



CONSOLIDATED INTERIM REPORT

of the ELEKTROTIM Capital Group

for the First Quarter of 2023

including

**the Standalone Interim Financial Statements
of ELEKTROTIM S.A.
for the First Quarter of 2023**

Wrocław, 29 May 2023



TABLE OF CONTENTS:

SELECTED FINANCIAL DATA IN PLN AND CONVERTED TO EUR	4
Abbreviated Consolidated Interim Financial Statements for the period 01.01. – 31.03.2023	6
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	6
CONSOLIDATED STATEMENT OF PROFIT AND LOSS	7
CONSOLIDATED STATEMENT OF OTHER TOTAL INCOME	7
CONSOLIDATED CASH FLOW STATEMENT	8
STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE PERIOD 01.01.2023 - 31.03.2023	9
STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE PERIOD 01.01.2022 - 31.03.2022	9
1. ANCILLARY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS	10
1.1. General information on the parent	10
1.2. Preparation basis, presentation principles	10
1.3. Accepted accounting principles	11
2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	14
2.1. Information on operating segments	14
2.2. Intangible fixed assets	18
2.3. Goodwill	20
2.4. Tangible assets	21
2.5. Financial assets	25
2.6. Financial liabilities	26
2.7. Deferred tax assets and liabilities	26
2.8. Inventory	27
2.9. Trade receivables and other receivables	28
2.10. Assets and liabilities under contracts	30
2.11. Cash and cash equivalents	31
2.12. Fixed assets held for sale	31
2.13. Equity	32
2.14. Provisions	32
2.15. Trade payables and other liabilities	33
2.16. Lease liabilities	34
2.17. Other operating revenues and costs	34
2.18. Financial revenues and costs	35
2.19. Profit (loss) arising from sale of subordinate units	35
2.20. Goodwill write-down of subordinate units	35
2.21. Information on financial instruments	36
2.22. Details of off-balance sheet items, in particular commitments and contingent liabilities	39
2.23. Method of calculating book value per share and diluted book value per share	40
2.24. Method of calculating profit (loss) per ordinary share and diluted profit (loss) per ordinary share.	40
2.25. Details of transactions with related parties, if individually or collectively considerable and concluded on terms other than arm's length	40
2.26. Information on considerable post balance sheet events	40
Abbreviated Standalone Interim Financial Statements for the period 01.01. – 31.03.2023	41
STATEMENT OF FINANCIAL POSITION	41
STATEMENT OF PROFIT AND LOSS	42
STATEMENT OF OTHER TOTAL INCOME	42
CASH FLOW STATEMENT	43
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 01.01.2023 - 31.03.2023	44
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 01.01.2022 - 31.03.2022	44
3. NOTES TO THE STANDALONE FINANCIAL STATEMENTS	45
3.1. Information on operating segments	45
3.2. Intangible fixed assets	48
3.3. Goodwill	50
3.4. Tangible assets	51
3.5. Financial assets	55
3.6. Financial liabilities	56
3.7. Deferred tax assets and liabilities	56
3.8. Inventory	57
3.9. Trade receivables and other receivables	58
3.10. Assets and liabilities under contracts	60
3.11. Cash and cash equivalents	60
3.12. Assets held for sale	60
3.13. Equity	61
3.14. Provisions	61
3.15. Trade payables and other liabilities	62
3.16. Lease liabilities	63
3.17. Other operating revenues and costs	63
3.18. Financial revenues and costs	64
3.19. Profit (loss) arising from sale of shares in subordinate units	64



3.20. Goodwill write-down of subordinate units	64
3.21. Information on financial instruments	64
3.22. Details of off-balance sheet items, in particular commitments and contingent liabilities	68
3.23. Method of calculating book value per share and diluted book value per share	68
3.24. Method of calculating profit (loss) per ordinary share and diluted profit (loss) per ordinary share.	69
3.25. Information on considerable post balance sheet events	69

**SELECTED FINANCIAL DATA IN PLN AND CONVERTED TO EUR****Abbreviated Consolidated Interim Financial Statements for the period 01.01. – 31.03.2023**

