

CONSOLIDATED INTERIM REPORT
OF THE ELEKTROTIM CAPITAL GROUP
FOR Q1 2024
including the condensed individual financial statement of
ELEKTROTIM S.A.
for Q1 2024

Wrocław, May 27, 2024

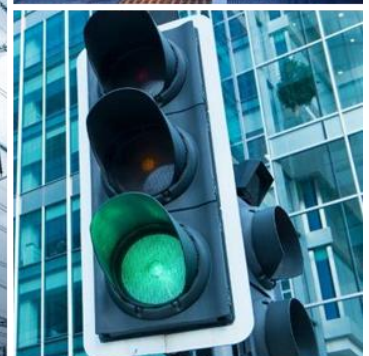


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SELECTED FINANCIAL DATA IN PLN AND EUR

Interim condensed consolidated financial statement for the period 01.01.2024 - 31.03.2024

	In thousands of PLN		In thousands of EUR	
	01.01.- 31.03.2024/ 31.03.2024	01.01.- 31.03.2023/ 31.12.2023	01.01.- 31.03.2024/ 31.03.2024	01.01.- 31.03.2023/ 31.12.2023
I. Net revenue from sales of products, goods, and materials	61,957	97,453	14,338	20,732
II. Operating profit (loss)	7,944	7,542	1,838	1,605
III. Gross profit (loss)	22,285	7,873	5,157	1,675
IV. Net profit (loss)	21,056	5,757	4,873	1,225
V. Net cash flow from operating activities	18,097	9,234	4,188	1,964
VI. Net cash flow from investing activities	-205	1,287	-47	274
VII. Net cash flow from financing activities	-1,080	-1,236	-250	-263
VIII. Net cash flow, total	16,812	9,285	3,891	1,975
IX. Total assets	203,901	268,603	47,409	61,776
X. Liabilities and provisions for liabilities	77,319	165,433	17,977	38,048
XI. Long-term liabilities	25,106	16,425	5,837	3,778
XII. Short-term liabilities	52,213	149,008	12,140	34,270
XIII. Equity	126,582	103,170	29,432	23,728
XXIV. Share capital	9,983	9,983	2,321	2,296
XV. Number of shares (units)	9,983,009	9,983,009	9,983,009	9,983,009
XVI. Profit (loss) per ordinary share (in PLN/EUR)	2.11	0.58	0.49	0.12
XVII. Diluted profit (loss) per ordinary share (in PLN/EUR)	2.11	0.58	0.49	0.12
XVIII. Book value per share (in PLN/EUR)	12.68	10.33	2.95	2.38
XIX. Diluted book value per share (in PLN/EUR)	12.68	10.33	2.95	2.38
XX. Declared or paid dividend per share (in PLN/EUR)	2.50	1.50	0.58	0.35

EXCHANGE RATES USED FOR EUR CONVERSIONS

	31.03.2024	31.03.2023	31.12.2023
Average annual exchange rate	4.3211	4.7005	4.5284
Exchange rate on the last day of the reporting period	4.3009	4.6755	4.3480

Interim condensed individual financial statement for the period 01.01.2024 - 31.03.2024

	In thousands of PLN		In thousands of EUR	
	01.01.- 31.03.2024/ 31.03.2024	01.01.- 31.03.2023/ 31.12.2023	01.01.- 31.03.2024/ 31.03.2024	01.01.- 31.03.2023/ 31.12.2023
I. Net revenue from sales of products, goods, and materials	61,809	91,584	14,304	19,484
II. Operating profit (loss)	7,182	7,507	1,662	1,597
III. Gross profit (loss)	5,945	7,852	1,376	1,670
IV. Net profit (loss)	4,812	5,964	1,114	1,269
V. Net cash flow from operating activities	18,482	8,037	4,277	1,710
VI. Net cash flow from investing activities	-194	76	-45	16
VII. Net cash flow from financing activities	-1,080	-1,098	-250	-234
VIII. Net cash flow, total	17,208	7,015	3,982	1,492
IX. Total assets	198,722	256,128	46,205	58,907
X. Liabilities and provisions for liabilities	76,793	139,011	17,855	31,971
XI. Long-term liabilities	24,946	16,320	5,800	3,753
XII. Short-term liabilities	51,847	122,691	12,055	28,218
XIII. Equity	121,929	117,117	28,350	26,936
XXIV. Share capital	9,983	9,983	2,321	2,296
XV. Number of shares (units)	9,983,009	9,983,009	9,983,009	9,983,009
XVI. Profit (loss) per ordinary share (in PLN/EUR)	0.48	0.60	0.11	0.13
XVII. Diluted profit (loss) per ordinary share (in PLN/EUR)	0.48	0.60	0.11	0.13
XVIII. Book value per share (in PLN/EUR)	12.21	11.73	2.84	2.70
XIX. Diluted book value per share (in PLN/EUR)	12.21	11.73	2.84	2.70
XX. Declared or paid dividend per share (in PLN/EUR)	2.50	1.50	0.58	0.35

EXCHANGE RATE USED FOR EUR CONVERSIONS

	31.03.2024	31.03.2023	31.12.2023
Average annual exchange rate	4.3211	4.7005	4.5284
Exchange rate on the last day of the reporting period	4.3009	4.6755	4.3480

Interim condensed consolidated financial statement for the period 01.01.2024 - 31.03.2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Item description	note	In thousands of PLN	
		31.03.2024	31.12.2023
I. Fixed assets		43,941	31,706
- Intangible assets	2.2.	177	187
- Goodwill	2.3.	6,394	6,394
- Tangible fixed assets	2.4.	20,292	13,050
- Investment properties	2.4.	4,890	0
- Other long-term financial assets	2.5.	1,160	1,328
- Deferred tax assets	2.7.	9,710	9,491
- Other long-term non-financial assets		1,318	1,256
II. Current assets		159,960	236,897
- Inventories	2.8.	4,611	2,876
- Trade and other receivables	2.9.	71,557	167,320
- Contract assets	2.10.	33,820	21,632
- Cash and cash equivalents	2.11.	49,972	33,160
Current assets other than assets held for sale		159,960	224,988
Assets held for sale	2.12.	0	11,909
Total assets		203,901	268,603

Item description	Note	In thousands of PLN	
		31.03.2024	31.12.2023
I. Equity		126,582	103,170
- Share capital	2.13.	9,983	9,983
- Excess of issue price over par value of shares		43,440	43,440
- Other reserves		-205	-205
- Retained profits	2.13.	52,071	29,698
- Net profit (loss)		21,056	22,373
- Equity attributable to owners of the parent		126,345	105,289
- Non-controlling interests		237	-2,119
II. Liabilities and provisions for liabilities		77,319	165,433
1. Long-term liabilities		25,106	16,425
- Deferred tax liabilities	2.7.	2,213	701
- Long-term provisions	2.14.	12,713	12,884
- Long-term lease liabilities	2.16.	10,180	2,840
2. Short-term liabilities		52,213	149,008
- Short-term provisions	2.14.	16,293	19,647
- Trade and other payables	2.15.	31,108	93,198
- Other financial liabilities	2.6.	0	61
- Corporate income tax liabilities		0	1,689
- Short-term lease liabilities	2.16.	3,003	3,150
- Contract liabilities	2.10.	1,809	4,721
Short-term liabilities other than those related to assets held for sale		52,213	122,466
Liabilities related to assets held for sale		0	26,542
Total liabilities		203,901	268,603

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Calculation variant, in thousands of PLN	note	01.01.- 31.03.2024	01.01.- 31.03.2023
- Revenue from sales		61,957	97,453
- Cost of goods sold		53,843	82,779
I Gross profit (loss) from sales		8,114	14,674
- Selling expenses		2,478	2,432
- General administrative expenses		3,861	3,238
- Other operating income	2.17.	7,645	272
- Other operating expenses	2.17.	1,393	1,688
- Profit (loss) from expected credit losses	2.17.	-83	-46
II Operating profit (loss)		7,944	7,542
- Profit (loss) on loss of control	2.19.	18,231	0
- Financial income	2.18.	345	827
- Financial expenses	2.18.	4,235	496
- Impairment of goodwill of subsidiaries	2.20.	0	0
III Gross profit (loss)		22,285	7,873
- Income tax		1,292	2,071
- Net profit (loss) from continuing operations		20,993	5,802
- Profit (loss) from discontinued operations		0	0
IV Net profit (loss)		20,993	5,802
- Attributable to shareholders of the parent company		21,056	5,757
- Attributable to non-controlling shareholders		-63	45

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

In thousands of PLN	01.01.- 31.03.2024	01.01.- 31.03.2023
1. Net profit (loss)	20,993	5,802
2. Other comprehensive income that:	0	0
- will not be reclassified to profit (actuarial write-offs)	0	0
- will be reclassified to profit or loss	0	0
3. Total comprehensive income	20,993	5,802
- Attributable to shareholders of the parent company	21,056	5,757
- Attributable to non-controlling shareholders	-63	45

CONSOLIDATED STATEMENT OF CASH FLOWS

Indirect method, in PLN thousands	01.01.- 31.03.2024	01.01.- 31.03.2023
I. Cash flows from operating activities		
1. Gross profit (loss)	22,285	7,873
2. Total adjustments	-4,188	7,916
- Depreciation	1,023	1,098
- Profit (loss) from foreign exchange differences	0	-1
- Interest	272	-473
- Profit (loss) from investing activities	-18,188	-17
- Change in provisions	-2,014	1,133
- Change in inventories	-1,735	-2,161
- Change in receivables	82,777	57,964
- Change in short-term liabilities, except for loans and credits	-65,722	-47,575
- Other adjustments	-601	-2,052
- Cash flows used in operations	18,097	15,789
- Income tax paid classified as operating activities	0	-6,555
3. Net cash flows from operating activities	18,097	9,234
II. Cash flows from investing activities		
- Inflows from the sale of property, plant, and equipment, intangible assets other than goodwill, investment properties, and other fixed assets	1	17
- Interest	212	680
- Other investment inflows (including dividends and interest)	168	1,224
- Purchase of tangible fixed assets, intangible assets other than goodwill, investment properties, and other non-current assets	-552	-634
- Other investment outflows	-34	0
Net cash flows from investing activities	-205	1,287

III. Cash flows from financing activities		
- Net inflows from the issue of shares and other equity instruments	0	0
- Loans and credits (inflows)	0	0
- Other financial inflows (outflows)	0	0
- Purchase of own shares (treasury shares)	0	0
- Dividends and other payments to owners	0	0
- Repayment of loans and credits	-61	0
- Payments of lease liabilities	-676	-1,029
- Interests	-343	-207
Net cash flows from financing activities	-1,080	-1,236
IV. Net cash flows, total	16,812	9,285
- Effects of exchange rate changes on cash	0	0
- Balance sheet change in cash, including:	16,812	9,285
Cash at the beginning of the period	33,160	56,733
Cash at the end of the period	49,972	66,018
With restricted cash at the end of the period	16,379	4,051

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE PERIOD 01.01.2024 - 31.03.2024

In thousands of PLN	Share capital	Excess of issue price over par value of shares	Other capitals	Retained profits	Equity attributable to the parent company	Non-controlling shares	Total
Balance at the beginning of the period	9,983	43,440	-205	52,071	105,289	-2,119	103,170
Profit for the period	0	0	0	21,056	21,056	-63	20,993
Other comprehensive income for the period	0	0	0	0	0	0	0
Total income	0	0	0	21,056	21,056	-63	20,993
Dividend	0	0	0	0	0	0	0
Other increases (decreases)	0	0	0	0	0	2,419	2,419
Increase (decrease) in capital	0	0	0	21,056	21,056	2,356	23,412
Balance at the end of the period	9,983	43,440	-205	73,127	126,345	237	126,582

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE PERIOD 01.01.2023 - 31.03.2023

In thousands of PLN	Share capital	Excess of issue price over par value of shares	Other capitals	Retained profits	Equity attributable to the parent company	Non-controlling shares	Total
Balance at the beginning of the period	9,983	43,440	-46	44,674	98,051	1,069	99,120
Profit for the period	0	0	0	5,757	5,757	45	5,802
Other comprehensive income for the period	0	0	0	0	0	0	0
Total income	0	0	0	5,757	5,757	45	5,802
Dividend	0	0	0	0	0	0	0
Other increases (decreases)	0	0	0	0	0	0	0
Increase (decrease) in capital	0	0	0	5,757	5,757	45	5,802
Balance at the end of the period	9,983	43,440	-46	50,431	103,808	1,114	104,922

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.1. General information about the parent company

The parent company of the ELEKTROTIM Capital Group (hereinafter referred to as: the Capital Group, the Group) is ELEKTROTIM Spółka Akcyjna (hereinafter referred to as: the Company, ELEKTROTIM, or the Issuer).

During the reporting period, there was no change in the name of the Company.

Legal form: Joint-stock company

Country of registration: Poland

The parent company was established by Notarial Deed on November 13, 1998.

The parent company is registered in the Register of Entrepreneurs of the National Court Register at the District Court for Wrocław-Fabryczna in Wrocław, VI Commercial Division of the National Court Register, under the number KRS 0000035081. The parent company has been assigned the statistical number REGON 931931108.

Registered office address of the parent company: Stargardzka 8 54-156 Wrocław

Headquarters: Poland

Primary place of business: Poland, Stargardzka 8, 54-156 Wrocław

Primary business activity: NACE 4321Z - electrical installation of buildings and structures

The duration of the Capital Group's activities is not limited.

This condensed interim consolidated financial statement for the first quarter of 2024 (along with comparative data) was approved for publication by the Management Board of the parent company on May 27, 2024.

Composition of the Management Board of the parent company and changes that occurred during the first quarter of 2024

During the period from January 1, 2024, to March 31, 2024, the Management Board of ELEKTROTIM S.A. operated without changes in its composition, as follows:

- | | | |
|--------------------------|---|------------------------------------|
| 1. Artur Więżnowski | - | 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 end on the day of the Ordinary General Meeting of ELEKTROTIM S.A. approving the financial statements for the year 2024.

Composition of the Supervisory Board of the parent company and changes that occurred during the first quarter of 2024

During the period from January 1, 2024, to March 31, 2024, the Supervisory Board of ELEKTROTIM S.A. operated without changes in its composition, as follows:

- | | | |
|--|---|------------------------|
| Chairman of the Supervisory Board | - | Maciej Posadzy, |
| Deputy 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. |

1.2. Basis of preparation and presentation principles

1.2.1. Basis of preparation of the consolidated financial statement for the first quarter of 2024

The interim condensed consolidated financial statement of the ELEKTROTIM Capital Group covers the 3-month period ended March 31, 2024. It has been prepared in accordance with IAS 34 Interim Financial Reporting, and in accordance with the relevant accounting standards applicable to interim financial reporting, adopted by the European Union, published, and in force at the time of preparing the interim condensed consolidated financial statement.

The interim condensed consolidated financial statement does not include all the information required in the annual consolidated financial statement prepared in accordance with IFRS. This interim condensed consolidated financial statement should be read in conjunction with the consolidated financial statement of the ELEKTROTIM Capital Group for the year ended December 31, 2023.

The reporting currency of this interim condensed consolidated financial statement is the Polish zloty, and all amounts are expressed in thousands of Polish zlotys (unless otherwise stated).

1.2.2. Retrospective application of IAS/IFRS selected by the ELEKTROTIM Capital Group

In the case of retrospective changes in accounting policies, presentation, or correction of errors, the Group presents an additional statement of financial position at the beginning of the comparative period if these changes are significant to the data presented at the beginning of the comparable period. In such situations, the presentation of notes to the third statement of financial position is not required.

1.2.3. Changes in accounting policies applied

The accounting policies applied in preparing this interim condensed consolidated financial statement are consistent with those applied in preparing the financial statement of the Group for the year ended December 31, 2023, except for the application of the following amendments to standards and new interpretations effective for annual periods beginning on January 1, 2024:

Changes to standards or interpretations effective and applied by the Group from 2024

New or revised standards and interpretations effective from January 1, 2024, and their impact on the Group's consolidated financial statement:

a) Amendment to IAS 1 "Presentation of Financial Statements"

The IASB clarified the principles for classifying liabilities as long-term or short-term, focusing on two main aspects:

- It clarified that the classification depends on the rights the entity has at the balance sheet date,
- The management's intentions regarding the acceleration or deferral of liability payments are not taken into account.

The amendments are effective for annual periods beginning on or after January 1, 2024.

The amendment did not impact the Group's financial statements.

b) Amendment to IAS 1 "Presentation of Financial Statements"

The amendment clarifies that at the balance sheet date, an entity does not consider covenants that must 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 is effective for annual periods beginning on or after January 1, 2024.

The amendment did not impact the Group's financial statements.

c) Amendment to IFRS 16 "Leases"

The amendment clarifies the requirements for measuring a lease liability arising from a sale and leaseback transaction. It aims to prevent the incorrect recognition of a gain or loss on the transaction in the part related to the retained right of use when lease payments are variable and not dependent on an index or rate.

