delay trends, overdue receivables that are not covered by write-downs 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 creditworthiness of the counterparties. Cash and cash equivalents are deposited with financial institutions with high financial reliability, primarily banks.
For granted loans, the Company considers them to have low credit risk, provided they are not overdue as of the assessment date and the borrower has confirmed the outstanding balance.

The carrying amount of financial assets reported in the individual financial statements, after accounting for impairment losses, represents the Company's maximum exposure to credit risk.

The Company has not engaged in negotiations or made adjustments due to a significant increase in credit risk, nor has it altered payment terms or made other modifications affecting the expected cash flows from its receivables and contract assets.

Liquidity risk management

The Company is exposed to liquidity risk, i.e., the risk of being unable to meet its financial obligations on time. ELEKTROTIM manages liquidity risk by monitoring payment deadlines and cash flow needs for short-term payments (with current transactions monitored on a weekly basis) and long-term cash requirements based on cash flow forecasts updated every two months. Cash needs are compared with available funding sources (including an assessment of the ability to obtain financing through loans and the possibility of receiving advances for services) and are contrasted with liquid investments and the balance of available financial resources.
The responsibility for liquidity risk management rests with the Management Board, which has developed an appropriate system to manage this risk for the Company's short-, medium-, and long-term fund management needs and to meet liquidity management requirements. The Company manages liquidity risk by utilizing banking services and reserve credit lines, continuously monitoring forecasted and actual cash flows, adjusting the maturity profiles of financial assets and liabilities, and obtaining advances for services rendered.

Trade payables (gross) - before due date and overdue

		31.12.2023	31.12.2022
			In thousands of PLN
a)	**Liabilities before due date**	**64,449**	**61,644**
b)	**Overdue liabilities**	**4,538**	**8,572**
	Up to 1 month	4,205	3,557
	Over 1 month up to 3 months	305	4,962
	Over 3 months up to 6 months	11	5
	Over 6 months up to 1 year	13	32
	Over 1 year	4	16
Total trade payables (gross)		**68,987**	**70,216**

Capital risk management

The Company manages its capital to ensure that its entities are able to continue as a going concern while maximizing profitability for shareholders through the optimization of the debt-to-equity ratio. In 2023, considering the dynamically changing market conditions, the Company's Management Board developed and implemented "ELEKTROTIM S.A. Strategy for 2023-2025." This strategy is focused on long-term, stable, and sustainable development to ensure the growth of the Company's value.

In its operations, the Company utilizes financial products such as working capital loans, bid bonds, and performance bonds.

2.28. Data on off-balance sheet positions, especially contingent liabilities

A contingent liability is understood as a possible obligation 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 wholly within the control of the entity.

The Company's guarantee lines and their utilization

As of December 31, 2023, the Company has a total limit for bid bonds, performance bonds, warranty and indemnity bonds, and advance payment guarantees amounting to PLN 220,400 thousand and EUR 6,000 thousand. As of December 31, 2023, the utilized amounts are PLN 84,640 thousand and EUR 3,190 thousand.

The ELEKTROTIM S.A. Management Board entered into an agreement with shareholders of ZEUS S.A to purchase up to 165,000 shares of ZEUS S.A. within the period from January 1, 2015, to December 31, 2025, at an acquisition price determined based on an income formula (profit per share calculated as the multi-year average results of the company). In 2018, 78,000 shares of ZEUS S.A were purchased. There are 87,000 shares remaining to be purchased.

At the request of ELEKTROTIM, the bank issued a performance bond guarantee up to the amount of PLN 259,000 for the subsidiary company, with the beneficiary being the subsidiary's contractor. The guarantee is valid until February 15, 2025.

2.29. Method of calculating book value per share and diluted book value per share

The book value per share is the quotient of the book value, which is the difference between the total assets and the company's liabilities, and the number of shares.

Diluted book value per share is the quotient of the book value and the number of common shares increased by the potential number of shares to be issued, to which the entity is committed.

Detailed values of the indicator for the years 2023 and 2022 are presented in the table below.

Item description	31.12.2023	31.12.2022
Book value	117,117	91,497
Number of shares	9,983,009	9,983,009
Book value per share (in PLN)	11.73	9.17
Diluted number of shares	9,983,009	9,983,009
Diluted book value per share (in PLN)	11.73	9.17

2.30. Method of calculating profit (loss) per common share and diluted profit (loss) per common share

Profit per common share is the quotient of net profit from the income statement for a given period and the weighted average number of common shares for that period. The weighted average number of common shares is calculated as the quotient of the sum of the number of shares at the end of each month of the period and the number of months in that period.

Diluted profit per common share is the quotient of net profit from the income statement for a given period and the weighted average number of shares for that period, increased by the weighted average potential number of shares to be issued, to which the entity is committed.
Detailed values of the indicator for the years 2023 and 2022 are presented in the table below.