	PLN		EUR	
	01.01.- 31.03.2023/ 31.03.2023	01.01.- 31.03.2022/ 31.12.2022	01.01.- 31.03.2023/ 31.03.2023	01.01.- 31.03.2022/ 31.12.2022
I. Net revenues from sale of products, goods and materials	97,453	52,361	20,732	11,267
II. Operating profit (loss)	7,542	-4,417	1,605	-950
III. Gross profit (loss)	7,873	-4,755	1,675	-1,023
IV. Net profit (loss)	5,757	-5,407	1,225	-1,163
V. Net cash flow from operating activities	9,234	-3,216	1,964	-692
VI. Net cash flow from investing activities	1,287	-1,831	274	-394
VII. Net cash flow from financing activities	-1,236	885	-263	190
VIII. Net cash flow, total	9,285	-4,162	1,975	-896
IX. Assets, total	220,521	268,326	47,165	57,214
X. Liabilities and provisions for liabilities	115,599	169,206	24,724	36,079
XI. Non-current liabilities	6,771	7,803	1,448	1,664
XII. Current liabilities	108,828	161,403	23,276	34,415
XIII. Equity	104,922	99,120	22,441	21,135
XIV. Capital stock	9,983	9,983	2,135	2,129
XV. Number of shares (pcs.)	9,983,009	9,983,009	9,983,009	9,983,009
XVI. Profit (loss) per ordinary share (PLN/EUR)	0.58	-0.54	0.12	-0.12
XVII. Diluted profit (loss) per ordinary share (PLN/EUR)	0.58	-0.54	0.12	-0.12
XVIII. Book value per share (PLN/EUR)	10.51	9.93	2.25	2.12
XIX. Diluted book value per share (PLN/EUR)	10.51	9.93	2.25	2.12
XX. Declared or distributed dividend per share (PLN/EUR)	1.50	0.00	0.32	0.00

EUR exchange rates used for conversions

	31.03.2023	31.03.2022	31.12.2022
mean annual exchange rate	4.7005	4.6472	4.6883
exchange rate as of the last day of the reporting period	4.6755	4.6525	4.6899

**Abbreviated Standalone Interim Financial Statements for the period 01.01. – 31.03.2023**

	PLN		EUR	
	01.01.- 31.03.2023/ 31.03.2023	01.01.- 31.03.2022/ 31.12.2022	01.01.- 31.03.2023/ 31.03.2023	01.01.- 31.03.2022/ 31.12.2022
I. Net revenues from sale of products, goods and materials	91,584	34,114	19,484	7,341
II. Operating profit (loss)	7,507	-3,938	1,597	-847
III. Gross profit (loss)	7,852	-4,169	1,670	-897
IV. Net profit (loss)	5,964	-4,549	1,269	-979
V. Net cash flow from operating activities	8,037	-4,788	1,710	-1,030
VI. Net cash flow from investing activities	76	-1,823	16	-392
VII. Net cash flow from financing activities	-1,098	-664	-234	-143
VIII. Net cash flow, total	7,015	-7,275	1,492	-1,565
IX. Assets, total	197,084	240,239	42,152	51,225
X. Liabilities and provisions for liabilities	99,623	148,742	21,307	31,715
XI. Non-current liabilities	6,485	7,515	1,387	1,602
XII. Current liabilities	93,138	141,227	19,920	30,113
XIII. Equity	97,461	91,497	20,845	19,509
XIV. Capital stock	9,983	9,983	2,135	2,129
XV. Number of shares (pcs.)	9,983,009	9,983,009	9,983,009	9,983,009
XVI. Profit (loss) per ordinary share (PLN/EUR)	0.60	-0.46	0.13	-0.10
XVII. Diluted profit (loss) per ordinary share (PLN/EUR)	0.60	-0.46	0.13	-0.10
XVIII. Book value per share (PLN/EUR)	9.76	9.17	2.09	1.96
XIX. Diluted book value per share (PLN/EUR)	9.76	9.17	2.09	1.96
XX. Declared or distributed dividend per share (PLN/EUR)	1.50	0.00	0.32	0.00