The amendment is effective for annual periods beginning on or after January 1, 2024.

The amendment did not impact the Group's financial statements.

Application of standards or interpretations before their effective date

In this interim condensed consolidated financial statement, no voluntary early application of any standard or interpretation has been utilized.

As of the date of preparation of this financial statement, the following new or revised standards and interpretations have been published and are effective for annual periods following the year 2023. This list also includes amendments, standards, and interpretations that have been published but not yet approved for use in the countries of the European Union:

a) Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures"

The amendments clarify the characteristics of financing agreements for liabilities to suppliers (so-called reverse factoring agreements) and introduce the requirement to disclose information about agreements made with suppliers, including their terms, amounts of liabilities, payment deadlines, and information on liquidity risk.

The amendments are effective for annual periods beginning on or after January 1, 2024.

The Group estimates that these amendments will not impact its financial statements.

b) 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 there is a lack of exchangeability. It also requires the disclosure of information that enables users of financial statements to understand the impact of the lack of currency exchangeability.

The amendment is effective for annual periods beginning on or after January 1, 2025.

The Group estimates that this amendment will not impact its financial statements.

c) New IFRS 18 "Presentation and Disclosures in Financial Statements"

The new standard will replace IAS 1 "Presentation of Financial Statements."

The change is effective for annual periods beginning on or after January 1, 2027.

The Group is analyzing the impact of the new regulations on its financial statements.

The Group intends to implement the above regulations within the timeframes specified by the standards or interpretations.

As of the date of approval of the interim condensed consolidated financial statements, the Group is in the process of assessing the impact of these new standards and interpretations on the Group's accounting policies, financial position, operational results, and the scope of information presented in the consolidated financial statements.

1.2.4. Continuation of operations

This interim condensed consolidated financial statement has been prepared on the assumption that the Group will continue its business operations in the foreseeable future.

As of the date of preparation and approval for publication of this interim condensed consolidated financial statement of the ELEKTROTIM Capital Group, there are no circumstances indicating any threat to the Group's ability to continue its operations at a significantly unchanged level for the 12 months from the date of this interim condensed consolidated financial statement.

1.2.5. Companies included in the consolidated financial statement

ELEKTROTIM S.A. prepares the interim condensed consolidated financial statement for the first quarter of 2024, covering the following entities:

- ELEKTROTIM S.A. (parent company),
- OSTOYA-DataSystem Sp. z o.o. (subsidiary since January 11, 2017).

The aforementioned entities are based in Poland.

On March 27, 2024, all shares held in the share capital of the subsidiary ZEUS S.A. were sold, resulting in a change in the composition of the Group (a detailed description is provided in note 4.14).

1.3. Accounting policies adopted

1.3.1. Consolidation principles

ELEKTROTIM S.A. has been preparing consolidated financial statements since 2007..

The consolidated financial statement of the Capital Group includes the parent company, ELEKTROTIM S.A., and the entities under its control. The Capital Group is considered to have control if, as a result of its involvement in an investee, it is exposed to variable returns or has rights to variable returns, and has the ability to affect those returns through its power over the investee.

The acquisition method is applied when acquiring shares in business entities. Entities acquired or disposed of during the year are included in the consolidated financial statement from the date of acquisition or until the date of sale, respectively.

Non-controlling interests are presented as a separate item within equity and represent the portion of the total comprehensive income and net assets of the subsidiaries that are attributable to entities other than the companies of the Capital Group. The Group allocates the total comprehensive income of subsidiaries between the shareholders of the parent company and the non-controlling interests based on their respective ownership interests.

Subsidiaries are consolidated using the full consolidation method. Intercompany balances between the entities of the Capital Group, transactions conducted within the Capital Group, and any resulting unrealized profits or losses, as well as the Group's income and expenses, are eliminated during the preparation of the consolidated financial statement. Unrealized losses are excluded from the consolidated financial statement on the same basis as unrealized profits, until evidence of impairment arises.

Goodwill

Goodwill reported in the balance sheet includes the full amount of goodwill of the subsidiaries, representing the excess of the purchase price of the shares in these entities and non-controlling interests (valued proportionately to their share in net assets) over the fair value of the acquired net assets.

Detailed information regarding goodwill is disclosed in Note 2.3 of the interim condensed consolidated financial statement.

Goodwill is not amortized; instead, it is tested annually for impairment in accordance with IAS 36.

1.3.2. Functional currency and presentation currency of the financial statements and principles adopted for the translation of financial data**Functional currency**

The functional currency of the Group and the presentation currency of this interim condensed consolidated financial statement is the Polish zloty.

Presentation currency

All amounts in the interim condensed consolidated financial statement are expressed in thousands of Polish zloty (unless otherwise indicated). Due to the presentation method adopted in the consolidated financial statements in thousands of Polish zloty and the rounding technique used, individual items in the statements may not sum up to the totals indicated (difference of 1 thousand PLN).

As a rule, transactions denominated in currencies other than Polish zloty are translated into Polish zloty at the exchange rate prevailing 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 is recognized at the exchange rate on the payment date. Then, when recognizing revenue, costs, or purchased assets in the income statement, these transactions are recorded at the exchange rate on the date the advance was received, not at the rate on the date the revenue, cost, or asset was recognized.

At the balance sheet date, monetary items denominated in currencies other than Polish zloty are translated into Polish zloty at the closing rate applicable at the end of the reporting period, i.e., the average exchange rate determined for the given currency by the National Bank of Poland.

Non-monetary items measured at historical cost, expressed in a foreign currency, are reported using the historical exchange rate on the transaction date.

Non-monetary items measured at fair value, expressed in a foreign currency, are valued at the exchange rate on the date the fair value was determined, i.e., the average exchange rate determined for the given currency by the National Bank of Poland..

Exchange differences arising from the settlement of transactions or the translation of monetary items, excluding derivatives, are recognized in the income statement under financial income or financial expenses on a net basis. This excludes exchange differences that are capitalized in the value of assets in accordance with accounting principles, which, if applicable, are presented in the section on borrowing costs.

1.3.3. Accounting principles

The interim condensed consolidated financial statement has been prepared on the historical cost basis, except for the following: derivative financial instruments, equity instruments measured at fair value with changes recognized in the consolidated income statement, and financial assets held for trading, which have been measured at fair value.

The interim condensed consolidated financial statement has been prepared in accordance with the applicable IAS/IFRS standards.

Subjective judgments and estimation uncertainty

Estimation uncertainty

When preparing the interim condensed consolidated financial statement, the Management Board of the parent company exercises judgment in making numerous estimates and assumptions that affect the applied accounting principles and the reported values of assets, liabilities, revenues, and expenses. Actual results may differ from the estimates made by the Management Board.

The key assumptions concerning the future and other key sources of uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Construction service contracts

For ongoing contracts, the Group applies the provisions of IFRS 15 "Revenue from Contracts with Customers" and recognizes sales revenue in the income statement based on the measurement of the progress towards completion (determined as the proportion of contract costs incurred for work performed to date to the estimated total contract costs). There is a risk that the Group may have improperly estimated the production costs, that production costs may change during the manufacturing process, errors in project management or technical and technological solutions may occur, or the project may be delayed. These risks could result in reduced revenues and/or increased costs, consequently lowering the Group's financial result.

Component of deferred tax asset

The Group recognizes a deferred tax asset based on the assumption that taxable profits will be generated in the future to utilize the asset. A decline in future taxable profits could render this assumption unjustified.

Impairment of goodwill (value of shares/equity in subsidiaries)

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

The recoverable amount is determined as the higher of two values: fair value less costs to sell or the value in use of the asset. The value in use is estimated using the DCF (Discounted Cash Flow) method. The DCF method is based on the discounted cash flows generated by the subsidiaries according to their operational schedules and sales revenue projections. The discount rate takes into account the weighted average cost of capital (WACC). The recoverable amount of shares/equity and the amount of impairment write-downs are estimates as of March 31, 2024, and may change depending on the revenues achieved, production costs incurred, project completion schedules, and future discount rate calculations. Actual results may differ from these estimates, which are based on data available at the time of preparation. This also relates to the uncertainty regarding the accurate estimation of market conditions in the coming years.

Depreciation rates

Depreciation rates are determined based on the estimated useful life of property, plant, and equipment as well as intangible assets. During the 12 months ended March 31, 2024, the Group reviewed the initially adopted useful lives of tangible and intangible assets and concluded that there was no need to adjust the estimated useful lives.

Provisions

Provisions for employee benefits, such as retirement severance payments, are estimated using actuarial methods. The amount of provisions for employee benefits reported in the interim condensed consolidated financial statement is based on estimates made by an independent actuary. The level of provisions is influenced by assumptions regarding the discount rate and the salary growth rate.

Income tax

Tax regulations in Poland are subject to frequent changes, leading to significant differences in their interpretation and considerable uncertainties in their application. Tax authorities have control instruments that allow them to verify the tax bases (in most cases for the previous 5 financial years).

As a result, determining tax liabilities, assets, and provisions for deferred income tax 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 due to tax authorities' audits.

Lease term

In determining the lease liability, the Group estimates the lease term, which includes:

- The non-cancellable period of the lease,
- Periods covered by an option to extend the lease if it is reasonably certain that the lessee will exercise that option,
- Periods covered by an option to terminate the lease if it is reasonably certain that the lessee will not exercise that option.

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

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

2. ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.1. Information on operating segments

Products and services from which reportable segments derive their revenues

The ELEKTROTIM Group offers its products in the construction and assembly market for both public and private sector clients.

The reportable segments within the ELEKTROTIM Group reflect the aggregation of the Group's organizational structure, where the operational part has been divided into separately managed business entities (plants) grouped into divisions. The criteria for segmenting the plants and divisions were product groups and geographical distribution.

To present information in a manner that allows for the proper assessment of the nature and financial effects of the Group's business activities, the operating segments were divided according to the markets served by the divisions into:

- Industry – Infrastructure for industrial plants,
- Energy – Energy generation, transmission, and distribution,
- Local governments – Road infrastructure, urban infrastructure, traffic engineering, and municipal infrastructure,
- Defense sectors – Military, security services, border protection, and airports,
- Traction – Railway traction power infrastructure.

These segments collectively meet the following criteria:

- a) The segmentation is in accordance with the primary principle of IFRS 8: "providing information in a manner that enables users of financial statements to evaluate 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 type of production processes
 - The type or group of customers for the products and services
 - The methods used to distribute products or provide services.

The measurement principles applied to segment information are consistent with the accounting policies of the Group, and their assessment is based on sales revenue and gross profit (loss) from sales. Comparable data has been restated.

Product groups offered within the operating segments:

- Power substations
- Security systems
- Airport systems
- Traction power supply
- Electrical installations
- High voltage lines
- Signaling and lighting
- Road traffic engineering
- Municipal networks
- Electrical networks

- Switchgear production
- Service
- Projects.

Segment revenues and results

Below is an analysis of the revenues and results of the Group in the individual reportable segments:

	Business segments	Revenues from external customers	Revenues within and from other segments	Cost of goods sold	Gross profit (loss) from external sales
01.01-31.03.2024	Industry	12,596	1,200	10,914	1,682
	Energy	22,249	-	21,022	1,226
	Local governments	12,933	334	11,742	1,191
	Defense sectors	10,205	7	6,213	3,992
	Traction	3,974	-	3,951	23
01.01-31.03.2023	Industry	16,286	3,572	12,898	3,388
	Energy	29,447	-	26,700	2,747
	Local governments	11,945	-	9,668	2,277
	Defense sectors	37,799	9	31,647	6,152
	Traction	1,975	-	1,866	109

Segment assets

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

Geographical information

The Group operates in only one geographical area – Poland.

2.2. Intangible assets

Intangible assets

Item description	In thousands of PLN	
	31.03.2024	31.12.2023
Completed development work	0	0
Acquired concessions, patents, licenses, and similar rights	177	187
Other intangible assets	0	0
Intangible assets, total	177	187

Changes in intangible assets (by category) for the period 01.01.2024 - 31.03.2024

In thousands of PLN	Development costs	Concessions, patents, licenses, and similar rights	Other intangible assets	Total intangible assets
Gross value of intangible assets at the beginning of the period	9	245	5,511	5,765
Increases due to:	0	0	3	3
- Purchase	0	0	3	3
- Acquisition of subsidiaries	0	0	0	0
Decreases due to:	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	245	5,514	5,768
Accumulated depreciation (remission) at the beginning of the period	9	216	5,353	5,578
Depreciation for the period due to:	0	2	11	13
- planned write-offs	0	2	11	13
- acquisition of subsidiaries	0	0	0	0
- decreases	0	0	0	0
Accumulated depreciation (remission) at the end of the period	9	218	5,364	5,591
impairment write-offs at the beginning of the period	0	0	0	0
- increases	0	0	0	0
- decreases	0	0	0	0
impairment write-offs at the end of the period	0	0	0	0
Net value of intangible assets at the end of the period	0	27	150	177

Changes in intangible assets (by category) for the period 01.01.2023 - 31.12.2023

In thousands of PLN	Development costs	Concessions, patents, licenses, and similar rights	Other intangible assets	Total intangible assets
Gross value of intangible assets at the beginning of the period	9	245	5,327	5,581
Increases due to:	0	0	184	184
- Purchase	0	0	184	184
- Acquisition of subsidiaries	0	0	0	0
Decreases due to:	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	245	5,511	5,765
Accumulated depreciation (remission) at the beginning of the period	9	207	5,222	5,438
Depreciation for the period due to:	0	9	131	140
- Planned write-offs	0	9	131	140
- Acquisition of subsidiaries	0	0	0	0
- Decreases	0	0	0	0
Accumulated depreciation (remission) at the end of the period	9	216	5,353	5,578
Impairment write-offs at the beginning of the period	0	0	0	0
- Increases	0	0	0	0
- Decreases	0	0	0	0
Impairment write-offs at the end of the period	0	0	0	0
Net value of intangible assets at the end of the period	0	29	158	187

Intangible assets (ownership structure)

	In thousands of PLN	
	31.03.2024	31.12.2023
- own	177	187
- Used under rental, lease, or other agreement, including leasing	0	0
Total intangible assets	177	187

2.3. Goodwill

	In thousands of PLN	
	31.03.2024	31.12.2023
- Subsidiaries	3,998	3,998
- Cash-generating units	2,396	2,396
Goodwill of subordinated entities, total	6,394	6,394
Write-offs due to the sale of a subsidiary	0	0
Total carrying amount	6,394	6,394

As of December 31, 2023, impairment tests were conducted on the financial assets of the cash-generating units (Power Substation Plant, Gliwice Network Plant, and Airport Systems Plant) and subsidiaries.

As of March 31, 2024, there were no indications of potential impairment of the carrying amount of goodwill, and no impairment write-downs were made.

2.4. Tangible fixed assets

	In thousands of PLN	
	31.03.2024	31.12.2023
a) Fixed assets, including:	19,716	12,522
- Land	869	869
- Buildings, premises, and civil engineering structures	11,766	4,512
- Technical equipment and machinery	2,186	2,087
- Means of transport	4,711	4,862
- Other fixed assets	184	192
b) Fixed assets under construction	576	528
Total tangible fixed assets	20,292	13,050

Balance sheet fixed assets (ownership structure)

	In thousands of PLN	
	31.03.2024	31.12.2023
- own	6,223	6,171
- used under rental, lease, or other agreement, including leasing	14,069	6,879
Total balance sheet fixed assets	20,292	13,050

Changes in fixed assets (by category) for the period 01.01.2024 - 31.03.2024

In thousands of PLN	Land	Buildings, premises, and civil engineering structures	Technical equipment and machinery	Means of transportation	Other fixed assets	Total fixed assets
Gross value of fixed assets at the beginning of the period	869	10,356	9,520	13,724	2,195	36,664
Increases due to:	0	7,709	239	248	8	8,204
- Purchase/modification of contract	0	7,709	239	248	8	8,204
- Acquisition of subsidiary	0	0	0	0	0	0
Decreases due to:	0	0	0	57	0	57
- Sale and liquidation	0	0	0	57	0	57
Gross value of fixed assets at the end of the period	869	18,065	9,759	13,915	2,203	44,811
Accumulated depreciation (remission) at the beginning of the period	0	5,844	7,433	8,862	2,003	24,142
Depreciation for the period due to:	0	455	140	342	16	953
- Planned write-offs	0	455	140	399	16	1,010
- Acquisition of subsidiary	0	0	0	0	0	0
- Sale and liquidation	0	0	0	57	0	57
Accumulated depreciation (remission) at the end of the period	0	6,299	7,573	9,204	2,019	25,095
Impairment write-offs 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
Impairment write-offs at the end of the period	0	0	0	0	0	0
Net value of fixed assets at the end of the period	869	11,766	2,186	4,711	184	19,716

Changes in fixed assets (by category) for the period 01.01.2023 - 31.12.2023

In thousands of PLN	Land	Buildings, premises, and civil engineering structures	Technical equipment and machinery	Means of transportation	Other fixed assets	Total fixed assets
Gross value of fixed assets at the beginning of the period	896	9,425	8,994	12,277	2,102	33,667
Increases due to:	0	931	795	2,176	128	4,030
- Purchase/modification of contract	0	931	795	2,176	128	4,030
- Acquisition of subsidiary	0	0	0	0	0	0
Decreases due to:	0	0	269	729	35	1,033
Sale and liquidation	0	0	269	729	35	1,033
Gross value of fixed assets at the end of the period	869	10,356	9,520	13,724	2,195	36,664
Accumulated depreciation (remission) at the beginning of the period	0	4,272	7,155	8,163	1,932	21,522
Depreciation for the period due to:	0	1,572	278	699	71	2,620
- Planned write-offs	0	1,572	545	1,428	106	3,651
- Acquisition of subsidiary	0	0	0	0	0	0
- Sale and liquidation	0	0	267	729	35	1,031
Accumulated depreciation (remission) at the end of the period	0	5,844	7,433	8,862	2,003	24,142
Impairment write-offs 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
Impairment write-offs 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	2,087	4,862	192	12,522

Leasing

The value of right-of-use assets is presented in the interim condensed consolidated statement of financial position together with the fixed assets owned by the Group.