	01.01.-31.12.2023	01.01.-31.12.2022
Net profit (loss) (annualized)	40,737	23,086
Weighted average number of common shares	9,983,009	9,983,009
Profit (loss) per common share (in PLN)	4.08	2.31
Weighted average diluted number of common shares	9,983,009	9,983,009
Diluted profit (loss) per common share (in PLN)	4.08	2.31

2.31. Incurred and planned capital expenditures within 12 months from the balance sheet date

Capital expenditures 2023

Item description	Plan 2023	In thousands of PLN realization 2023
Buildings and structures and related fixed assets	75	66
Machinery, equipment, transportation means	1,040	1,253
Intangible assets	790	487
Total	**1,905**	**1,806**

For the year 2024, the Company has planned capital expenditures amounting to PLN 1,415 thousand, which it intends to finance from its own funds.
The figures presented above represent capital expenditures excluding leases and long-term rentals.

2.32. Information on transactions with related parties, if individually or collectively significant and conducted on non-market terms

Transactions with related parties were conducted on market terms, taking into account prevailing prices and conditions.
In its purchasing strategy, the Company focuses on selecting the most favorable market price by continuously monitoring prices from various suppliers and choosing from the best available offers.

01.01.-31.12.2023	joint ventures	key management personnel	other related parties
Purchase of goods and services	-	-	7,234
Sale of goods and services	-	-	2
Rental income from properties	-	-	498
Financial income	-	-	11
Purchase of properties	-	-	-
Sale of fixed assets	-	-	-
Receivables	-	-	102
Liabilities	-	-	522

01.01.-31.12.2022	joint ventures	key management personnel	other related parties
Purchase of goods and services	-	-	14,428
Sale of goods and services	-	-	959
Rental income from properties	-	-	-
Purchase of properties	-	-	-
Sale of fixed assets	-	-	-
Receivables	-	-	1,517
Liabilities	-	-	3,255

2.33. Information on average employment expressed in full-time equivalent (FTE)

	31.12.2023	31.12.2022
a) employees in manual positions	113	101
b) employees in non-manual positions	193	178
Total employment	**306**	**279**

2.34. Information on the value of remuneration and rewards paid and due to management and supervisory personnel of the issuer

Detailed data on the remuneration received by individual Members of the Management Board of ELEKTROTIM S.A., broken down into the portion received for serving on the Management Board and the portion related to employment in the company in a job position:

Year 2023

		Remuneration for board appointment (in PLN)		Remuneration from employment contract (in PLN)		Total remuneration (in PLN)
		Fixed	variable	fixed	variable	
Name of Management Board Member/ position	Period of office	1a	2a	1b	2b	
Artur Więznowski President of the Management Board	01.01.2023 31.12.2023	300,000.00	504,000.00	372,000.00	34,800.00	1,210,800.00
Dariusz Kozikowski Member of the Management Board	01.01.2023 31.12.2023	168,000.00	504,000.00	343,416.00	34,800.00	1,050,216.00
Krzysztof Wójcikowski Member of the Management Board	01.01.2023 31.12.2023	168,000.00	0.00	429,005.02	605,423.76*	1,202,428.78
Ariusz Bober** President of the Management Board in 2022	01.01.2022 13.12.2022	0.00	672,000.00	0.00	0.00	672,000.00
TOTAL		**636,000.00**	**1,680,800.00**	**1,144,421.02**	**675,023.76**	**4,135,444.78**

*Mr. Krzysztof Wojcikowski, who was employed as a Division Director in 2022, received in 2023, a realization commission in the amount of PLN 570,623.76 under his employment contract.
**Mr. Ariusz Bober, who served on the Management Board from 01.01.2022 to 13.12.2022, received in 2023 a bonus for meeting the Board's goals for 2022.

Members of the Management Board have the opportunity to participate in the Employee Pension Program and the Employee Capital Plan.

Information on the value of remuneration received by Members of the Management Board of ELEKTROTIM S.A. by virtue of performing functions in the authorities of subordinate units:

Year 2023

Name of Management Board Member	Name of the Company of the Capital Group	Period of office	Due, unpaid remuneration in 2023 (gross, PLN)	Remuneration due, paid in 2023 (gross, PLN)	Total renumeration gross in PLN
Artur Więznowski Chairman of the Supervisory Board	ZEUS S.A.	01.01.2023 31.12.2023	5,500.00	500.00	6,000.00
Dariusz Kozikowski Member of the Supervisory Board	ZEUS S.A.	01.01.2023 31.12.2023	2,500.00	500.00	3,000.00

The following table presents the remuneration (in PLN) received by each of the Supervisory Board Members for the period from January 1, 2023, to December 31, 2023, inclusive, for serving on the Board and for serving on the Audit Committee:

Name of the Supervisory Board Member	Role in the Supervisory Board	Total gross remuneration (gross PLN)
Maciej Posadzy	Chairman of the Supervisory Board	103,416.67
Marek Gabryjelski	Member of the Supervisory Board	102,783.34
Krzysztof Kaczmarczyk	Member of the Supervisory Board	84,783.34
Lesław Kula	Member of the Supervisory Board	73,875.09
Jan Walulik	Member of the Supervisory Board	84,783.34

The total remuneration costs of the Supervisory Board in 2023 amount to 449,641.78 PLN.