EUR exchange rates used for conversions

	31.03.2023	31.03.2022	31.12.2022
mean annual exchange rate	4.7005	4.6472	4.6883
exchange rate as of the last day of the reporting period	4.6755	4.6525	4.6899

Abbreviated Consolidated Interim Financial Statements for the period 01.01. – 31.03.2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	note	31.03.2023	31.12.2022
I. Fixed assets		28,790	28,081
- Intangible assets	2.2	91	142
- Goodwill	2.3	6,394	6,394
- Tangible assets	2.4	12,717	12,432
- Other long-term financial assets		2,440	2,452
- Deferred tax assets	2.7	5,558	4,976
- Other non-current non-financial assets		1,590	1,685
II. Current assets		191,731	240,245
- Inventory	2.8	5,519	3,358
- Trade receivables and other receivables	2.9	48,757	93,506
- Contract assets	2.10	49,604	57,649
- Other current financial assets		0	0
- Cash and cash equivalents	2.11	66,018	56,733
- Other current assets		0	0
1. Current assets other than assets held for sale		169,898	211,246
2. Assets held for sale	2.12	21,833	28,999
Total assets		220,521	268,326

Liabilities and equity	note	31.03.2023	31.12.2022
I. Equity		104,922	99,120
- Capital stock	2.13	9,983	9,983
- Share premium		43,440	43,440
- Reserves		-46	-46
- Retained profit		44,674	22,690
- Net profit (loss)		5,757	21,984
- <i>Equity attributable to equity holders of the parent.</i>		103,808	98,051
- <i>Non-controlling interests</i>		1,114	1,069
II. Liabilities and provisions for liabilities		115,599	169,206
1. Non-current liabilities		6,771	7,803
- Deferred tax liabilities	2.7	757	1,551
- Non-current provisions	2.14	2,588	2,626
- Financial liabilities (loans, credits, debt instruments etc.)		0	0
- Other non-current liabilities		0	0
- Non-current lease liabilities		3,426	3,626
3. Current liabilities		108,828	161,403
- Current provisions	2.14	19,610	17,374
- Trade payables and other liabilities	2.15	54,612	73,457
- Other financial liabilities		0	0
- Corporate income tax liabilities		46	3,135
- Current lease liabilities	2.16	2,814	2,606
- Contract liabilities		15,589	42,822
Current liabilities other than those related to assets held for sale		92,671	139,394
Liabilities relating to assets held for sale		16,157	22,009
Total liabilities and equity		220,521	268,326

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

(multiple-step variant, in PLN thousand)	note	01.01.- 31.03.2023	01.01.- 31.03.2022
- Sales revenues	2.1	97,453	52,361
- Cost of goods sold	2.1	82,779	51,683
I Gross profit (loss) from sales		14,674	678
- Sales costs		2,432	2,636
- Costs of administrative activities		3,238	2,925
- Other operating revenues	2.17	272	772
- Other operating costs	2.17	1,688	308
- Profit (loss) arising from expected loan losses	2.17	-46	2
II Operating profit (loss)		7,542	-4,417
- Profit (loss) arising from loss of control		0	0
- Financial revenues	2.18	827	98
- Financial costs	2.18	496	436
- Subordinate unit goodwill write-down		0	0
III Gross profit (loss)		7,873	-4,755
- Income tax		2,071	741
- Net profit (loss) from continuing operations		5,802	-5,496
- Net profit (loss) from ceased operations		0	0
IV Net profit (loss)		5,802	-5,496
- attributable to parent's shareholders		5,757	-5,407
- attributable to non-controlling shareholders		45	-89

CONSOLIDATED STATEMENT OF OTHER TOTAL INCOME

in PLN thousand	01.01.- 31.03.2023	01.01.- 31.03.2022
1. Net profit (loss)	5,802	-5,496
2. Other comprehensive income, including:	0	0
will not be reclassified to profit and loss (actuarial write-downs)	0	0
will be reclassified to profit and loss	0	0
3. Total comprehensive income	5,802	-5,496
attributable to parent's shareholders	5,757	-5,407
attributable to non-controlling shareholders	45	-89