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

The significant increase in the value of the "buildings, premises, and civil engineering structures" category is due to the signing of an annex to the lease agreement for the headquarters of the parent company on March 27, 2024. According to the agreed terms, the lease period is extended until February 28, 2030. The impact of this contract modification on the value of fixed assets amounts to PLN 7,709 thousand and corresponds to the change in the value of long-term lease liabilities.

Changes in right-of-use assets (by category) for the period 01.01.2024 - 31.03.2024

In thousands of PLN	Land	Buildings, premises, and civil engineering structures	Technical equipment and machinery	Means of transportation	Other fixed assets	Total fixed assets
Gross value at the beginning of the period	0	7,430	643	6,488	0	14,561
Increases due to:	0	7,709	0	231	0	7,940
- New lease agreements	0	0	0	231	0	231
- Changes from contract modifications	0	7,709	0	0	0	7,709
Decreases due to:	0	0	0	0	0	0
- Lease terminations	0	0	0	0	0	0
- Profile changes/purchased out	0	0	0	0	0	0
Gross value at the end of the period	0	15,139	643	6,719	0	22,501
Accumulated depreciation (remission) at the beginning of the period	0	5,068	101	2,513	0	7,682
Depreciation for the period due to:	0	434	18	298	0	750
- Planned write-offs	0	434	18	298	0	750
- Profile changes/purchased out	0	0	0	0	0	0
- Depreciation of terminated leases/returns	0	0	0	0	0	0
- Profile changes/purchased out	0	0	0	0	0	0
Accumulated depreciation (remission) at the end of the period	0	5,502	119	2,811	0	8,432
Impairment write-offs 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
Impairment write-offs at the end of the period	0	0	0	0	0	0
Net value at the end of the period	0	9,637	524	3,908	0	14,069

Changes in right-of-use assets (by category) for the period 01.01.2023 - 31.12.2023

In thousands of PLN	Land	Buildings, premises, and civil engineering structures	Technical equipment and machinery	Means of transportation	Other fixed assets	Total fixed assets
Gross value at the beginning of the period	0	6,523	643	5,072	0	12,238
Increases due to:	0	907	0	1,835	0	2,742
- New lease agreements	0	0	0	1,835	0	1,835
- Changes from contract modifications	0	907	0	0	0	907
Decreases due to:	0	0	0	419	0	419
- Lease terminations	0	0	0	142	0	142
- Profile changes/purchased out	0	0	0	277	0	277
Value at the end of the period	0	7,430	643	6,488	0	14,561
Accumulated depreciation (remission) at the beginning of the period	0	3,578	29	1,793	0	5,400
Depreciation for the period due to:	0	1,490	72	720	0	2,282
- Planned write-offs	0	1,490	72	1,008	0	2,570
- Profile changes/purchased out	0	0	0	0	0	0
- Depreciation of terminated leases/returns	0	0	0	142	0	142
- Profile changes/purchased out	0	0	0	146	0	146
Accumulated depreciation (remission) at the end of the period	0	5,068	101	2,513	0	7,682
Impairment write-offs 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
Impairment write-offs at the end of the period	0	0	0	0	0	0
Net value at the end of the period	0	2,362	542	3,975	0	6,879

Changes in investment property

	In thousands of PLN	
	01.01.2024- 31.03.2024	01.01.2023- 31.12.2023
Balance at the beginning of the period	0	0
Increases	4,890	0
Decreases	0	0
Balance at the end of the period	4,890	0

Due to the sale of shares in ZEUS S.A. and the change in the use of the property in Pruszcz Gdański by the Group, the property has been reclassified from fixed assets to investment property. It has been valued at fair value based on an appraisal report prepared by an independent valuer.

2.5. Financial assets

Other long-term financial assets

	In thousands of PLN	
	31.03.2024	31.12.2023
In other entities	1,160	1,328
Shares or equity interests	0	0
Other long-term financial assets (including deposits and guarantees)	1,160	1,328
Total long-term financial assets	1,160	1,328

Changes in long-term financial assets (by category)

	In thousands of PLN	
	01.01.2024- 31.03.2024	01.01.2023- 31.12.2023
Balance at the beginning of the period	1,328	2,394
Loans granted	0	0
Other long-term financial assets	1,328	2,394
Increases due to:	0	0
Loans granted	0	0
Other long-term financial assets	0	0
Decreases due to:	168	1,066
Loans granted	0	0
Other long-term financial assets	168	1,066
Balance at the end of the period	1,160	1,328
Loans granted	0	0
Other long-term financial assets	1,160	1,328

2.6. Financial liabilities

Long-term financial liabilities

	In thousands of PLN	
	31.03.2024	31.12.2023
Credits and loans	0	0
Total long-term financial liabilities	0	0

Short-term financial liabilities

	In thousands of PLN	
	31.03.2024	31.12.2023
Credits, loans, debt securities	0	61
Total short-term financial liabilities	0	61

2.7. Deferred tax assets and liabilities

Changes in deferred tax assets

	In thousands of PLN	
	01.01.2024- 31.03.2024	01.01.2023- 31.12.2023
1. Deferred tax assets at the beginning of the period, including:	9,491	4,976
a) Recognized in the financial result	9,491	4,976
2. Increases	9,679	9,461
a) Recognized in the financial result for the period due to negative temporary differences, including:		
Impairment write-downs of receivables	1,143	955
Impairment write-downs of inventories	559	559
Unpaid wages	0	1
Provisions for employee benefits	1,900	1,731
Provisions for warranty repairs	2,522	2,540
Other	3,555	3,675
b) Recognized in the financial result for the period due to tax loss	0	0
3. Decreases	9,460	4,946
a) Recognized in the financial result for the period due to negative temporary differences	9,460	4,946
4. Deferred tax assets at the end of the period, total, including:	9,710	9,491
a) Recognized in the financial result, including:		
Impairment write-downs of receivables	1,145	957
Impairment write-downs of inventories	559	559
Unpaid wages	0	1

	Provisions for employee benefits	1,908	1,738
	Provisions for warranty repairs	2,539	2,555
	Other	3,559	3,681
b)	Recognized in the financial result for the period due to tax loss	0	0
c)	Recognized in equity	0	0
d)	Recognized in goodwill	0	0

Changes in deferred tax liabilities

		In thousands of PLN	
		01.01.2024- 31.03.2024	01.01.2023- 31.12.2023
1.	Deferred tax liabilities at the beginning of the period, including:	859	1,551
a)	Recognized in the financial result	859	1,551
2.	Increases	2,199	685
a)	Recognized in the financial result for the period due to positive temporary differences, including:	2,199	685
	Valuation of receivables	0	0
	Valuation of long-term contracts	0	0
	Fixed assets and intangible assets	2,034	670
	Other	165	15
3.	Decreases	845	1,535
a)	Recognized in the financial result for the period due to positive temporary differences	845	1,535
4.	Deferred tax liabilities at the end of the period, total	2,213	701
a)	Recognized in the financial result, including:	2,213	701
	Valuation of receivables	0	0
	Valuation of long-term contracts	0	0
	Fixed assets and intangible assets	2,043	680
	Other	170	21
b)	Recognized in equity	0	0
c)	Recognized in goodwill	0	0

2.8. Inventories

		In thousands of PLN	
		31.03.2024	31.12.2023
a)	materials	2,814	1,242
b)	semi-finished products and work in progress	1,797	1,634
c)	finished products	0	0
d)	goods	0	0
e)	advances for deliveries	0	0
Total inventories		4,611	2,876
Impairment write-downs of inventories		2,944	2,944
Total inventories, gross		7,555	5,820

Changes in inventory impairment write-downs

		In thousands of PLN	
		01.01.2024- 31.03.2024	01.01.2023- 31.12.2023
Balance at the beginning of the period		2,944	3,110
a)	Increases	0	21
b)	Utilization	0	0
c)	Reversals	0	187
Balance of impairment write-downs at the end of the period, including:		2,944	2,944
materials		2,944	2,944

In the first quarter of 2024, the Group did not make any inventory write-downs, nor were any write-downs reversed.

2.9. Trade and other receivables

Trade and other receivables

		In thousands of PLN	
		31.03.2024	31.12.2023
-	Receivables from other entities	69,873	165,492
-	Prepaid expenses	1,684	1,828
Total net trade and other receivables		71,557	167,320

Short-term receivables

		In thousands of PLN	
		31.03.2024	31.12.2023
a)	Receivables from other entities	69,873	165,492
	Financial assets (IFRS 9)	61,789	159,982
-	Trade receivables, with repayment period:	61,789	159,982
	Up to 12 months	58,594	158,598
	Over 12 months	3,195	1,384
	Financial assets (excluding IFRS 9)	8,084	5,510
-	Corporate income tax receivables	100	100
-	Other receivables, including:	7,984	5,410
	Taxes, subsidies, customs duties, social security and health insurance, and other benefits	3,937	3,680
	ZFŚS surplus	0	0
	Other	4,047	1,730
	Receivables pursued through legal proceedings	0	0
	Total net short-term receivables	69,873	165,492
b)	Impairment write-downs of receivables	7,511	5,825
	Total gross short-term receivables	77,384	171,317

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

		In thousands of PLN	
		31.03.2024	31.12.2023
a)	In Polish currency	75,070	170,208
b)	In foreign currencies (converted to PLN)	2,314	1,109
	Total short-term receivables	77,384	171,317

Changes in impairment write-downs of short-term receivables

		In thousands of PLN	
		01.01.2024- 31.03.2024	01.01.2023- 31.12.2023
	Balance at the beginning of the period	6,534	5,471
a)	Increases due to:	1,091	894
	Impairment write-downs on receivables	1,091	894
b)	Decreases due to:	114	540
	Reversal of write-downs after receivables are paid	114	77
	Write-off of uncollectible receivables	0	463
	Balance of impairment write-downs of short-term receivables at the end of the period	7,511	5,825

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

		In thousands of PLN	
		31.03.2024	31.12.2023
a)	up to 1 month	32,008	29,609
b)	over 1 month to 3 months	20,855	108,430
c)	over 3 months to 6 months	134	13,774
d)	over 6 months to 1 year	169	195
e)	over 1 year	4,281	1,741
f)	overdue receivables	10,883	11,797
Total trade receivables (gross)		68,330	165,546
g)	impairment write-downs on trade receivables	6,541	5,564
Total trade receivables (net)		61,789	159,982

Overdue trade receivables (gross) - breakdown by unpaid period

		In thousands of PLN	
		31.03.2024	31.12.2023
a)	up to 1 month	2,979	3,314
b)	over 1 month to 3 months	194	88
c)	over 3 months to 6 months	139	0
d)	over 6 months to 1 year	641	2,335
e)	over 1 year	6,930	6,060
Overdue trade receivables, total (gross)		10,883	11,797
f)	Impairment write-downs on overdue trade receivables	5,454	5,283
Overdue trade receivables, total (net)		5,429	6,514

2.10. Contract assets and liabilities**Settlement of contract assets for ongoing contracts (IFRS 15)**

		In thousands of PLN	
		31.03.2024	31.12.2023
Services in progress at the end of the previous period		21,773	57,649
Services in progress as of the date of control acquisition		0	0
Services in progress at the end of the current period		33,800	21,612
Impact on revenues for the current reporting period		12,027	-36,037
Capitalized costs related to contracts in progress at the end of the previous period		34,588	53,446
Capitalized costs related to contracts in progress as of the date of control acquisition		0	0
Capitalized costs related to contracts in progress at the end of the current period		38,894	34,427
Impact on costs for the current reporting period		4,306	-19,019
Net impact on financial result per balance		7,721	-17,018

Contract assets relate to the estimated revenues from construction and assembly contracts as of March 31, 2024.

Additional information on ongoing contracts (IFRS 15)

	In thousands of PLN	
	31.03.2024	31.12.2023
Estimated amount of receivables from ongoing contracts	33,800	21,612
Estimated amount of liabilities from ongoing contracts	38,894	34,427
Amount of retention money and performance guarantees from completed work	3,301	3,254
Amount of advances received for the execution of deliveries and services	1,809	4,721

2.11. Cash and cash equivalents

	In thousands of PLN	
	31.03.2024	31.12.2023
Cash and other cash assets	49,972	33,160
- Cash on hand and in bank accounts	49,972	33,160
- Other cash equivalents	0	0
- Other financial assets	0	0
Total short-term financial assets	49,972	33,160

2.12. Non-current assets held for sale

	In thousands of PLN	
	01.01.2024- 31.03.2024	01.01.2023- 31.12.2023
a) Value at the beginning of the period	11,909	28,999
b) Increases due to reclassification to assets held for sale	0	0
c) Decreases due to:	11,909	17,090
Sale	11,909	0
Impairment of the asset	0	17,090
Non-current assets held for sale at the end of the period	0	11,909

Assets held for sale at the end of 2023 related to the subsidiary ZEUS S.A., all of whose shares were sold by the parent company in the first quarter of 2024.

Result on the loss of control after the sale of shares in the subsidiary ZEUS S.A.

In thousands of PLN	01.01.-31.03.2024
- Revenue from the sale	0*
- Net assets sold as of the date of loss of control	20,650
- Non-controlling interests in ZEUS S.A.	-2,419
Result on the loss of control	18,231

* The revenue from the sale amounted to 1 PLN; therefore, due to rounding to the nearest thousand PLN, the presented amount is 0 thousand PLN

2.13. Equity**Core capital**

Share capital (structure)	31.03.2024	31.03.2024	31.03.2024	31.03.2024	31.03.2024	31.03.2024	31.03.2024
a) Nominal value of one share in PLN	1	1	1	1	1	1	1
b) Series/issue	A	B	C	C	C	C	D
c) Type of shares	bearer	bearer	bearer	bearer	bearer	bearer	bearer
d) Type of share preference	ordinary	ordinary	ordinary	ordinary	ordinary	ordinary	Ordinary
e) Type of share restrictions	-	-	-	-	-	-	-
f) Number of shares in thousands	5,206	794	91	74	111	24	3,683
g) Nominal value of series/issue in thousands PLN	5,206	794	91	74	111	24	3,683
h) Method of capital coverage	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) Dividend right (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 PLN							9,983

Retained earnings and net profit

	In thousands of PLN	
	31.03.2024	31.12.2023
- Other reserve capitals	49,258	49,258
- Profit (loss) from previous years	2,813	-19,560
- Net profit (loss) attributable to shareholders of the parent company	21,056	22,373
Total retained earnings	73,127	52,071

2.14. Provisions

Change in the balance of other long-term provisions (by category)

		In thousands of PLN	
		01.01.2024- 31.03.2024	01.01.2023- 31.12.2023
a)	Balance at the beginning of the period	12,884	2,626
	Provisions for warranty repairs	12,415	2,265
	Provisions for employee benefits	469	361
	Provisions for contractual penalties	0	0
	Other	0	0
b)	Increases due to:	170	11,152
	Provisions for warranty repairs	170	11,044
	Provisions for employee benefits	0	108
	Provisions for contractual penalties	0	0
	Other	0	0
c)	Utilization due to:	0	0
	Provisions for warranty repairs	0	0
	Provisions for employee benefits	0	0
	Provisions for contractual penalties	0	0
	Other	0	0
d)	Reversal due to:	341	894
	Provisions for warranty repairs	341	894
	Provisions for employee benefits	0	0
	Provisions for contractual penalties	0	0
	Other	0	0
e)	Balance at the end of the period	12,713	12,884
	Provisions for warranty repairs	12,244	12,415
	Provisions for employee benefits	469	469
	Provisions for contractual penalties	0	0
	Other	0	0

Change in the balance of other short-term provisions (by category)

