

POLISH FINANCIAL SUPERVISION AUTHORITY

Current Report No. 4/2020

Date prepared: 2020-02-04

Short name of the issuer ELEKTROTIM S.A.

Subject **Forecast of the financial results of ELEKTROTIM S.A.
and ELEKTROTIM S.A. Group of Companies for 2020**

Legal grounds: Article 17, section 1 of MAR - Confidential Information

Content of the Report:

The Board of ELEKTROTIM S.A. with its seat in Wrocław publishes a forecast of individual financial results of ELEKTROTIM S.A. for 2020 and consolidated financial results for ELEKTROTIM Group of Companies for 2020.

The forecast of individual financial results of ELEKTROTIM S.A. for 2020 is as follows:

sales revenues:	PLN 241,500k
operating profit:	PLN 20,000k
net profit:	PLN 15,000k

The forecast of consolidated financial results of ELEKTROTIM Group of Companies for 2020 is as follows:

consolidated sales revenues:	PLN 328,000k
consolidated operating profit:	PLN 24,500k
consolidated net profit:	PLN 18,400k

The forecast has been developed in accordance with historical Financial Statements applying appropriate accounting principles.

When preparing the presented forecast of financial results for 2020, the Board of ELEKTROTIM S.A. took into account:

1. the portfolio of orders for ELEKTROTIM S.A. which amounts to approx. PLN 231,000k,
2. the portfolio of orders for ELEKTROTIM Group of Companies which amounts to approx. PLN 306,000k,
3. individual forecasts of companies being part of ELEKTROTIM Group of Companies,
4. planned for 2020 selling of a real property located in ul. Stargardzka in Wrocław, which shall generate positive result of approx. PLN 5,000k.

The above-presented forecast has been developed with due diligence, according to the best knowledge of the Management regarding future events having influence on the results of the Company assuming that in the forecast period conditions of running business activity do not change significantly, in particular legal, tax, and administrative regulations, and no events which in a significant way could reduce demand for services offered by ELEKTROTIM S.A. Moreover, the financial forecast has been drawn up assuming lack of extraordinary one-off events related to the risk of the business activity.

The Board of ELEKTROTIM S.A., which is responsible for preparing and presenting the prospective financial information commissioned to a Statutory Auditor from HLB M2 Audit PIE Sp. z o.o. auditing the forecast and developing a report in order to increase credibility of the data, in accordance with the National Standard on Assurance Engagements other than the research and review 3400 in the shape of the Handbook of International Auditing, Assurance, and Ethics Pronouncements 3400 "Auditing the Prospective Financial Information". In the said report the following conclusion is drawn up: "Auditing the evidence justifying assumptions made by the Board of the Company, we have not come across anything which would make us believe that the assumptions do not constitute a rational basis of developing the forecast financial information for the period ending on 31 December 2020. In our opinion, the forecast financial information, including the above-mentioned data, have been prepared correctly on the basis of the made assumptions and presented in accordance with the accounting policy of the Company, in conformity with the International Financial Reporting Standards and the related interpretations announced in the form of regulations of the European Commission, and in the scope not regulated in those Standards - in conformity with the requirements of the Act on Accountancy and implementing rules issued on its basis. Actual financial results of the Company may differ from the forecast financial information since the predicted events very often do not appear as expected and the resulting deviations may be significant".

The Board of ELEKTROTIM S.A. shall regularly monitor the level of execution of the above-mentioned forecast and shall assess the possibility of fulfilling the forecast results (on a quarterly basis) also in the context of potential correction.

The Board of ELEKTROTIM S.A. decided to publish the forecast due to the implemented "Strategy of ELEKTROTIM S.A. for 2019-2022" which was published in the Current Report No. 40/2018 of 13.11.2018 ("Vision of 2022").