CONSOLIDATED CASH FLOW STATEMENT

(indirect method in PLN thousand)	01.01.- 31.03.2023	01.01.- 31.03.2022
I. Cash flow from operating activities		
1. Gross profit (loss)	7,873	-4,755
2. Total adjustments	7,916	2,354
- Depreciation	1,098	1,347
- Foreign exchange gains (losses)	-1	19
- Interest	-473	126
- (Profit) loss from investing activities	-17	44
- Changes in provisions	1,133	-687
- Change in inventory	-2,161	-1,838
- Change in receivables	57,964	36,305
- Change in current liabilities, except for loans and credits	-47,575	-32,228
- Other adjustments	-2,052	-734
- Cash flow used for operations	15,789	-2,401
- Paid income tax attributed to operating activities	-6,555	-815
3. Net cash flow from operating activities	9,234	-3,216
II. Cash flow from investment activities		
- Proceeds from disposal of tangible fixed assets, intangible assets other than goodwill, investment property and other fixed assets	17	36
- interest	680	15
- other proceeds from financial assets	1,224	-1,489
- Purchase of tangible fixed assets, intangible assets other than goodwill, investment property and other fixed assets	-634	-393
- Other investment expenditures	0	0
1. Net cash flow from investing activities	1,287	-1,831
III. Cash flow from financing activities		
- Net proceeds from the issue of shares and other equity instruments	0	0
- Credits and loans	0	1,857
- Other financial proceeds (expenditures).	0	9
- Acquisition of own shares	0	0
- Dividends and other payments to owners	0	0
- Credit and loan repayments	0	0
- Payments of liabilities under finance lease contracts	-1,029	-839
- Interest	-207	-142
1. Net cash flow from financing activities	-1,236	885
IV. Net cash flow, total	9,285	-4,162
Foreign exchange rate effects affecting cash	0	0
On-balance sheet change in cash, including:	9,285	-4,162
Cash as of the beginning of the period	56,733	18,731
Cash as of the end of the period	66,018	14,569
with limited disposal	4,051	3,984

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

in PLN thousand	Capital stock	Share premium	Reserves	Retained profit	Equity of the parent	Non-controlling interests	Total
As of the beginning of the period	9,983	43,440	-46	44,674	98,051	1,069	99,120
Period profit	0	0	0	5,757	5,757	45	5,802
Other comprehensive income for the period	0	0	0	0	0	0	0
Comprehensive income	0	0	0	5,757	5,757	45	5,802
Issue of shares	0	0	0	0	0	0	0
Dividend	0	0	0	0	0	0	0
Acquisition of non-controlling interests	0	0	0	0	0	0	0
Other increase (decrease)	0	0	0	0	0	0	0
Capital increase (decrease)	0	0	0	5,757	5,757	45	5,802
As of the end of the period	9,983	43,440	-46	50,431	103,808	1,114	104,922

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE PERIOD 01.01.2022 - 31.03.2022

in PLN thousand	Capital stock	Share premium	Reserves	Retained profit	Equity of the parent	Non-controlling interests	Total
As of the beginning of the period	9,983	44,181	71	21,949	76,184	1,761	77,945
Period profit	0	0	0	-5,407	-5,407	-89	-5,496
Other comprehensive income for the period	0	0	0	0	0	0	0
Comprehensive income	0	0	0	-5,407	-5,407	-89	-5,496
Issue of shares	0	0	0	0	0	0	0
Dividend	0	0	0	0	0	0	0
Acquisition of non-controlling interests	0	0	0	0	0	0	0
Other increase (decrease)	0	0	0	0	0	0	0
Capital increase (decrease)	0	0	0	-5,407	-5,407	-89	-5,496
As of the end of the period	9,983	44,181	71	16,542	70,777	1,672	72,449

1. ANCILLARY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.1. General information on the parent

The Capital Group's parent is ELEKTROTIM Spółka Akcyjna (hereinafter referred to as: the Company or the Issuer):

During the reporting period, the Company's name remained unchanged.