Change in the balance of other short-term provisions (by category)		In thousands of PLN	
		01.01.2024- 31.03.2024	01.01.2023- 31.12.2023
a)	Balance at the beginning of the period	19,647	17,374
	Provisions for warranty repairs	1,133	960
	Provisions for employee benefits	9,159	9,139
	Provisions for contractual penalties	9,225	7,274
	Other	130	1
b)	Increases due to:	1,686	11,403
	Provisions for warranty repairs	146	468
	Provisions for employee benefits	1,539	8,705
	Provisions for contractual penalties	0	2,101
	Other	1	129
c)	Utilization due to:	3	544
	Provisions for warranty repairs	3	35
	Provisions for employee benefits	0	509
	Provisions for contractual penalties	0	0
	Other	0	0
d)	Reversal due to:	5,037	8,586
	Provisions for warranty repairs	56	260
	Provisions for employee benefits	641	8,176
	Provisions for contractual penalties	4,340	150
	Other	0	0
e)	Balance at the end of the period	16,293	19,647
	Provisions for warranty repairs	1,220	1,133
	Provisions for employee benefits	10,057	9,159
	Provisions for contractual penalties	4,885	9,225
	Other	131	130

2.15. Trade and other payables

	In thousands of PLN	
	31.03.2024	31.12.2023
Financial liabilities (IFRS 9)	27,690	68,857
- Liabilities from deliveries and services	27,626	68,472
- Liabilities from the purchase of fixed assets	64	385
Financial liabilities (outside IFRS 9)	3,418	24,341
- Liabilities for taxes, duties, insurance, and other benefits	1,615	21,302
- Liabilities for salaries	1,723	2,865
- Other liabilities	80	174
- Short-term accrued expenses	0	0
Total liabilities from deliveries and services and other liabilities	31,108	93,198

Trade and service liabilities (gross) - before the due date and overdue

	In thousands of PLN	
	31.03.2024	31.12.2023
a) Liabilities before the due date	26,175	63,932
b) Overdue liabilities	1,451	4,540
up to 1 month	1,346	4,205
over 1 month to 3 months	102	305
over 3 months to 6 months	3	13
over 6 months to 1 year	0	13
over 1 year	0	4
Total trade and service liabilities (gross)	27,626	68,472

2.16. Lease liabilities

	In thousands of PLN	
	31.03.2024	31.12.2023
a) Short-term liabilities	3,003	3,150
b) Long-term liabilities	10,180	2,840
Liabilities under lease, rental, and other similar agreements, total	13,183	5,990

Additional information on leasing (IFRS 16)

	In thousands of PLN	
	01.01.2024- 31.03.2024	01.01.2023- 31.12.2023
a) Leasing interest	222	838
b) Cost of short-term leases and low-value asset leases	66	289
c) Lease payment value (principal repayment)	831	2,990
Total	1,119	4,117

The Group does not recognize liabilities for short-term leases or leases where the underlying asset has a low value. Additionally, contingent lease payments dependent on factors other than an index or rate are not included in the value of lease liabilities.

2.17. Other operating income and expenses

Other operating income

	In thousands of PLN	
	01.01.-31.03.2024	01.01.-31.03.2023
- Profit from the disposal of non-financial fixed assets	0	17
- Grants	0	0
- Other operating income	7,645	256
Total other operating income	7,645	273

The amount of PLN 7,645 thousand shown under "Other operating income" primarily consists of income from the reversal of provisions for contractual penalties due to a settlement agreement with a contractor, compensation received by the Group, and items related to the deconsolidation of ZEUS S.A.

Other operating expenses

	In thousands of PLN	
	01.01.-31.03.2024	01.01.-31.03.2023
- loss on disposal of non-financial fixed assets	0	0
- impairment of non-financial assets	711	-39
- other operating expenses	682	1,727
total other operating expenses	1,393	1,688

Other operating expenses

	In thousands of PLN	
	01.01.-31.03.2024	01.01.-31.03.2023
a) Provisions created, including:	2	1,550
other, including anticipated losses on contracts	2	1,550
b) Other, including:	680	177
written-off receivables	0	0
costs of resold services	35	20
damages from traffic incidents	10	11
legal costs	25	2
donations	7	5
contractual penalties and compensation	472	104
other costs	131	35
total other operating expenses	682	1,727

Profit (loss) on expected credit losses

	In thousands of PLN	
	01.01.-31.03.2024	01.01.-31.03.2023
- Reversal of impairment write-downs on receivables	114	0
- Creation of impairment write-downs on receivables	-197	-46
Total profit (loss) on expected credit losses	-83	-46

2.18. Financial income and expenses

Financial income

	In thousands of PLN	
	01.01.-31.03.2024	01.01.-31.03.2023
- Dividends and profit shares	0	0
- Interest	300	808
- Profit on disposal of investments	0	0
- Impairment of investments	18	0
- Other	27	19
Total financial income	345	827

Financial expenses

	In thousands of PLN	
	01.01.-31.03.2024	01.01.-31.03.2023
- Interest	767	436
- Impairment of investments	62	0
- Other	3,406	60
Total financial expenses	4,235	496

The amount of 3,406 thousand PLN reported under "Other" mainly relates to the deconsolidation of ZEUS S.A. and the discounting of long-term receivables.

2.19. Profit (loss) on sale of subsidiaries

In the first quarter of 2024, the subsidiary ZEUS S.A. was sold. The profit from the loss of control amounted to 18,231 thousand PLN, and the method of calculation is described in Note 2.12.

2.20. Impairment of subsidiary goodwill

As of December 31, 2023, the Management Board of ELEKTROTIM S.A. conducted impairment tests on the cash-generating units to which goodwill is allocated. This was done by comparing the carrying amount of the unit, including goodwill, with its recoverable amount, using the following assumptions: cash flow projection period of 5 years, growth rate after the projection period of 3%, and discount rate of 11%. The tests indicated that there was no impairment of the unit or the related goodwill, and thus no impairment write-down was made.

The sale of the subsidiary ZEUS S.A. in the first quarter of 2024 had no impact on goodwill (the lack of goodwill attributed to the company results from the 100% write-down of its value in previous reporting periods).

2.21. Information on financial instruments

During the period covered by the interim condensed consolidated financial statement, the Group utilized hedging deposits for periods longer than 12 months.

	In thousands of PLN	
	31.03.2024	31.12.2023
a) deposits and security guarantees over 12 months	1,160	1,328
b) Loans granted	0	0

Interest income

	In thousands of PLN	
	01.01.2024-31.03.2024	01.01.2023-31.12.2023
a) from loans provided	0	0

Loan liabilities

	In thousands of PLN	
	31.03.2024	31.12.2023
a) Long-term loans	0	0
b) Short-term loans	0	61

As of March 31, 2024, there are no credits or loans.

Derivative instruments

The Group uses derivative transactions to hedge existing foreign currency payments.

Summary of forward hedging transactions as of March 31, 2024

No.	Type of derivative instrument	Contract date	Transaction value in EUR/USD	Currency	Forward rate	Settlement date	Execution value in PLN	Transaction party	Profit/loss in PLN
1	Forward 11221618 purchase	09-02-2024	300,000.00	EUR	4.3313	02-04-2024	1,299,390.00	mBank S.A.	-10,932.58
2	Forward 11330069 purchase	22-03-2024	150,000.00	EUR	4.3341	27-05-2024	650,115.00	mBank S.A.	-4,656.55
3	Forward 11333116 purchase	25-03-2024	150,000.00	EUR	4.3263	27-05-2024	648,945.00	mBank S.A.	-3,496.57
4	Forward 11348286 purchase	29-03-2024	150,000.00	EUR	4.3218	28-06-2024	648,270.00	mBank S.A.	-1,690.85
5	Forward 11259601 sale	26-02-2024	200,000.00	EUR	4.3534	30-08-2024	870,680.00	mBank S.A.	5,104.08
6	Forward 11259606 sale	26-02-2024	300,000.00	EUR	4.3564	13-09-2024	1,306,920.00	mBank S.A.	7,348.73
7	Forward 11221596 purchase	09-02-2024	200,000.00	USD	4.0145	02-04-2024	802,900.00	mBank S.A.	-7,007.06
8	Forward 11286139 purchase	06-03-2024	150,000.00	USD	3.9608	10-05-2024	594,120.00	mBank S.A.	5,155.17

Reclassifications of financial assets

No reclassifications of financial assets were made during the period covered by the interim condensed consolidated financial statement.

Financial risk management

Financial risks include foreign exchange risk, interest rate risk, loss or reduction of financial liquidity, and credit risk. The companies in the ELEKTROTIM Capital Group are exposed to these risks to a moderate extent.

Foreign exchange risk management

The Capital Group is exposed to foreign exchange risk, primarily related to EUR/PLN and USD/PLN exchange rates. The source of transactional exposure to foreign exchange risk is contracts for the supply of materials and raw materials, resulting in cash flows whose value in the base currency depends on future foreign exchange rate levels. The Group aims to purchase foreign currencies on terms no worse than those assumed in the implementation budgets and to balance the value of assets and liabilities expressed in a given currency. The exposure to foreign exchange risk changes throughout the year, depending on the volume of transactions conducted in the currency and the value of currencies accumulated for payments. There is a risk that, despite using hedging mechanisms (e.g., forward transactions), the cost of materials and equipment purchased in foreign currency, when converted to the domestic currency, will be higher than assumed in the budget, which may lead to increased costs and a reduction in the originally planned margin.

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

	Value expressed in foreign currency (in thousands):					Value converted (in thousands PLN)
	EUR	USD	GBP	CHF	other	
As of 31.03.2024						
Financial assets (+):						
Loans	0	0	0	0	0	0
Trade receivables and other financial receivables	530	0	0	0	0	2,314
Other financial assets	0	0	0	0	0	0
Cash and cash equivalents	1,167	407	3	0	1	6,659
Financial liabilities (-):						
Loans, borrowings, and other debt instruments	0	0	0	0	0	0
Lease liabilities	0	0	0	0	0	0
Trade payables and other financial liabilities	63	880	0	0	0	3,834
Total exposure to foreign exchange risk	1,760	1,287	3	0	1	12,807

As of 31.12.2023						
Financial assets (+):						
Loans	0	0	0	0	0	0
Trade receivables and other financial receivables	209	47	0	0	0	1,109
Other financial assets	0	0	0	0	0	0
Cash and cash equivalents	283	54	3	0	1	1,457
Financial liabilities (-):						
Loans, borrowings, and other debt instruments	0	0	0	0	0	0
Lease liabilities	0	0	0	0	0	0
Trade payables and other financial liabilities	395	0	0	0	0	1,742
Total exposure to foreign exchange risk	887	101	3	0	1	4,308

	Value expressed in foreign currency (in thousands):					Value converted (in thousands PLN)
	EUR	USD	GBP	CHF	other	
As of 31.03.2024						
Derivative financial instruments	1,250	350	0	0	0	6,821
Total exposure to foreign exchange risk	1,250	350	0	0	0	6,821
As of 31.12.2023						
Derivative financial instruments	0	0	0	0	0	0
Total exposure to foreign exchange risk	0	0	0	0	0	0

Below is an analysis of the sensitivity of the financial result and equity in relation to the Group's financial assets and liabilities and fluctuations in the EUR/PLN and USD/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., March 31, 2024.

	Exchange rate fluctuations	Impact on financial result:			Impact on equity:		
		EUR	USD	total	EUR	USD	total
As of 31.03.2024							
Increase in exchange rate	5%	651	329	980	651	329	980
Decrease in exchange rate	-5%	-651	-329	-980	-651	-329	-980
As of 31.12.2023							
Increase in exchange rate	5%	195	20	215	195	20	215
Decrease in exchange rate	-5%	-195	-20	-215	-195	-20	-215

Interest rate risk management

Interest rate risk primarily arises from the use of bank loans, borrowings, and leasing services by the Group companies, which are subject to variable interest rates. The Group manages these risks by maintaining appropriate monitoring of the debt levels. Interest rate risk management focuses on optimizing the level of debt, utilizing trade credit as market conditions allow, and incorporating financial costs into management calculations related to contract financing and achieved margins.

Credit risk management

The nature of the construction industry exposes the Group to credit risk concentration. The projects often require significant working capital due to their relatively high value and long completion periods. Contracts entered into by companies within the ELEKTROTIM Capital Group also mandate guarantees for proper and timely execution, as well as the rectification of defects, typically in the form of bank or insurance guarantees. Additionally, prolonged acceptance procedures for completed works, the obligation to settle liabilities to subcontractors within a specific timeframe, and the agreed payment terms upon completion of the entire contract result in substantial cash flow commitment to ongoing operations. Should there be a potential restriction in the availability of financing sources or the termination of credit and insurance agreements, there is a risk of reduced operational capacity. This would limit the ability to submit bids, potentially decreasing turnover and impacting financial performance.

To minimize risk, the Group intends to: focus on short-term projects with high margins, manage securities and guarantees rationally, increase working capital, and diversify sales segments.

The Group's potential exposure to credit risk as of the balance sheet date, March 31, 2024, is determined by the carrying amount of the following financial assets and off-balance sheet liabilities:

Exposure to credit risk	In thousands of PLN	
	31.03.2024	31.12.2023
Loans	0	0
Trade receivables and other receivables	71,557	167,320
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	49,972	33,160
Contingent liabilities	259	259
Contract assets	33,800	21,632

Credit risk is mainly associated with the Group's receivables from customers and financial investments. The primary customers of the Group are commercial law companies, including those with State Treasury participation. Credit risk is minimized through a trade receivables insurance agreement concluded with Atradius Credit Insurance NV S.A. Branch in Poland (parent company).

To mitigate credit risk related to receivables, the Group implements a strict policy for selecting counterparties and granting credit limits.

The Group continuously monitors customer and creditor payment delays, analyzing credit risk. In the opinion of the Management Board of the parent company, these financial assets, which are neither overdue nor impaired as of the respective balance sheet dates, can be considered of good credit quality.

The exposure to credit risk in terms of overdue amounts and the age structure of overdue receivables not covered by impairment is presented in the table below.

Gross trade receivables as of 31.03.2024

	In thousands of PLN		
	Impairment on receivables	Receivables	Impairment in %
a) Not overdue	1,087	57,447	1.89%
b) Overdue up to 1 month	200	2,977	6.72%
c) Overdue over 1 month to 3 months	0	194	0.00%
d) Overdue over 3 months to 6 months	139	139	100.00%
e) Overdue over 6 months to 1 year	641	641	100.00%
f) Overdue over 1 year	4,474	6,932	64.54%
Total	6,541	68,330	9.57%
g) Impairment write-downs on trade receivables	6,541	6,541	
Total	0	61,789	

The analysis of total receivables in the age structure presented in Note 2.9 shows that most receivables fall into two age categories: those with a payment due date of up to 1 month (46%) and those overdue from 1 month to 3 months (31%) in the first quarter of 2024. Receivables with a payment due date of up to one month and between 1 and 3 months do not pose a 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 implement appropriate security procedures, such as demanding guarantees or requesting payment from a reliable investor when Group companies work for a general contractor.

The next significant group of receivables consists of overdue receivables, accounting for 16% of total gross receivables. Within this group, the largest segment is receivables overdue by more than 1 year, which make up 10% of total gross receivables. Historically analyzing payment delays and ultimately lost receivables, the Group has concluded that a significant increase in credit risk occurs when payments are overdue by more than 90 days from the original due date, leading to non-performance by the counterparty. In such cases, regardless of the future risk estimate, the Group applies a 100% impairment write-down on these receivables.

Regarding trade receivables, the exposure to credit risk from a single significant customer or a group of customers with similar characteristics is individually analyzed as of the balance sheet date. Based on historically observed trends in payment delays, overdue receivables not covered by an impairment do not show 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 involved in the transactions. Cash and cash equivalents are placed in financially sound institutions, primarily banks.

For granted loans, the Group considers them to have low credit risk, provided they are not overdue at the assessment date, and the borrower has confirmed the balance of the receivables.

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

The parent company has not engaged in negotiations or made arrangements resulting from a significant increase in credit risk, nor has it altered payment terms or made other modifications affecting the expected cash flows from receivables and contract assets.

Liquidity risk management

The ELEKTROTIM Capital Group is exposed to temporary disruptions or, in the worst case, a loss of ability to meet its obligations on time. This risk may arise from sudden changes in market conditions, the form of contract settlements (payment upon project completion), customers' delays in fulfilling their obligations to the Group, customer bankruptcies, and limited availability of financing sources.

For effective liquidity risk management, the Group optimizes financing sources by using options such as bank loans, factoring, and internal funds. It adjusts the maturity dates of each source to ensure maximum efficiency of cash flows..