2.35. Information on the value of outstanding agreements obligating the provision of services to entities within the Capital Group

The company has not provided advances, loans, credits, guarantees, endorsements, or any other commitments obligating payments to the issuer, its dependent or associated entities, related parties, managing, or supervisory personnel.

2.36. Proposal for the allocation of net profit/loss of the entity

On the date of preparation of this report, the Management Board of ELEKTROTIM S.A. has submitted a proposal to the Supervisory Board for the assessment of the division of the net profit generated in the year 2023. The Board's recommendation is in line with the dividend policy.

2.37 Information on the remuneration of the Expert Auditor

On November 2, 2021, the ELEKTROTIM S.A Company entered into an agreement with a party authorized to audit financial statements, namely Grant Thornton Polska Prosta joint stock company (formerly: Grant Thornton Poland limited liability company, limited partnership) based in Poznań, for the execution of interim individual and consolidated financial statement reviews for the years 2022 – 2024, as well as annual individual and consolidated financial statement audits for the years 2022 – 2024, and also an agreement for the evaluation of remuneration reports for the years 2022 – 2024.

remuneration of the expert auditor (net, in thousandS of PLN)	2023	2022
Audit of the financial statements of ELEKTROTIM S.A.	61	41
Audit of the financial statements of the Capital Group	50	20
Review of the semi-annual financial report of ELEKTROTIM S.A.	27	22
Review of the semi-annual financial report of the Capital Group	30	30
Attestation service - assessment of the remuneration report	7	7
Tax advisory services	0	0
Other services	0	0

2.37. Information on significant events occurring after the balance sheet date

After the balance sheet date, according to the Management Board of the parent company, significant events occurred that were not reflected in the consolidated financial statements:

ELEKTROTIM S.A. sold 100% of its shares in the subsidiary company ZEUS on March 28, 2024

In accordance with the current report No. 12/2019 dated July 10, 2019, ELEKTROTIM conducted a review of strategic options for its subsidiaries, aimed at selecting the most advantageous way to achieve the long-term development of the ELEKTROTIM Capital Group while respecting the interests of all the Company's shareholders.

As a result, the Company entered into an agreement to sell all of its shares in its subsidiary under the name PROCOM SYSTEM S.A. with headquarters in Wrocław, as announced in report No. 33/2022 dated December 12, 2022. A strategic options review was also conducted for company ZEUS S.A. with headquarters in Pruszcz Gdański. After the appointment of a new management board (May 2022) and supervisory board (July 2022) for ZEUS S.A., the process of selling this company commenced, alongside the implementation of a restructuring plan. Since December 2022, the company has been engaged in advanced discussions with entities directly interested in acquiring ZEUS, as confirmed by, among other things, the signing of a letter of intent and the establishment of a Virtual Data Room (VDR) for conducting due diligence. To facilitate the continuation of operations to a significant extent without interruption (alongside the sales process), the company was granted a bridge loan of 2.5 million PLN. In July 2023, a key bidder withdrew from the transaction, and between August and October, an additional 5 entities withdrew from the acquisition process. Negotiations were conducted based on signed confidentiality agreements and/or letters of intent, with interested parties provided access to ZEUS S.A.'s documents through the VDR. The company made a purchase offer to one of the interested parties (which was not accepted), but did not receive binding purchase offers from the remaining entities.

In the meantime, on September 29, 2023, due to deepening liquidity issues, the management of ZEUS S.A. applied for bankruptcy liquidation. This triggered ELEKTROTIM S.A. to reassess the situation, requiring numerous consultations with financing and advisory entities. Additionally, it necessitated a revision of the target group of entities potentially interested in acquiring ZS S.A.'s shares. As a result of the ongoing efforts, the Company found an entity interested in acquiring its shares in the first quarter of 2024, and the share purchase agreement was signed on March 27, 2024. The Company reported this transaction in the current report No. 12/2024 issued on the same day, and the definitive entry in the shareholders' register was made the following day, on March 28, 2024.

Wrocław, April 23, 2024

Prepared by:

Lidia Zawilak
Chief Accountant

THE MANAGEMENT BOARD OF ELEKTROTIM S.A.

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