Legal form: public limited company

Registered address of the entity: ul. Stargardzka 8 54-156 Wrocław

Registered office: Poland

State of registration: Poland

Primary place of business: Poland

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

The Capital Group's business duration has not been limited.

These Abbreviated Consolidated Interim Financial Statements for the First Quarter of 2023 (including comparative data) were approved for publication by the parent's Management Board on 29-05-2023 .

Registry court: District Court for Wrocław Fabryczna in Wrocław,
VI Commercial Division of the National Court Register

1.2. Preparation basis, presentation principles

1.2.1. Basis for preparing of the consolidated financial statements for the first quarter of 2023

The abbreviated interim financial statements of the ELEKTROTIM Capital Group cover the period of three months ended 31 March 2023. It has been prepared in accordance with IAS 34 Interim Financial Reporting according to the relevant accounting standards applicable to interim financial reporting adopted by the European Union, published and in force at the time of preparation of these abbreviated interim financial statements.

These abbreviated interim financial statements do not contain all the information disclosed in the annual financial statements prepared according to IFRS. These abbreviated interim financial statements should be read together with the financial statements of the ELEKTROTIM Capital Group for the financial year ended 31 December 2022.

These abbreviated interim financial statements were prepared on the assumption that the Group will continue its business activity in the foreseeable future on a going concern basis. As of the approval date of these abbreviated interim financial statements of the ELEKTROTIM Capital Group for publication, there are no circumstances indicating the threat of going concern. The analysis of the economic situation associated with the COVID-19 epidemic, carried out by the Group's Management Board, did not show any threat to the going concern of the Group.

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

In the event of retrospective introduction of changes to accounting, presentation or error correction policies, the Group presents a statement of financial position prepared additionally for the beginning of the comparative period, if the above changes are significant for the data presented for the beginning of the comparable period. In such a situation, the presentation of notes to the third statement of financial position is not required.

1.2.3. Changes in the accounting policy

The accounting policies applied to the preparation of the abbreviated financial statements are consistent with those applied to the preparation of the Group's financial statements for the year ended 31 December 2022.

The Group did not decide to introduce ahead of time interpretation standards or amendments that did not enter into force.

1.2.4. Going concern

These abbreviated financial statements were prepared on the assumption that the Group will continue its business activity in the foreseeable future on a going concern basis. As of the approval date of these abbreviated interim financial statements of the ELEKTROTIM Capital Group for publication, there are no circumstances indicating the threat of going concern. The analysis of the economic situation associated with the COVID-19 epidemic, carried out by the Group's Management Board, did not show any threat to the going concern of the Group.

1.2.5. Companies included in the consolidated financial statements

The financial statements for the first quarter of 2023 prepared by ELEKTROTIM S.A. covers the following entities:

- ELEKTROTIM S.A. (parent),
- ZEUS S.A. (subsidiary from 18.07.2012)
- OSTOYA-DataSystem Sp. z o.o.(subsidiary from 11.01.2017)

The above entities have their registered offices in Poland.

On 30.04.2012, the subsidiary Infrabud Sp. z o. o. was sold, which was reflected in a changed composition of the ELEKTROTIM Group.

On 29.10.2013, the subsidiary Elektromont-Beta S.A. was sold, which was reflected in a changed composition of the ELEKTROTIM Group.

On 06.10.2015, shares in ELTRAKO Sp. z o.o. were acquired, which was reflected in a changed composition of the ELEKTROTIM Group.

On 11.01.2017, shares in ENAMOR System Sp. z o.o. were acquired, which was reflected in a changed composition of the ELEKTROTIM Group (current name OSTOYA DataSystem Sp. z o.o.).

On 28.02.2018, ELEKTROTIM S.A. merged with the subsidiary Mawilux S.A., which was reflected in a changed composition of the ELEKTROTIM Group. As a result of the merger, Mawilux S.A. was dissolved as of 28.02.2018. On that day, pursuant to Article 493 § 2 of the Commercial Code, the merger was entered into the Register of Entrepreneurs of the National Court Register competent for ELEKTROTIM S.A. with its registered office in Wrocław, i.e. into the register kept by the District Court for Wrocław-Fabryczna in Wrocław.