Trade and lease liabilities (gross) - before due date and overdue

	31.03.2024	In thousands of PLN 31.12.2023
Total trade liabilities (gross):	27,626	68,472
a) Liabilities before due date	26,175	63,932
b) Overdue liabilities	1,451	4,540
Up to 1 month	1,346	4,205
Over 1 month to 3 months	102	305
Over 3 months to 6 months	3	13
Over 6 months to 1 year	0	13
Over 1 year	0	4
Total lease and right-of-use liabilities (gross):	13,183	5,990
a) Liabilities before due date	13,183	5,990
b) Overdue liabilities	0	0
Total trade and lease liabilities (gross)	40,809	74,462

2.22. Off-balance sheet items, including contingent liabilities

Contingent liabilities are understood as potential obligations arising from past events, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events that are not entirely within the entity's control.

Guarantee lines held by the group and their utilization

As of March 31, 2024, the parent company holds total guarantee limits for bid bonds, performance bonds, warranty and guarantee bonds, and advance payment guarantees amounting to 274,400 thousand PLN and 6,000 thousand EUR. The utilization as of March 31, 2024, is 97,777 thousand PLN and 1,900 thousand EUR.

At the request of ELEKTROTIM, the bank issued a performance bond guarantee for the contract amounting to 259 thousand PLN for ZEUS S.A., with a commercial company as the beneficiary. The guarantee is valid until February 15, 2025.

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

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

The diluted book value per share is calculated by dividing the book value by the number of ordinary shares plus the potential number of shares that the entity is obligated to issue.

Detailed values of the indicator for the first quarter of 2024 and the year 2023 are presented in the table below.

	01.01.-31.03.2024	01.01.-31.12.2023
Book value (in thousands PLN)	126,582	103,170
Number of shares (in units)	9,983,009	9,983,009
Book value per share (in PLN)	12.68	10.33
Diluted number of shares (in units)	9,983,009	9,983,009
Diluted book value per share (in PLN)	12.68	10.33

2.24. Calculation of profit (loss) per ordinary share and diluted earnings (loss) per ordinary share

Profit per common share is the quotient of net income attributable to shareholders of the parent company from the income statement for the period and the weighted average number of common shares for the period. The weighted average number of ordinary shares is calculated by dividing the sum of the number of shares at the end of each month of the period by the number of months in the period.

Diluted earnings per common share is the quotient of net income from the income statement for the period and the weighted average number of shares for the period plus the weighted average potential number of shares the entity has committed to issue.

The detailed values of the indicator for Q1 2024 and 2023 are shown in the table below.

	01.01.-31.03.2024	01.01.-31.03.2023
Net profit (loss) (in thousands of PLN)	21,056	5,757
Weighted average number of ordinary shares (in units)	9,983,009	9,983,009
Profit (loss) per common share (in PLN)	2.11	0.58
Diluted weighted average number of common shares (in units)	9,983,009	9,983,009
Diluted profit (loss) per common share (in PLN)	2.11	0.58

2.25. Information on related party transactions, if individually or collectively significant and conducted on non-market terms

Transactions with related parties were concluded on the market basis, taking into account prices and conditions prevailing in the market.

The Group's purchasing strategy is guided by the selection of the most favorable market price from those existing in the market, through constant monitoring of prices from a number of suppliers and selecting from several most favorable offers.

2.26. Information on significant events after the balance sheet date

Significant events that occurred during the reporting period and after the balance sheet date and may affect the results of subsequent quarters are further described in sections 5.14. and 5.15.

3. INTERIM CONDENSED INDIVIDUAL FINANCIAL STATEMENTS FOR THE PERIOD 01.01.2024 - 31.03.2024

INDIVIDUAL STATEMENT OF FINANCIAL POSITION

Item description	note	In thousands of PLN	
		31.03.2024	31.12.2023
I. Fixed assets		40,198	32,799
- Intangible assets	4.2.	150	158
- Goodwill	4.3.	2,396	2,396
- Tangible non-current assets	4.4.	20,057	12,793
- Real estate investments	4.4.	4,890	4,890
- Investments in subsidiaries		644	644
- Other long-term financial assets	4.5.	1,160	1,328
- Deferred income tax assets	4.7.	9,679	9,456
- Other long-term non-financial assets		1,222	1,134
II. Current assets		158,524	223,329
- Inventories	4.8.	4,611	2,876
- Trade and other receivables	4.9.	71,305	167,157
- Contract assets	4.10.	33,409	21,305
- Cash and cash equivalents	4.11.	49,199	31,991
Current assets other than assets for sale		158,524	223,329
Total assets		198,722	256,128

Item description	note	In thousands of PLN	
		31.03.2024	31.12.2023
I. Equity		121,929	117,117
- Share capital	4.13.	9,983	9,983
- Excess of issue price over par value of shares		44,522	44,522
- Other capitals		-152	-152
- Retained earnings	4.13.	62,764	22,027
- Net profit (loss)		4,812	40,737
II. Liabilities and provisions for liabilities		76,793	139,011
1. Long-term liabilities		24,946	16,320
- Deferred income tax provision	4.7.	2,199	843
- Long-term provisions	4.14.	12,616	12,704
- Long-term lease liabilities	4.16.	10,131	2,773
2. Short-term liabilities		51,847	122,691
- Short-term provisions	4.14.	16,101	19,539
- Trade and other payables	4.15.	31,029	93,634
- Other financial liabilities		0	61
- Corporate income tax liabilities		0	1,689
- Short-term lease liabilities	4.16.	2,908	3,047
- Contract liabilities	4.10.	1,809	4,721
Short-term liabilities other than those related related to assets for sale		51,847	122,691
Total liabilities		198,722	256,128

INDIVIDUAL STATEMENT OF PROFIT OR LOSS

imputed variant, in thousands of PLN	note	01.01.- 31.03.2024	01.01.- 31.03.2023
- Sales revenue		61,809	91,584
- Cost of sales		53,765	78,363
I Gross profit (loss) on sales		8,044	13,221
- Selling expenses		2,478	2,176
- General administrative expenses		2,813	2,146
- Other operating income	4.17.	5,194	305
- Other operating expenses	4.17.	682	1,651
- Profit (loss) from expected credit losses	4.17.	-83	-46
II Profit (loss) from operations		7,182	7,507
- Profit (loss) on loss of control		0	0
- Financial income	4.18.	345	820
- Financial expenses	4.18.	1,582	475
- Write-down of goodwill of subsidiaries		0	0
III Gross profit (loss)		5,945	7,852
- Income tax		1,133	1,888
- Net profit (loss) from continuing operations		4,812	5,964
- Profit (loss) from discontinued operations		0	0
IV Net profit (loss)		4,812	5,964

INDIVIDUAL STATEMENT OF OTHER COMPREHENSIVE INCOME

In thousands of PLN	01.01.- 31.03.2024	01.01.- 31.03.2023
1. Net profit (loss)	4,812	5,964
2. Other comprehensive income, including:	0	0
Not classified to result	0	0
3. Total comprehensive income	4,812	5,964

INDIVIDUAL STATEMENT OF CASH FLOWS

Indirect method, in thousands of PLN	01.01.- 31.03.2024	01.01.- 31.03.2023
I. Cash flows from operating activities		
1. Gross profit (loss)	5,945	7,852
2. Total adjustments	12,537	6,740
- Depreciation	988	891
- Profit (loss) from exchange differences	0	0
- Interest	131	-483
- Profit (loss) from investing activities	43	-17
- Change in provisions	-2,171	1,392
- Change in inventories	-1,735	-2,161
- Change in receivables	83,437	52,587
- Change in short-term liabilities, excluding loans and credits	-67,023	-43,581
- Other adjustments	-1,133	-1,888
- Cash flows used in operations	18,482	14,592
- Income tax paid included in operating activities	0	-6,555
3. Net cash flows from operating activities	18,482	8,037
II. Cash flows from investing activities		
- Proceeds from the sale of tangible non-current assets, intangible assets other than goodwill, investment properties, and other long-term assets	1	17
- Interest	212	680
- Other investment proceeds (including dividends and interest)	168	12
- Purchase of tangible non-current assets, intangible assets other than goodwill, investment properties, and other long-term assets	-541	-633
- Other investment expenditures	-34	0
Net cash flows from investing activities	-194	76

III. Cash flows from financing activities		
- Net proceeds from the issuance of shares and other equity instruments	0	0
- Loans and credits (inflows)	0	0
- Other financial inflows (outflows)	0	0
- Purchase of own shares (stocks)	0	0
- Dividends and other payments to owners	0	0
- Repayment of loans and credits	-61	0
- Payments of lease liabilities	-676	-901
- Interest	-343	-197
Net cash flows from financing activities	-1,080	-1,098
IV. Net cash flows, total	17,208	7,015
Effects of exchange rate changes on cash	0	0
Balance change in cash, including:	17,208	7,015
Cash at the beginning of the period	31,991	54,652
Cash at the end of the period	49,199	61,667
with restricted cash	16,372	3,926

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 01.01.2024 - 31.03.2024

In thousands of PLN	Share capital	Excess of issue price over par value of shares	Other capitals	Retained earnings	Total
Balance at the beginning of the period	9,983	44,522	-152	62,764	117,117
Profit for the period	0	0	0	4,812	4,812
Other comprehensive income for the period	0	0	0	0	0
Total comprehensive income	0	0	0	4,812	4,812
Dividend	0	0	0	0	0
Other increases (decreases)	0	0	0	0	0
Increase (decrease) in capital	0	0	0	4,812	4,812
Balance at the end of the period	9,983	44,522	-152	67,576	121,929

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 01.01.2023 - 31.03.2023

In thousands of PLN	Share capital	Excess of issue price over par value of shares	Other capitals	Retained earnings	Total
Balance at the beginning of the period	9,983	44,522	-10	37,002	91,497
Profit for the period	0	0	0	5,964	5,964
Other comprehensive income for the period	0	0	0	0	0
Total comprehensive income	0	0	0	5,964	5,964
Dividend	0	0	0	0	0
Other increases (decreases)	0	0	0	0	0
Increase (decrease) in capital	0	0	0	5,964	5,964
Balance at the end of the period	9,983	44,522	-10	42,966	97,461

4. ADDITIONAL INFORMATION TO THE INDIVIDUAL FINANCIAL STATEMENTS

4.1. Information on operating segments

Products and services from which reportable segments derive their revenues

ELEKTROTIM provides its products in the construction and assembly market for both public and non-public clients.

The reportable segments identified in the Company represent an aggregation of its organizational structure, where the operational part has been divided into separately managed economic units (plants) grouped into divisions. The criterion for distinguishing individual plants and divisions was based on product groups and geographical location.

Following the completion of the strategic options review of subsidiaries, divestitures, and organizational structure changes, a reanalysis of segments was conducted. As a result, to present information in a way that allows for a proper assessment of the nature and financial effects of the economic activities carried out by the Company, the operational segments were divided according to the markets served by the divisions into:

- Industry – infrastructure for industrial plants,
- Energy – energy generation, energy transmission, energy distribution,
- Local governments – road infrastructure, urban infrastructure, traffic engineering, municipal infrastructure,
- Defense sectors – military, security services, border protection, airports,
- Traction – railway traction power infrastructure.

These segments collectively meet the following principles:

- a) The division has been carried out in accordance with the overarching principle of IFRS 8: "to present information in a manner that enables users of financial statements to evaluate the nature and financial effects of the business activities in which the entity engages 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
 - type or groups of customers for specific products and services
 - the methods used to distribute the products or provide the services.

The principles applied for measuring segment information are consistent with the Company's accounting policy, and their evaluation is based on sales revenue and gross profit (loss) from sales. Comparative data has been restated.

Product groups offered within the operational segments:

- Power substations
- Security systems
- Airport systems
- Traction power supply
- Electrical installations
- High voltage lines
- Signaling and lighting
- Traffic engineering
- Municipal networks
- Electrical networks
- Switchgear production
- Service
- Projects

Revenue and results of segments

Below is an analysis of the Company's revenue and results in each of the reportable segments:

	Business segments	Revenue from external customers	Revenue within and from other segments	Cost of goods sold	Gross profit (loss) from external sales
01.01-31.03.2024	Industry	12,448	1,200	10,836	1,612
	Energy	22,249	-	21,022	1,226
	Local governments	12,933	334	11,742	1,191
	Defense sectors	10,205	7	6,213	3,992
	Traction	3,974	-	3,951	23
01.01-31.03.2023	Industry	16,179	3,572	14,339	1,840
	Energy	23,669	-	20,828	2,841
	Local governments	11,945	-	9,668	2,278
	Defense sectors	37,799	9	31,647	6,152
	Traction	1,975	-	1,866	109

Segment assets

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

Geographical information

The Company operates in only one geographical area – within Poland.

4.2. Intangible assets

Intangible assets

Item description	In thousands of PLN	
	31.03.2024	31.12.2023
Completed development work	0	0
Acquired concessions, patents, licenses, and similar assets	150	158
Other intangible assets	0	0
Intangible assets, total	150	158

Changes in intangible assets (by category) for the period 01.01.2024 - 31.03.2024

In thousands of PLN	Development work costs	Concessions, patents, licenses, and similar assets	Other intangible assets	Intangible assets, total
Gross value of intangible assets at the beginning of the period	9	0	5,078	5,087
Increases due to:	0	0	3	3
- purchase	0	0	3	3
- acquisition of subsidiaries	0	0	0	0
Decreases due to:	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	5,081	5,090
Accumulated depreciation (remission) at the beginning of the period	9	0	4,920	4,929
Depreciation for the period, due to:	0	0	11	11
- planned write-offs	0	0	11	11
- acquisition of subsidiaries	0	0	0	0
- decreases	0	0	0	0
Accumulated depreciation (remission) at the end of the period	9	0	4,931	4,940
Impairment write-offs at the beginning of the period	0	0	0	0
- increases	0	0	0	0
- decreases	0	0	0	0
Impairment write-offs at the end of the period	0	0	0	0
Net value of intangible assets at the end of the period	0	0	150	150

Changes in intangible assets (by category) for the period 01.01.2023 - 31.12.2023

In thousands of PLN	Development work costs	Concessions, patents, licenses, and similar assets	Other intangible assets	Intangible assets, total
Gross value of intangible assets at the beginning of the period	9	0	4,894	4,903
Increases due to:	0	0	184	184
- purchase	0	0	184	184
- acquisition of subsidiaries	0	0	0	0
Decreases due to:	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, due to:	0	0	131	131
- planned write-offs	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
Impairment write-offs at the beginning of the period	0	0	0	0
- increases	0	0	0	0
- decreases	0	0	0	0
Impairment write-offs 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

Intangible assets (ownership structure)

	In thousands of PLN	
	31.03.2024	31.12.2023
- Owned	150	158
- Used under lease, rental, or other agreement, including leasing	0	0
Intangible assets, total	150	158

4.3. Goodwill

	In thousands of PLN	
	31.03.2024	31.12.2023
- Cash-generating units	2,396	2,396
Goodwill, total	2,396	2,396
Impairment write-offs	0	0
Carrying amount, total	2,396	2,396

Change in goodwill

	In thousands of PLN	
	01.01.2024- 31.03.2024	01.01.2023- 31.12.2023
Balance at the beginning of the period	2,396	2,396
- Increases	0	0
-Decreases	0	0
Balance at the end of the period	2,396	2,396

As of December 31, 2023, impairment tests were conducted for the financial assets of the cash-generating units (Power Substations Plant, Gliwice Network Plant, and Airport Systems Plant) as well as the shares/stocks of subsidiaries.

The conducted impairment test did not indicate the necessity of recognizing an impairment write-down for goodwill. This test was performed assuming a 5-year cash flow projection period with a discount rate of 11% and a growth rate of 3% after the projection period.

As of March 31, 2024, no indications of potential impairment of the carrying amount of goodwill were identified. Therefore, no impairment write-down was recognized in the first quarter of 2024.

4.4. Tangible fixed assets

	In thousands of PLN	
	31.03.2024	31.12.2023
a) Fixed assets, including:	19,481	12,265
- Land	869	869
- Buildings, premises, and civil engineering structures	11,766	4,512
- Technical equipment and machinery	2,124	2,028
- Means of transportation	4,554	4,682
- Other fixed assets	168	174
b) Fixed assets under construction	576	528
Tangible fixed assets, total	20,057	12,793

Balance sheet fixed assets (ownership structure)

	31.03.2024	31.12.2023
		In thousands of PLN
- owned	6,086	6,030
- Used under lease, rental, or other agreement, including leasing	13,971	6,763
Balance sheet fixed assets, total	20,057	12,793

Changes in fixed assets (by category) for the period 01.01.2024 - 31.03.2024

In thousands of PLN	Land	Buildings, premises, and civil engineering structures	Technical equipment and machinery	Transportation equipment	Other fixed assets	Fixed assets, total
Gross value of fixed assets at the beginning of the period	869	10,356	9,267	13,432	2,004	35,928
Increases due to:	0	7,709	228	248	8	8,193
- purchase/modification of agreement	0	7,709	228	248	8	8,193
- acquisition of subsidiary	0	0	0	0	0	0
Decreases due to:	0	0	0	57	0	57
- sale and liquidation	0	0	0	57	0	57
Gross value of fixed assets at the end of the period	869	18,065	9,495	13,623	2,012	44,064
Accumulated depreciation (remission) at the beginning of the period	0	5,844	7,239	8,750	1,830	23,663
Depreciation for the period due to:	0	455	132	319	14	920
- planned write-offs	0	455	132	376	14	977
- acquisition of subsidiary	0	0	0	0	0	0
- sale and liquidation	0	0	0	57	0	57
Accumulated depreciation (remission) at the end of the period	0	6,299	7,371	9,069	1,844	24,583
Impairment write-offs 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
Impairment write-offs at the end of the period	0	0	0	0	0	0
Net value of fixed assets at the end of the period	869	11,766	2,124	4,554	168	19,481

Changes in fixed assets (by category) for the period 01.01.2023 - 31.12.2023

In thousands of PLN	Land	Buildings, premises, and civil engineering structures	Technical equipment and machinery	Transportation equipment	Other fixed assets	Fixed assets, total
Gross value of fixed assets at the beginning of the period	869	9,425	8,743	11,980	1,906	32,923
Increases due to:	0	931	788	2,137	125	3,981
- purchase/modification of agreement	0	931	788	2,137	125	3,981
- acquisition of subsidiary	0	0	0	0	0	0
Decreases due to:	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 due to:	0	1,572	246	656	67	2,541
- planned write-offs	0	1,572	508	1,341	94	3,515
- acquisition of subsidiary	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
Impairment write-offs 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
Impairment write-offs 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

Leasing

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

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

The significant increase in the value of the "buildings, premises, and civil engineering structures" group is due to the signing of an Annex to the lease agreement for the Company's headquarters on March 27, 2024. According to the agreed terms, the lease period is extended until February 28, 2030. The impact of this modification on the value of fixed assets amounts to PLN 7,709 thousand and corresponds with the change in the value of long-term lease liabilities.

Changes in right-of-use assets (by category) for the period 01.2024 - 31.03.2024

In thousands of PLN	Land	Buildings, premises, and civil engineering structures	Technical equipment and machinery	Transportation equipment	Other fixed assets	Fixed assets, total
Gross value at the beginning of the period	0	7,430	643	6,292	0	14 365
Increases due to:	0	7,709	0	231	0	7,940
- signing a lease agreement	0	0	0	231	0	231
- changes resulting from contract modifications	0	7,709	0	0	0	7,709
Decreases due to:	0	0	0	0	0	0
- end of lease agreement	0	0	0	0	0	0
- profile change/purchased	0	0	0	0	0	0
Value at the end of the period	0	15,139	643	6,523	0	22,305
Accumulated depreciation (remission) at the beginning of the period	0	5,068	101	2,433	0	7,602
Depreciation for the period due to:	0	434	18	280	0	732
- planned write-offs	0	434	18	280	0	732
- profile change/purchased	0	0	0	0	0	0
- depreciation of ended lease/return	0	0	0	0	0	0
- profile change/purchased	0	0	0	0	0	0
Accumulated depreciation (remission) at the end of the period	0	5,502	119	2,713	0	8,334
Impairment write-offs 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
Impairment write-offs at the end of the period	0	0	0	0	0	0
Net value at the end of the period	0	9,637	524	3,810	0	13,971

Changes in right-of-use assets (by category) for the period 01.2023 - 31.12.2023

In thousands of PLN	Land	Buildings, premises, and civil engineering structures	Technical equipment and machinery	Transportation equipment	Other fixed assets	Fixed assets, total
Gross value at the beginning of the period	0	6,523	643	4,915	0	12,081
Increases due to:	0	907	0	1,796	0	2,703
- signing a lease agreement	0	0	0	1,796	0	1,796
- changes resulting from contract modifications	0	907	0	0	0	907
Decreases due to:	0	0	0	419	0	419
- end of lease agreement	0	0	0	142	0	142
- profile change/purchased	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 due to:	0	1,490	72	655	0	2,217
- planned write-offs	0	1,490	72	943	0	2,505
- profile change/purchased	0	0	0	0	0	0
- depreciation of ended lease/return	0	0	0	142	0	142
- profile change/purchased	0	0	0	146	0	146
Accumulated depreciation (remission) at the end of the period	0	5,068	101	2,433	0	7,602
Impairment write-offs 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
Impairment write-offs 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

Change in investment properties

	In thousands of PLN	
	31.03.2024	31.12.2023
a) Balance at the beginning of the period	4,890	4,058
b) Increases due to:	0	832
revaluation to fair value	0	832
d) Balance at the end of the period	4,890	4,890
Investment properties	4,890	4,890

4.5. Financial assets

Other long-term financial assets

	In thousands of PLN	
	31.03.2024	31.12.2023
In related entities	644	644
Shares or stocks	644	644
In other entities	1,160	1,328
Shares or stocks	0	0
Other long-term financial assets (including deposits and guarantees)	1,160	1,328
Long-term financial assets, total	1,804	1,972

Change in long-term financial assets (by category)

	In thousands of PLN	
	01.01.2024-31.03.2024	01.01.2023-31.12.2023
At the beginning 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
Increases	0	0
Shares or stocks (capital increase)	0	0
Granted loans	0	0
Other long-term financial assets	0	0
Decreases	168	1,066
Shares or stocks (revaluation)	0	0
Granted loans	0	0
Other long-term financial assets	168	1,066
At the end of the period	1,804	1,972
Shares or stocks	644	644
Granted loans	0	0

Other long-term financial assets	1,160	1,328
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Receivables

For the purpose of presentation in the interim condensed standalone statement of financial position, the Company identifies a class of receivables. In the long-term portion, receivables are presented in the statement of financial position as a single item.

4.6. Financial liabilities

Long-term financial liabilities

	In thousands of PLN	
	31.03.2024	31.12.2023
Loans and credits	0	0
Long-term liabilities, total	0	0

Short-term financial liabilities

	In thousands of PLN	
	31.03.2024	31.12.2023
Loans and credits	0	61
Long-term liabilities, total	0	61

4.7. Deferred tax assets and liabilities

Change in deferred tax assets

	In thousands of PLN	
	01.01.2024- 31.03.2024	01.01.2023- 31.12.2023
1. Deferred tax assets at the beginning of the period, including:	9,456	4,900
a) recognized in the financial result	9,456	4,900
2. Increases	9,679	9,456
a) recognized in the financial result for the period due to negative temporary differences, including:	9,679	9,456
write-down of receivables	1,143	955
write-down of inventory	559	559
unpaid salaries	0	0
provision for employee benefits	1,900	1,730
provision for warranty repairs	2,522	2,538
Other	3,555	3,674
b) recognized in the financial result for the period due to tax loss	0	0
3. Decreases	9,456	4,900
a) recognized in the financial result for the period due to negative temporary differences	9,456	4,900
4. Deferred tax assets at the end of the period, total, including:	9,679	9,456

a)	recognized in the financial result:	9,679	9,456
	write-down of receivables	1,143	955
	write-down of inventory	559	559
	unpaid salaries	0	0
	provision for employee benefits	1,900	1,730
	provision for warranty repairs	2,522	2,538
	Other	3,555	3,674
b)	recognized in the financial result for the period due to tax loss	0	0
c)	recognized in equity	0	0
d)	recognized in goodwill	0	0

The Management Board decided not to recognize a deferred tax asset from the loss generated on the sale of ZEUS S.A. shares, due to the absence of plans that would allow its utilization in the future. The situation will be monitored in subsequent reporting periods, and if conditions enabling the use of the loss are identified, the asset will be recognized or the loss will be utilized.

Change in deferred tax liabilities

		In thousands of PLN	
		01.01.2024- 31.03.2024	01.01.2023- 31.12.2023
1.	Deferred tax liabilities at the beginning of the period, including:	843	1,532
a)	recognized in the financial result	843	1,532
2.	Increases	2,199	843
a)	recognized in the financial result for the period due to positive temporary differences, including:	2,199	843
	valuation of receivables	0	0
	valuation of long-term contracts	0	0
	fixed assets and intangible assets	2,034	670
	Other	165	173
3.	Decreases	843	1,532
a)	recognized in the financial result for the period due to positive temporary differences	843	1,532
4.	Deferred tax liabilities at the end of the period, total, including	2,199	843
a)	recognized in the financial result, due to:	2,199	843
	valuation of receivables	0	0
	valuation of long-term contracts	0	0
	fixed assets and intangible assets	2,034	670
	Other	165	173
b)	recognized in equity	0	0
c)	recognized in goodwill	0	0

4.8. Inventories

		In thousands of PLN	
		31.03.2024	31.12.2023
a)	Materials	2,814	1,242
b)	semi-finished products and work in progress	1,797	1,634
c)	finished products	0	0
d)	Goods	0	0
e)	advances for deliveries	0	0
Inventories, total		4,611	2,876
Write-downs of inventories		2,944	2,944
Inventories, total gross		7,555	5,820

Change in inventory write-downs

		In thousands of PLN	
		01.01.2024- 31.03.2024	01.01.2023- 31.12.2023
Balance at the beginning of the period		2,944	3,110
a)	Increases	0	21
b)	Utilization	0	0
c)	Reversal	0	187
Inventory write-downs at the end of the period, including:		2,944	2,944
Materials		2,944	2,944

In the first quarter of 2024, the Company did not perform any inventory write-downs or reversals.

4.9. Trade and other receivables

Trade and other receivables

		In thousands of PLN	
		31.03.2024	31.12.2023
-	receivables from related parties	0	102
-	receivables from other entities	69,750	165,368
-	prepaid expenses	1,555	1,687
trade and other receivables, net, total		71,305	167,157

Short-term receivables

		In thousands of PLN	
		31.03.2024	31.12.2023
a)	receivables from related parties	0	102
	trade receivables with repayment period:	0	102
-	up to 12 months	0	102
-	over 12 months	0	0
	other receivables	0	0
b)	receivables from other entities	69,750	165,368
	financial assets (IFRS 9)	61,779	159,962
	trade receivables with repayment period:	61,779	159,962
-	up to 12 months	58,584	158,578
-	over 12 months	3,195	1,384
	financial assets (excluding IFRS 9)	7,971	5,406
-	corporate income tax receivables	0	0
-	other receivables, including:	7,971	5,406
	taxes, grants, customs duties, social and health insurance, and other benefits	3,937	3,680
	surplus from the Company Social Benefits Fund (ZFŚS)	0	0
	other	4,034	1,726
	receivables in litigation	0	0
	short-term receivables, net, total	69,750	165,470
c)	write-downs of receivables	7,489	6,512
	short-term receivables, gross, total	77,239	171,982

Short-term receivables, gross (currency structure converted to PLN)

		In thousands of PLN	
		31.03.2024	31.12.2023
a)	in Polish currency	74,925	170,873
b)	in foreign currencies (converted to PLN)	2,314	1,109
	short-term receivables, total	77,239	171,982

Change in the balance of write-downs of short-term receivables

		In thousands of PLN	
		01.01.2024- 31.03.2024	01.01.2023- 31.12.2023
	Balance at the beginning of the period	6,512	5,214
a)	Increases, due to:	1,091	1,539
	write-downs on overdue and doubtful receivables	1,091	1,539
b)	Decreases, due to:	114	241
	reversal of write-downs after repayment of receivables	114	76
	write-off of uncollectible receivables	0	165
	Balance of write-downs of short-term receivables at the end of the period	7,489	6,512

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

	In thousands of PLN	
	31.03.2024	31.12.2023
a) up to 1 month	31,998	30,406
b) over 1 month to 3 months	20,855	108,430
c) over 1 month to 3 months	134	13,774
d) over 6 months to 1 year	169	195
e) over 1 year	4,281	1,741
f) overdue receivables	10,861	11,060
trade receivables, total (gross)	68,298	165,606
g) write-downs of trade receivables	6,519	5,542
trade receivables, total (net)	61,779	160,064

Overdue trade receivables (gross) - breakdown of unpaid receivables by period

	In thousands of PLN	
	31.03.2024	31.12.2023
a) up to 1 month	2,979	3,314
b) over 1 month to 3 months	194	82
c) over 1 month to 3 months	139	0
d) over 6 months to 1 year	641	1,626
e) over 1 year	6,908	6,038
Trade receivables, overdue, total (gross)	10,861	11,060
f) write-downs of overdue trade receivables	5,432	5,261
overdue trade receivables, total (net)	5,429	5,799

4.10. Contract assets and liabilities**Settlement of contract assets in progress (IFRS 15)**

	In thousands of PLN	
	31.03.2024	31.12.2023
Services in progress at the end of the previous period	21,305	57,645
Services in progress on the date of gaining control	0	0
Services in progress at the end of the current period	33,409	21,305
Impact on revenue for the current reporting period	12,104	-36,340
Capitalized costs of contracts in progress at the end of the previous period	34,120	53,442
Capitalized costs of contracts in progress on the date of gaining control	0	0
Capitalized costs of contracts in progress at the end of the current period	38,503	34,120
Impact on cost of production for the current reporting period	4,383	-19,322
Net impact on financial result	7,721	-17,018

Contract assets relate to the estimated revenues from construction and assembly contracts as of March 31, 2024.

Additional information regarding contracts in progress (IFRS 15)

	In thousands of PLN	
	31.03.2024	31.12.2023
Estimated amount of receivables from contracts in progress	33,409	21,305
Estimated amount of liabilities from contracts in progress	38,503	34,120
Amount of retained deposits and performance bonds for completed works	3,301	3,254
Amount of advances received for the execution of deliveries and services	1,809	4,721

4.11. Cash and cash equivalents

	In thousands of PLN	
	31.03.2024	31.12.2023
cash and other cash assets	49,199	31,991
- cash on hand and in bank accounts	49,199	31,991
- other cash assets	0	0
- other financial assets	0	0
short-term financial assets, total	49,199	31,991

4.12. Non-current assets held for sale

	In thousands of PLN	
	01.01.2024-31.03.2024	01.01.2023-31.12.2023
a) initial value at the beginning of the period	0	1,872
b) increases due to reclassification to assets held for sale	0	0
c) decreases due to:	0	1,872
impairment of assets	0	1,872
sale	0	0
fixed assets held for sale at the end of the period	0	0

Due to the write-down made in 2023 and the sale of all shares of ZEUS S.A. in the first quarter of 2024, the value of fixed assets held for sale as of March 31, 2024, is 0 thousand PLN.

4.13. Equity

Share capital

Share capital (structure)	31.03.2024	31.03.2024	31.03.2024	31.03.2024	31.03.2024	31.03.2024	31.03.2024
a) nominal value per share in PLN	1	1	1	1	1	1	1
b) series/issue	A	B	C	A	C	C	D
c) type of shares	bearer	bearer	bearer	bearer	bearer	bearer	Bearer
d) type of share preference	ordinary	ordinary	ordinary	ordinary	ordinary	ordinary	Ordinary
e) number of shares in thousands	5,206	794	91	5,206	111	24	3,683
f) nominal value of the series/issue in thousands PLN	5,206	794	91	5,206	111	24	3,683
g) method of capital coverage	cash	cash	cash	cash	cash	cash	Cash
h) date of registration	30-11-1998	18-10-2006	27-02-2009	30-11-1998	28-02-2011	11-04-2013	11-05-2007
i) right to dividend (from date)	01-01-1999	01-01-2006	01-01-2009	01-01-1999	01-01-2011	01-01-2013	01-01-2007
total share capital in thousands of PLN							9,983

Retained earnings and net profit

	In thousands of PLN	
	31.03.2024	31.12.2023
- Other reserve capitals	40,336	40,336
- Retained earnings (loss) from previous years	22,428	-18,309
- Net profit (loss)	4,812	40,737
Retained earnings, total	67,576	62,764

4.14. Provisions

Change in the balance of other long-term provisions (by titles)

	In thousands of PLN	
	01.01.2024- 31.03.2024	01.01.2023- 31.12.2023
a) Balance at the beginning of the period	12,704	2,459
provisions for warranty repairs	12,235	2,098
provisions for employee benefits	469	361
provisions for contractual penalties	0	0
other	0	0
b) Increases, due to:	170	11,097
provisions for warranty repairs	170	10,989
provisions for employee benefits	0	108
provisions for contractual penalties	0	0
other	0	0
c) Utilization, due to:	0	0
provisions for warranty repairs	0	0
provisions for employee benefits	0	0
provisions for contractual penalties	0	0
other	0	0

d)	Reversal, due to:	258	852
	provisions for warranty repairs	258	852
	provisions for employee benefits	0	0
	provisions for contractual penalties	0	0
	other	0	0
e)	Balance at the end of the period	12,616	12,704
	provisions for warranty repairs	12,147	12,235
	provisions for employee benefits	469	469
	provisions for contractual penalties	0	0
	other	0	0

Change in the balance of other short-term provisions (by titles)