On 02.01.2019, ELEKTROTIM S.A. merged with its subsidiary ELTRAKO Sp. z o.o. As a result of the merger, ELTRAKO Sp. z o.o. was dissolved as of 02.01.2019. On that day, pursuant to Article 493 § 2 of the Commercial Code, the merger was entered into the Register of Entrepreneurs of the National Court Register competent for ELEKTROTIM S.A. with its registered office in Wrocław, i.e. into the register kept by the District Court for Wrocław-Fabryczna in Wrocław.

On 12.12.2022, 100% of shares in the subsidiary Procom System S.A. were sold, which changed the composition of the Group.

1.3. Accepted accounting principles

1.3.1. Consolidation rules

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

The consolidated financial statements of the Capital Group include the parent ELEKTROTIM S.A. and companies under its control. It is assumed that the Capital Group exercises control if, due to its involvement in the investee, it is exposed to, or has rights to variable returns, and has the ability to influence these returns through exercising power over the entity.

The acquisition method is applied to the acquisition of shares in business entities. Entities acquired or alienated during the year are included in the consolidated financial statements from the acquisition date or until the alienation date, respectively.

Non-controlling interests are shown in a separate equity item and represent the portion of the total income and net assets of the subsidiaries attributable to entities other than the Capital Group companies. The Group allocates the comprehensive



income of subsidiaries between the equity holders of the parent and non-controlling entities on the basis of their ownership share.

To the subsidiaries, the acquisition accounting method is applied. Balances of internal settlements between the Capital Group entities, transactions concluded within the Capital Group and any unrealised profits or losses resulting therefrom, as well as the Capital Group revenues and costs are eliminated when preparing the consolidated financial statements. Unrealised losses are excluded from the consolidated financial statements on the same principle as unrealised profits, until prerequisites indicating an impairment occur.

Goodwill

The goodwill shown in the balance sheet includes the entire goodwill of subsidiaries, amounting to the surplus of the purchase price of shares for this subsidiary and non-controlling interests (valued in proportion to the share in net assets) over the fair value of the acquired net assets.

Details of the goodwill are disclosed in Note 2.3 to the consolidated financial statements.

The goodwill is not depreciated, instead an impairment test is performed annually according to IAS 36 (see section on the impairment of non-financial fixed assets).

1.3.2. Functional currency and presentation currency of the financial statements and rules adopted for the financial data conversion

Functional currency

The functional currency of the Group and presentation currency of these consolidated financial statements is PLN (Polish Zloty).

Presentation currency

All amounts included in the consolidated financial statements are expressed in thousands of Polish Zlotys (unless otherwise indicated). Due to the adopted method of data presentation in consolidated financial statements in PLN thousand and the rounding technique applied, the individual items of the statements may not add up to the amounts shown therein (difference of PLN 1 thousand).

As a rule, transactions denominated in currencies other than PLN are converted into PLN using the exchange rate applicable on the date of the transaction conclusion (spot foreign exchange rate). However, if the sale or purchase transaction is preceded by the receipt or payment of an advance in a foreign currency, respectively, the advance is recognised as of payment date at the foreign exchange rate as of that day. Then, at the moment the revenue earned in foreign currency or the cost or the purchased component of assets is recognised in the profit and loss account, these transactions are recognised at the foreign exchange rate as of the date of recognition of the advance payment, and not at the exchange rate as of the date on which the revenue or cost or component of assets was recognised.

As of the balance sheet date, cash items denominated in currencies other than PLN are converted into PLN using the closing foreign exchange rate applicable at the end of the reporting period, i.e. the average foreign exchange rate determined for a given currency by the National Bank of Poland.

Non-monetary items recognised at their historical cost, expressed in a foreign currency, are shown at the historical foreign exchange rate as of the transaction date.

Non-monetary items recognised at their fair value, expressed in a foreign currency, are valued at the foreign exchange rate as of the date of determining the fair value, i.e. the mean foreign exchange rate determined for a given currency by the National Bank of Poland.

Foreign exchange rate differences arising from the settlement of transactions or the conversion of cash items other than derivatives are recognised at their net value under the financial revenue or cost item, respectively, except for foreign exchange rate differences capitalised at the value of assets in cases stipulated in the accounting policy (presented in the section on external financing costs) .

1.3.3. Operating segments

In accordance with IFRS 8, the financial results of operating segments are derived from internal reports verified periodically by the parent's Management Board. The parent's Management Board analyses the results of operating segments at the operating profit (loss) level.

The measurement of the results of operating segments used in the management calculations is consistent with the accounting rules applied in preparing the consolidated financial statements. The sales revenue shown in the consolidated profit and loss statement does not differ from the revenue presented within the operating segments.

In order to present information in a way that allows proper assessment of the type and financial effects of the Group's business activities, the operating segments were merged into three segments, based on the product group criterion:

- a) Installations Segment
- b) Grid Segment
- c) Automation Segment

These segments demonstrate similar economic characteristics and are similar in terms of:

- * type of products and services
- * type of production processes
- * type or groups of customers for the given products and services
- * methods used to distribute products or render services

The Group's assets not directly attributable to the activity of a given operating segment are not allocated to the assets of operating segments.

1.3.4. Accounting principles

These consolidated financial statements have been prepared based on the historical cost principle, except for: derivative financial instruments, equity instruments to be valued at fair value, the change of which is recognised in the consolidated profit and loss statement, financial assets held for trading, which were valued at fair value. The consolidated statements were prepared in accordance with the applicable IAS/IFRS standards.

1.3.5. Subjective assessments and uncertainty of estimates

Uncertainty of estimates

Basic assumptions concerning the future and other key sources of uncertainty existing at the end of the reporting period that are associated with a relevant risk of a considerable adjustment to the carrying amounts of assets and liabilities in the next financial year:

Construction contracts

As regards contracts executed by the company, the Group applies the provisions of IFRS 15 "Revenues from contracts with customers" and shows the sales revenues in the profit and loss statement based on the measurement of the execution progress (determined as the proportion of contract costs incurred for work performed by the end of the period to the estimated total costs of the contract). In their case, a risk exists, that the Group has incorrectly estimated the production costs, the production costs will change during the product manufacturing process, errors in the task management or errors in technical or technological solutions will occur or the task will be performed with delay. These risks may result in a decrease in revenues and/or an increase in costs, and, in consequence, a decrease in the Group's financial result.

Deferred tax asset component

The Group recognises a deferred tax asset component based on the assumption that a tax profit allowing its use will be achieved in the future. A deterioration of the tax results obtained in the future could make this assumption unjustified.

Goodwill write-downs (value of shares in subsidiaries)

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

The recoverable amount is determined as one of two values, whichever is higher: fair value net of disposal cost or the value in use of a given asset. The value in use was estimated using the discounted cash flow method (DCF) method. The DCF method is based on discounted cash flows generated by subsidiaries under assumed operating schedules and sales

revenues. The discount rate takes into account the weighted average cost of external and equity capital (WACC). The recoverable amount of shares and the amount of revaluation write-downs on the value of shares is estimated as of 31.03.2023 and may change depending on the generated revenues and incurred production costs, project implementation schedules and the discount rate calculations in the future. The actual results may differ from the estimates calculated on the basis of data available at the date of their preparation. This is also due to the uncertainty concerning the correct estimation of market conditions in the coming years.

Depreciation rates

The depreciation rates are determined on the basis of the expected period of economic useful life of tangible and intangible fixed asset components.

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

Provisions

The provisions for employee benefits – retirement severance payments – are estimated with the application of actuarial methods. The amount of provisions for employee benefits shown in the consolidated financial statements is a result of an estimate made by an independent actuary. The level of provisions is affected by the assumptions concerning the discount rate and the salary growth index.