		In thousands of PLN	
		01.01.2024- 31.03.2024	01.01.2023- 31.12.2023
a)	Balance at the beginning of the period	19,539	16,786
	provisions for warranty repairs	1,120	955
	provisions for employee benefits	9,065	8,557
	provisions for contractual penalties	9,225	7,274
	other	129	0
b)	Increases, due to:	1,599	11,339
	provisions for warranty repairs	60	425
	provisions for employee benefits	1,539	8,684
	provisions for contractual penalties	0	2,101
	other	0	129
c)	Utilization, due to:	0	0
	provisions for warranty repairs	0	0
	provisions for employee benefits	0	0
	provisions for contractual penalties	0	0
	other	0	0
d)	Reversal, due to:	5,037	8,586
	provisions for warranty repairs	56	260
	provisions for employee benefits	641	8,176
	provisions for contractual penalties	4,340	150
	other	0	0
e)	Balance at the end of the period	16,101	19,539
	provisions for warranty repairs	1,124	1,120
	provisions for employee benefits	9,963	9,065
	provisions for contractual penalties	4,885	9,225
	other	129	129

4.15. Trade and other payables

	In thousands of PLN	
	31.03.2024	31.12.2023
Financial liabilities (IFRS 9)	27,665	69,372
- to related parties	0	522
- trade payables	27,601	68,465
- liabilities for the purchase of fixed assets	64	385
Financial liabilities (excluding IFRS 9)	3,364	24,262
- taxes, customs duties, insurance, and other benefits	1,568	21,250
- salaries and wages	1,720	2,849
- other	76	163
- short-term accrued expenses	0	0
Trade payables and other liabilities, total	31,029	93,634

Trade payables (gross) - before due date and overdue

	In thousands of PLN	
	31.03.2024	31.12.2023
a) Liabilities before due date	26,150	64,449
b) Overdue liabilities	1,451	4,538
up to 1 month	1,346	4,205
over 1 month to 3 months	102	305
over 3 months to 6 months	3	11
over 6 months to 1 year	0	13
over 1 year	0	4
Trade payables, total (gross)	27,601	68,987

4.16. Lease liabilities

	In thousands of PLN	
	31.03.2024	31.12.2023
a) Short-term liabilities	2,908	3,047
b) Long-term liabilities	10,121	2,773
Liabilities from lease, rental, and other similar agreements, total	13,029	5,820

Additional information regarding leasing (IFRS 16)

	In thousands of PLN	
	31.03.2024	31.12.2023
a) Interest on leases	211	798
b) Cost of short-term leases and leases of low-value assets	66	289
c) Lease payments (principal repayment)	815	2,925
Total	1,092	4,012

The Company does not recognize liabilities for short-term leases and leases where the underlying asset is of low value. Additionally, conditional lease payments dependent on factors other than an index or rate are not included in the value of lease liabilities.

4.17. Other operating income and expenses

Other operating income

	In thousands of PLN	
	01.01.-31.03.2024	01.01.-31.03.2023
- Profit from the disposal of non-financial fixed assets	1	17
- Grants	0	0
- Other operating income	5,193	288
Other operating income, total	5,194	305

The amount of PLN 5,193 thousand reported under "Other operating income" mainly comprises income from the reversal of provisions for contractual penalties due to the settlement agreement with a contractor and compensations received by the Company.

Other operating expenses

	In thousands of PLN	
	01.01.-31.03.2024	01.01.-31.03.2023
- Loss on the disposal of non-financial fixed assets	0	0
- Impairment of non-financial assets	2	-39
- Other operating expenses	680	1,690
Other operating expenses, total	682	1,651

Other operating expenses

	In thousands of PLN	
	01.01.-31.03.2024	01.01.-31.03.2023
a) Provisions created, due to:	0	1,515
others, including anticipated contract losses	0	1,515
b) Other, including:	680	175
write-down of receivables	0	0
costs of resold services	35	20
damages from traffic incidents	10	11
court costs	25	2
donations	7	5
contractual penalties and compensations	472	104
other costs	131	33
Other operating expenses, total	680	1,690

Profit (loss) on expected credit losses

	In thousands of PLN	
	01.01.-31.03.2024	01.01.-31.03.2023
- Reversal of impairment write-downs on receivables	114	0
- Creation of impairment write-downs on receivables	-197	-46
Profit (loss) on expected credit losses, total	-83	-46

4.18. Financial income and expenses

Financial income

	In thousands of PLN	
	01.01.-31.03.2024	01.01.-31.03.2023
- Dividends and profit shares	0	0
- Interest	300	808
- Profit from the disposal of investments	0	0
- Revaluation of investments	18	0
- Other	27	12
Financial income, total	345	820

Financial expenses

	In thousands of PLN	
	01.01.-31.03.2024	01.01.-31.03.2023
- Interest	626	426
- Loss from the disposal of investments	34	0
- Revaluation of investments	28	0
- Other	894	49
Financial expenses, total	1,582	475

The amount of PLN 894 thousand reported under "Other" mainly comprises discounts on long-term receivables (deposits) and impairment write-downs.

4.19. Profit (loss) on sale of subsidiaries

In the first quarter of 2024, the subsidiary ZEUS S.A. was sold. Due to impairment write-downs made in previous periods, the individual loss on the sale of shares amounted to PLN 34 thousand.

4.20. Impairment of goodwill

As of December 31, 2023, the Management Board of ELEKTROTIM S.A. tested cash-generating units to which goodwill was allocated for impairment by comparing the carrying amount of the unit, including goodwill, with its recoverable amount, based on the following assumptions: cash flow projection period – 5 years, growth rate after the forecast period – 3%, discount rate – 11%. The Board determined that there was no impairment of the unit or the related goodwill, and no impairment write-down was made.

As of March 31, 2024, no indications of potential impairment of the carrying amount of goodwill were identified, and therefore, no impairment write-down was made in the first quarter of 2024.

4.21. Information on financial instruments

During the period covered by the interim condensed individual financial statements, the Company utilized hedging deposits with terms longer than 12 months.

	In thousands of PLN	
	31.03.2024	31.12.2023
a) Hedging deposits and guarantees over 12 months	1,160	1,328
b) Loans granted	0	0

Liabilities from credits

	In thousands of PLN	
	31.03.2024	31.12.2023
a) Long-term credits	0	0
b) Short-term credits	0	0

As of March 31, 2024, there are no credits or loans.

Derivative instruments

The Company uses derivative transactions to hedge existing foreign currency payments.

Summary of forward hedging transactions as of March 31, 2024

No.	Type of derivative instrument	Contract date	Transaction value in EUR/USD	Currency	Forward rate	Settlement date	Execution value in PLN	Transaction side	Profit/loss in PLN
1	Forward 11221618 purchase	09-02-2024	300,000.00	EUR	4.3313	02-04-2024	1,299,390.00	mBank S.A.	-10,932.58
2	Forward 11330069 purchase	22-03-2024	150,000.00	EUR	4.3341	27-05-2024	650,115.00	mBank S.A.	-4,656.55
3	Forward 11333116 purchase	25-03-2024	150,000.00	EUR	4.3263	27-05-2024	648,945.00	mBank S.A.	-3,496.57
4	Forward 11348286 purchase	29-03-2024	150,000.00	EUR	4.3218	28-06-2024	648,270.00	mBank S.A.	-1,690.85
5	Forward 11259601 sale	26-02-2024	200,000.00	EUR	4.3534	30-08-2024	870,680.00	mBank S.A.	5,104.08
6	Forward 11259606 sale	26-02-2024	300,000.00	EUR	4.3564	13-09-2024	1,306,920.00	mBank S.A.	7,348.73
7	Forward 11221596 purchase	09-02-2024	200,000.00	USD	4.0145	02-04-2024	802,900.00	mBank S.A.	-7,007.06

8	Forward 11286139 purchase	06-03-2024	150,000.00	USD	3.9608	10-05-2024	594,120.00	mBank S.A.	5,155.17
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Reclassifications of financial assets

During the period covered by the interim condensed individual financial statements, no reclassifications of financial assets were made.

Risk Management

Due to the dominant nature of ELEKTROTIM S.A. within the Group, the risks identified at the individual level are identical to the risks described in the interim condensed consolidated financial statements in note 2.21 of this report.

The Company's exposure to credit risk and liquidity risk, in terms of overdue receivables and their aging structure not covered by write-downs, as well as the aging structure of the Company's overdue liabilities, are presented in the tables below.

Trade receivables gross as of 31.03.2024

		Trade receivables	Receivables	In thousands of PLN Write-downs in %
a)	Not overdue	1,087	57,437	1.89%
b)	Overdue up to 1 month	200	2,977	6.72%
c)	Overdue more than 1 month to 3 months	0	194	0.00%
d)	Overdue more than 3 months to 6 months	139	139	100.00%
e)	Overdue more than 6 months to 1 year	641	641	100.00%
f)	Overdue more than 1 year	4,452	6,910	64.43%
Total		6,519	68,298	9.54%
g)	Impairment write-downs on trade receivables	6,519	6,519	
Total		0	61,779	

Trade payables and lease liabilities (gross) - before due date and overdue

		31.03.2024	In thousands of PLN 31.12.2023
Trade payables and lease liabilities (gross)		27,601	68,987
a)	Liabilities before due date	26,150	64,449
b)	Overdue liabilities	1,451	4,538
	up to 1 month	1,346	4,205
	over 1 month to 3 months	102	305
	over 3 months to 6 months	3	11
	over 6 months to 1 year	0	13
	over 1 year	0	4
Lease and rental liabilities, total (gross)		13,029	5,820
a)	liabilities before due date	13,029	5,820

b) overdue liabilities	0	0
Trade payables and lease liabilities, total (gross)	40,630	74,807

4.22. Off-balance sheet items, including contingent liabilities

Contingent liabilities are understood as possible obligations 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.

Company's guarantee lines and their utilization

As of March 31, 2024, the Company has total limits for bid bonds, performance bonds, warranty bonds, and advance payment guarantees amounting to PLN 274,400 thousand and EUR 6,000 thousand. The utilization as of March 31, 2024, is PLN 97,777 thousand and EUR 1,900 thousand.

At the request of ELEKTROTIM, the bank issued a performance bond up to the amount of PLN 259 thousand for ZEUS S.A., a commercial company. The guarantee is valid until February 15, 2025.

4.23. Calculation of 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.

The diluted book value per share is the quotient of the book value and the number of ordinary shares increased by the potential number of shares the entity is committed to issuing. Detailed values of the ratio for the years 2024 and 2023 are presented in the table below.

	31.03.2024	31.12.2023
book value (in thousands PLN)	121,929	117,117
number of shares (in units)	9,983,009	9,983,009
book value per share (in PLN)	12.21	11.73
diluted number of shares (in units)	9,983,009	9,983,009
diluted book value per share (in PLN)	12.21	11.73

4.24. Calculation of profit (loss) per ordinary share and diluted earnings (loss) per ordinary share

Earnings per share is the ratio of net income from the income statement for a specific period to the weighted average number of ordinary shares outstanding during that period. The weighted average number of ordinary shares outstanding is computed by dividing the total number of shares outstanding at the end of each month of the period by the number of months in that period.

Diluted earnings per share (EPS) is the ratio of net income from the income statement for a specific period to the weighted average number of ordinary shares outstanding during that period, adjusted for the weighted average potential number of shares that could be issued if all potential dilutive securities were exercised or converted into ordinary shares.

Detailed values of the ratio for 2024 and 2023 are presented in the table below.

	01.01.-31.03.2024	01.01.-31.03.2023
Net profit (loss) (in thousands of PLN)	4,812	5,964
Weighted average number of ordinary shares (in units)	9,983,009	9,983,009
Earnings (loss) per ordinary share (in PLN)	0.48	0.60
Weighted average diluted number of ordinary shares (in units)	9,983,009	9,983,009
Diluted earnings (loss) per ordinary share (in PLN)	0.48	0.60

4.25. Information on related party transactions, if individually or collectively significant and conducted on non-market terms

The transactions with related parties were conducted on market terms, taking into account the prices and conditions prevailing in the market.

In its purchasing strategy, the Company focuses on selecting the most favorable market price from those available, achieved through continuous monitoring of prices from multiple suppliers and selecting among several advantageous offers.

01.01.-31.03.2024	Entities under joint control	Key management personnel	Other related parties
Purchase of goods and services	-	-	100
Sales of goods and services	-	-	0
Rental income from property	-	-	0
Financial income	-	-	0
Sale of fixed asset	-	-	0
Receivables	-	-	0
Liabilities	-	-	0

01.01.-31.12.2023	Entities under joint control	Key management personnel	Other related parties
Purchase of goods and services	-	-	7,234
Sales of goods and services	-	-	2
Rental income from property	-	-	498
Financial income	-	-	11
Sale of fixed asset	-	-	0
Receivables	-	-	102
Liabilities	-	-	522

4.26. Information on significant events after the balance sheet date

Significant events that occurred during the reporting period and after the balance sheet date, which may impact results in subsequent quarters, have been more extensively described in sections 5.14 and 5.15.

5. OTHER INFORMATION REQUIRED BY LAW

5.1. The amount and type of items affecting assets, liabilities, equity, net income, or cash flows that are unusual due to their nature, value, or frequency

During the period from January 1, 2024, to March 31, 2024, neither ELEKTROTIM S.A. nor the Capital Group experienced any unusual items affecting assets, liabilities, equity, net income, or cash flows, except for the detailed description in section 5.14 regarding the sale of 100% of shares held in the subsidiary company ZEUS S.A.

5.2. Explanations regarding the seasonality or cyclicity of the issuer's operations during the period presented

The results of the Company and the consolidated results of the ELEKTROTIM Capital Group exhibit seasonality. A recurring trend has been observed: the first quarter typically shows either losses or minimal profits, along with relatively low sales profitability, which gradually improves in subsequent quarters, reaching peak values in the third and fourth quarters. This is mainly due to the seasonality of construction work and the influence of weather conditions. Additionally, seasonality is subject to modifications depending on the nature of contracts being executed.

5.3. Information about significant legal settlements

No significant legal settlements occurred during the reporting period.

5.4. Information about changes in economic conditions and operating conditions that have a significant impact on the fair value of financial assets and financial liabilities of the entity, regardless of whether these assets and liabilities are measured at fair value or amortized cost

There have been no changes that have had a significant impact on the fair value of financial assets and financial liabilities of the entity.

5.5. Information on non-payment of a credit or loan or violation of significant provisions of a credit or loan agreement for which no corrective action had been taken by the end of the reporting period

In the first quarter of 2024, there were no loan defaults or violations of material provisions of the loan agreements for which corrective action would not be taken before the end of the reporting period.

5.6. Information on dividends paid (or declared), in total and per share, divided into ordinary and preferred shares

In the first quarter of 2024, ELEKTROTIM S.A. did not pay out any dividends.

The Management Board of ELEKTROTIM S.A. has recommended the distribution of the profit for the year 2023, which amounts to PLN 40,736,714.33, as follows: a portion of the profit, specifically PLN 24,957,522.50, to be allocated for dividends, which equates to PLN 2.50 per share of ELEKTROTIM S.A., and PLN 15,779,191.83 to be allocated for increasing the reserve capital.

On April 23, 2024, the Supervisory Board gave a positive opinion on the Management Board's proposal.

The proposed dividend amount constitutes 61% of the net profit for 2023, which falls within the 50%-75% range specified in the "ELEKTROTIM S.A. Dividend Policy for 2023-2025".

The proposal will be submitted to the Ordinary General Meeting of Shareholders of the Company, which will make the final decision on the distribution of the profit.

5.7. Other information that may significantly impact the assessment of the issuer's financial position, financial performance, and results

Positive and negative factors that may significantly impact the assessment of the Company's financial position, financial performance, and results are detailed in section 5.15.

5.8. A concise description of the issuer's significant achievements or failures during the period covered by the report, along with a list of the most important events concerning the issuer and factors and events, including those of an unusual nature, that have had a significant impact on the interim condensed financial statements

The sale of ZEUS S.A. shares and the loss of control over the subsidiary

In the first quarter of 2024, all shares of ZEUS S.A. owned by ELEKTROTIM S.A. were sold. Consequently, as of March 31, 2024, the Capital Group consisted of two entities: ELEKTROTIM S.A. and OSTOYA-DataSystem Sp. z o.o.

In connection with the sale of all shares of the subsidiary ZEUS S.A. by ELEKTROTIM S.A., and thus the exit of the subsidiary from the ELEKTROTIM Capital Group, the interim condensed consolidated financial statements for the first quarter of 2024 included the settlement of the transaction for the sale of the owned shares.

Thus, as part of the deconsolidation process, the effects of the loss of control over ZEUS S.A. were accounted for, which is reflected in the consolidated financial result of the ELEKTROTIM Capital Group for the first quarter of 2024 as the surplus of the intangible sale price over the significantly negative value of the disposed net assets. During the reporting period, ZEUS S.A. did not conduct operational activities, and the balance sheet as of the loss of control date, to the best knowledge of ELEKTROTIM S.A., did not significantly differ from that prepared as of December 31, 2023.

The most important agreements concluded in the first quarter of 2024

The Company, acting as the Leader in a consortium with a subsidiary from the Capital Group, OSTOYA-DataSystem Sp. z o.o., concluded an agreement on January 31, 2024, with the State Treasury - the Chief Commander of the Border Guard, headquartered in Warsaw. The subject of the agreement is the construction of security measures along the state border with Belarus on the Bug River section within the Nadbużański Border Guard Branch. The gross value of the agreement is PLN 279,210,000.00, i.e., net PLN 227,000,000.00.

The Company concluded an agreement on January 24, 2024, with TAURON Dystrybucja S.A. for the construction of a 110 kV cable line between GPZ Walecznych and GPZ Kurkowa in Wrocław. The gross value of the agreement is PLN 29,384,700.00, i.e., net PLN 23,890,000.00.

The Company concluded an agreement on February 16, 2024, with the Cyber Resources Center of the Armed Forces in Warsaw. The subject of the agreement is the construction of an antenna field and the modernization of a server room in Gdańsk. The gross value of the agreement is PLN 18,779,120.02, i.e., net PLN 15,267,577.25.

On February 19, 2024, the Company concluded a multi-purpose credit limit agreement with Powszechna Kasa Oszczędności Bank Polski S.A. Under this agreement, the Bank provided the Company with a limit of PLN 25 million, which can be utilized up to PLN 10 million as a loan, with the remaining amount available for guarantees.

On February 21, 2024, the Company concluded an agreement with the Szczecin Airport for the implementation of a navigation aid system at Szczecin-Goleniów Airport, along with the accompanying infrastructure. The gross value of the agreement is EUR 11,550,430.56, i.e., net EUR 9,390,593.95.

On March 15, 2024, the Company concluded an agreement with TAURON Nowe Technologie S.A., headquartered in Wrocław. The subject of the agreement is the performance of ongoing maintenance and additional work on lighting networks in the areas of Kłodzko, Nowa Ruda, Borów, Domianów, Łągiewniki, Jordanów Śląski, Kondratowice, Oława, Siechnice, Strzelin, Wiązów, Żórawina, and Wrocław. The gross value of the agreement is PLN 31,980,000.00, i.e., net PLN 26,000,000.00.

Conclusion of the strategic options review

As a result of the sale of all shares of ZEUS S.A. in March 2024, the Company concluded the review of strategic options for the subsidiaries of the ELEKTROTIM Capital Group. This was announced in the current report No. 13/2024 on April 23, 2024, after obtaining a positive opinion from the Company's Supervisory Board.

5.9. The Management Board's position regarding the possibility of achieving previously published forecasts for the year, in light of the results presented in the quarterly report compared to the forecasted results

The Management Board has not published forecasts for the standalone and consolidated financial results of ELEKTROTIM S.A. and the ELEKTROTIM Capital Group. In the opinion of the Management Board, existing uncertainties do not allow for the presentation of forecasts with acceptable accuracy.

5.10. Indication of shareholders directly or indirectly holding at least 5% of the total number of votes at the General Meeting of the issuer as of the date of submission of the quarterly report, including the number of shares held by these entities, their percentage share in the share capital, the number of votes they represent, and their percentage share in the total number of votes at the General Meeting, as well as an indication of changes in the ownership structure of significant shareholdings of the issuer during the period from the submission of the previous periodic report

Shares of ELEKTROTIM S.A. are not privileged regarding voting rights—each share entitles the holder to one vote. The list of shareholders of the Parent Company, i.e., ELEKTROTIM S.A., holding at least 5% of the total number of votes at the General Meeting according to the information held by the Company as of the date of public disclosure of this periodic report is as follows:

No.	Shareholder	Number of shares	Percentage share in share capital	Number of votes at the GM	Percentage share in total number of votes at the GM
1	Krzysztof Folta with wife Ewa Folta	1,721,864	17.25%	1,721,864	17.25%
2	Krzysztof Wiczorkowski	1,319,534	13.22%	1,319,534	13.22%
3	Allianz Polska OFE	979,236	9.81%	979,236	9.81%
4	Mirostaw Nowakowski	608,030	6.09%	608,030	6.09%
5	Nationale Nederlanden PTE S.A.	584,244	5.85%	584,244	5.85%

The list of shareholders has been prepared based on their shares in the Company's share capital amounting to PLN 9,983,009.00.

There were no changes in the ownership structure of significant shareholdings of the Issuer during the period from the submission of the annual report for the year 2023.

5.11. A summary of the holdings of the issuer's shares or rights to them by the issuer's management and supervisory personnel as of the date of submission of the periodic report, along with an indication of changes in the holdings during the period from the submission of the previous periodic report, separately for each individual

Summary of shareholdings by management and supervisory personnel of ELEKTROTIM S.A. as of the date of submission of the periodic report.

Management personnel of ELEKTROTIM S.A.

No.	name / position	number of shares	percentage share in share capital	number of votes at GM	percentage share in total number of votes at GM
1	Dariusz Kozikowski/ Member of the Management Board	4,980	0.05%	4,980	0.05%

Supervisory personnel of ELEKTROTIM S.A.

No.	name / position	number of shares	percentage share in share capital	number of votes at GM	percentage share in total number of votes at GM
1	Jan Walulik/ Member of the Supervisory Board	410,000	4.11 %	410,000	4.11%

Since the submission of the annual report for the year 2023, there have been no changes in the shareholdings of the Issuer's shares by management and supervisory personnel.

5.12. Indication of significant proceedings pending before a court, competent arbitration authority, or public administration authority

During the period covered by this periodic report, no proceedings were initiated before a court, competent arbitration authority, or public administration authority for the Issuer or the entire Capital Group concerning liabilities or receivables amounting to at least 10% of the Company's equity.

5.13. Information on the provision of loan or credit guarantees or sureties by the issuer or by a subsidiary of the issuer - collectively to one entity or a subsidiary of that entity, if the total value of the existing sureties or guarantees amounts to at least 10% of the issuer's equity

In the first quarter of 2024, neither the Company nor its subsidiary provided loan or credit sureties or guarantees amounting to at least 10% of the Issuer's equity.

5.14. Other information that, in the issuer's opinion, is significant for assessing its personnel, financial, and asset situation, financial performance and changes therein, as well as information relevant to evaluating the issuer's ability to meet its obligations

SALE AND DECONSOLIDATION OF THE SUBSIDIARY ZEUS S.A.

On January 24, 2024, the bankruptcy court issued a ruling on securing the assets of ZEUS S.A. by appointing a Temporary Court Supervisor. Since the company was not engaged in operational activities, essentially all legal actions concerning the company's assets exceeded the scope of ordinary management and required the consent of the Temporary Court Supervisor, which ZEUS S.A. was informed about.

As a result of the actions undertaken, in the first quarter of 2024, the Company found an entity interested in purchasing the shares, and the share sale agreement was signed on March 27, 2024. The Company announced the transaction in the current report No. 12/2024 on the same day, and the constitutive entry in the shareholders' register was made the following day, i.e., on March 28, 2024.

In connection with the previously filed bankruptcy petition, ZEUS S.A. lost all its industrial security certificates and the ability to execute projects due to the loss of human and equipment resources. Therefore, in the opinion of the Company's Management Board, the sale of shares does not pose a potential source of competition in the market in which ELEKTROTIM S.A. operates.

On April 23, 2024, the District Court Gdańsk-North in Gdańsk, VI Commercial Division, issued a decision declaring the bankruptcy of ZEUS S.A. The court also called on the creditors of the bankrupt company to submit their claims to the trustee via the electronic system within 30 days and appointed Krzysztof Lipiński (license number 1517) as the trustee.

ACQUIRED ORDERS/ORDER PORTFOLIO

In the first quarter of 2024, ELEKTROTIM S.A. ended with a record order portfolio amounting to PLN 646,843 thousand, compared to PLN 569,095 thousand net as of March 31, 2023, representing a year-on-year increase of 14%. This growth was primarily driven by agreements signed in the first quarter of 2024, exceeding a value of PLN 330 million (including a second agreement with the Border Guard for the expansion of the perimeter barrier on the border with Belarus).

The highest order portfolio value in the Company's history is the result of increasing demand in the primary markets where the Company operates, as well as offering innovative and attractive solutions for customers. This enables the Company to acquire additional contracts with attractive margins.

In the last 12 months, i.e., from April 1, 2023, to March 31, 2024, the Company acquired orders with a total net value of PLN 594,617 thousand, compared to PLN 510,201 thousand net in the period from April 1, 2022, to March 31, 2023, representing a year-on-year increase of 17% in the total value of acquired contracts.

The ELEKTROTIM Group acquired orders with a net value of PLN 594,935 thousand in the period from April 1, 2023, to March 31, 2024 (excluding orders from ZEUS S.A.), compared to PLN 553,383 thousand net (including PLN 510,718 thousand net excluding ZEUS S.A.) in the period from April 1, 2022, to March 31, 2023.

On a comparable basis, excluding orders acquired by PROCOM System S.A. and ZEUS S.A., a year-on-year increase of 16% was recorded.

It should be noted that in the current structure of the ELEKTROTIM Capital Group, the value of orders acquired in the years 2023-2024 mainly consists of orders from ELEKTROTIM S.A. This is driven by the joint participation of ELEKTROTIM S.A. and OSTOYA-DataSystem Sp. z o.o. in two contracts executed for the Border Guard, where the proposed security system solutions are based on proprietary products of OSTOYA-DataSystem Sp. z o.o.

As of March 31, 2024, the ELEKTROTIM Group has an order portfolio valued at PLN 647,673 thousand net, compared to PLN 570,648 thousand net as of March 31, 2023 (excluding ZEUS S.A. in both values). On a comparable basis, as of March 31, 2024, the portfolio of the remaining companies in the Group is 13% higher than at the end of March 2023.

As of March 31, 2024, the order portfolio of ELEKTROTIM S.A. is profitable and secures the Company's revenues at least until the end of the first quarter of 2025. It includes contracts representing each of the markets served by the Company: energy, industry, traction, and projects implemented for defense departments and local

governments. Currently, commercial activities are ongoing to build a well-diversified portfolio for the coming quarters.

According to the Company's strategy for 2023-2025, it focuses its activities on topics related to renewable energy sources and energy transformation. The goal is to acquire projects that stabilize operational activities for ELEKTROTIM and the Capital Group in line with the current and future Strategy..

ACQUIRED FINANCING

On May 27, 2024, the Company concluded agreements with Santander Bank Polska S.A.: (i) an overdraft facility agreement under which the Bank granted the Company a credit line of PLN 25 million, and (ii) a bank guarantee limit agreement in the amount of PLN 15 million.

5.15. Identification of factors which, in the issuer's opinion, will affect its results over at least the next quarter

According to the Management Board of ELEKTROTIM S.A., the following factors may influence the results achieved by the Company and the Capital Group in the coming quarters:

- Execution of signed contracts according to schedules and planned budgets, particularly the largest recent agreements: with the Border Guard, Polish Power Grid, Cyber Resources Center of the Armed Forces, and KGHM Polska Miedź S.A.
- Efficient implementation of the remaining approximately 180 active projects in which ELEKTROTIM is involved
- Dynamics of construction material costs and labor costs
- Skillful adaptation of the internal structure and available resources to changing market needs and conditions
- Effective management of external financing and securing currency exchange rates
- Acquisition of new orders in ELEKTROTIM S.A.'s business areas, including: (i) cooperation with local governments with the advent of funds from the National Recovery Plan (KPO), (ii) direct current areas (traction and energy storage), and (iii) energy networks and distribution. A key focus in the coming quarters is to supplement the order portfolio for 2025 and subsequent years, with market changes in ELEKTROTIM's operating areas having a decisive impact.

POSITIVE CHANGE FACTORS

1. In 2024, a budget of PLN 158.9 billion is planned for defense (including funds from the Armed Forces Support Fund). The Ministry of National Defense has allocated PLN 4.8 billion for construction investments and PLN 656 million for investments under the NATO Investment Program. Development plans will also cover military aviation infrastructure. Additionally, on May 18, 2024, Prime Minister Donald Tusk presented the "East Shield" defense and deterrence plan, which is budgeted at PLN 10 billion. This project focuses on the security of the country's eastern border, with fortifications and reinforcements planned along the entire border with Russia and Belarus.
2. Energy transformation creates a unique opportunity for the company to grow in this segment. The PEP 2040 energy strategy envisions investments of around PLN 500 billion in new transmission networks by 2040, with PLN 60 billion planned for development by 2030. On May 15, 2024, the Minister of Climate and Environment announced that the first agreements for the modernization of Polish power grids were signed at the Ministry, amounting to approximately PLN 220 million. This marks the beginning of significant investments aimed at enhancing the flexibility of Polish power grids in the coming years.

Planned investment expenditures of Energy Groups:

- PGE plans over PLN 125 billion in investment outlays from 2024 to 2030 for the development of distribution networks, with more than PLN 4 billion allocated annually for this purpose..
 - PGE Dystrybucja is progressively implementing the Medium Voltage (MV) Cable Program, which aims to move at least 30% of current lines underground by 2028.
 - TAURON Group: The new management of the company is committed to developing its distribution assets and renewable energy sources (RES). By the end of 2024, TAURON plans to present an updated company strategy. The main investment stream will focus on the development of the distribution network and the decarbonization of heating. European funds are expected to significantly support the group's transformation. Investment outlays on power networks will amount to PLN 3 billion in 2024.
 - Enea Group plans to allocate over PLN 68 billion for investments from 2023 to 2042, of which approximately PLN 14 billion will be for RES projects. Distribution area investments will be PLN 42.5 billion, with investments in renewable energy sources and energy storage at PLN 13.8 billion. ENEA OPERATOR will allocate PLN 2.9 billion for network investments in 2024 (annual investments have previously ranged between PLN 1.2 billion and PLN 1.6 billion).
 - ORLEN Group plans to invest a total of around PLN 320 billion by 2030.
3. Increased interest from foreign investors in building new manufacturing plants in Poland will stimulate the growth of projects in the industrial and manufacturing sector. According to a report by Capgemini, as many as 47% of large European and American companies have already invested in reshoring production, which means bringing it back to domestic markets or nearby regions. An example of this is the investment by American semiconductor manufacturer INTEL, which is investing in Ohio, as well as in Germany and Poland (USD 4.5 billion in Miękinia near Wrocław).
 4. Local governments continue to utilize funds from the Safe Road Infrastructure Program for 2021-2024. The total cost of all tasks under the Program is approximately PLN 2.5 billion. For the implementation of the remaining tasks from the PBID in the years 2022-2024, PLN 1 billion has been allocated.
 5. A new grant program for municipalities, "Lighting Up Poland," has also been introduced in the local government market, with a budget of PLN 1 billion.
 6. In 2024, the General Directorate for National Roads and Motorways (GDDKiA) plans to spend PLN 19.5 billion (PLN 18.1 billion under the Government Program for National Road Construction and PLN 1.4 billion under the 100 Bypasses Construction Program). For 2025, GDDKiA estimates that expenditures for these programs will be nearly PLN 23 billion and PLN 2.1 billion, respectively. The total value of the Government Program for National Road Construction until 2030 is approximately PLN 192 billion.
 7. Prices of construction materials and subcontractor services have remained relatively stable for several months.
 8. In April 2024, the business climate indicator (seasonally unadjusted) in construction was -2.6 points, which is an improvement from -4 points the previous month and significantly better than -12.5 points a year ago /GUS/.
 9. The inclusion of ELEKTROTIM S.A. in the sWIG80 index has been accompanied by an increase in brand recognition, both among investors and potential customers.

NEGATIVE CHANGE FACTORS

1. Significant increases in construction material and service prices: With the influx of EU funds to Poland and rising demand for construction services, significant price hikes for construction materials and services, as well as difficulties in recruiting skilled labor, may return.
2. Lack of budgetary provisions for price increases: Investors may not account for the risk of rising costs in their budgets for project execution.
3. Shortage of new high-value contracts in the railway sector: Due to a lack of EU funds, there is a noticeable shortage of new high-value contracts. Some selected investments are being pre-financed by the Polish Development Fund (PFR), but this is not on a significant scale compared to expectations.
4. Post-election cycle effects: The aftermath of elections may result in the suspension or slowdown of tenders, revisions of strategic project assumptions, and personnel changes among decision-makers in the public sector and state-controlled companies.
5. Prolonged state of war on Poland's eastern border: The ongoing conflict poses risks and uncertainties.
6. Risk of adverse macroeconomic trends: This includes the potential for a global recession.
7. Risk of impairment write-offs on receivables: There is a risk that the Company might need to make impairment write-offs for receivables.
8. Risk of creating provisions for potential contractual penalties: The Company may need to set aside reserves for potential penalties arising from contractual obligations.

Wrocław, May 27, 2024

Prepared by:

Chief Accountant – Lidia Zawilak	
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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	