Income tax

The tax regulations in force in Poland are subject to frequent changes, leading to considerable differences in their interpretation and considerable doubts in their application. The tax authorities have at disposal control instruments enabling them to verify the tax bases (in most cases for the preceding five financial years). As a consequence, the determination of tax liabilities, deferred tax assets and provisions may require a considerable judgement, including on transactions that already took place, and the amounts presented and disclosed in the financial statements may change in the future as a result of a tax authority inspection.

As a consequence, the determination of tax liabilities, deferred tax assets and liabilities may require a considerable judgement, including on transactions that already took place, and the amounts presented and disclosed in the financial statements may change in the future as a result of a tax authority inspection.

Lease term

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

- the irrevocable lease term,
- the periods during which the lease extension option exists, if it can be reasonably assumed that the lessee will exercise that option,
- the periods during which the lease termination option exists, if it can be reasonably assumed that the lessee will not exercise that option.

In assessing whether the Group will exercise the extension option or not exercise the termination option, the Group takes considers all relevant facts and circumstances providing an economic incentive to exercise or not exercise the option.

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

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.1. Information on operating segments

Products and services from which the reporting segments derive their revenues

The ELEKTROTIM Group offers its products public and non-public customers on the market for civil engineering works.



The reporting segments separated within the ELEKTROTIM Group constitute an aggregation of the Group's organisational structure, the operational part of which has been divided into independently managed economic organisms (units) grouped into divisions. The criterion for separating individual units and divisions were product groups and the territorial distribution. In order to present information in a way that allows proper assessment of the type and financial effects of the Group's business activities, the operating segments were merged into three segments, based on the product group criterion:

- Installations Segment
- Grid Segment
- Automation Segment

All these segments comply with the following principles jointly:

- the merger was carried out in accordance with the overriding principle of IFRS 8 saying that "an entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates".
- the segments demonstrate similar economic characteristics
- the segments are similar in terms of:
 - * type of products and services
 - * type of production processes
 - * type or groups of customers for the given products and services
 - * methods used to distribute products or render services

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

Products offered by the Installations Segment

a) Building and detailed plans including:

- designs of wiring systems for three-phase power supply and lighting of industrial or commercial facilities,
- designs of medium or low voltage power cable lines,
- designs of medium-voltage / low-voltage transformer stations,
- designs of lighting for roads, streets and squares,
- designs of traffic lights,
- designs of structure illumination for architectural purposes,
- designs of Christmas illumination,
- designs of sewer systems,
- designs of signal wirings.

These products are offered by the Design Unit.

b) Electrical installations, including:

- transformer stations,
- wiring systems for three-phase power supply and lighting of facilities for:
 - industry
 - housing
 - public institutions
 - warehousing
 - sports
 - military.

The products are offered by the Electrical Installations Unit.

c) Switchgears, including:

- medium voltage switchgears SM6 type,
- low voltage MCC switchgears OKKEN type,
- low voltage electricity distribution switchgears PRISMA type,
- switchgears X-ENERGY type, street lighting cabinets SOT type,
- meter panels.

The products are offered by the Production Unit.

d) Signal wirings, including:

- computer systems for integration of BMS and SMS systems
- structured cabling systems,
- fire alarm systems



- access control systems,
- CCTV systems,
- technical protection systems
- building automation installations
- working time recording systems,
- perimeter protection systems,
- RAMS systems,
- telecommunications systems.

The products are offered by the Signal Wiring Unit.

e) Servicing electrical installations and devices, including:

- low voltage equipment service,
- measurements and inspections in the field of remote-control engineering in stations and for dispatching purposes,
- electrical measurements.

The services are rendered by the Service Unit.

Products offered by the Grid Segment:

o Electricity grids, including:

- traffic lights,
- street lighting,
- illuminations of structures,
- airfield navigation lights,
- medium or low voltage cable lines,
- communication networks,
- medium and low voltage transformer stations

The products are offered by the **Electric Grid Unit**.

o Communication networks, including:

- Communication cable ducting systems,
- Copper-made telecommunications lines,
- Fibre-optic telecommunications lines,
- radiobeacon stations (NDB, DVOR/DME),
- radar systems,
- antenna systems,
- other navigation and radio communication systems

The products are offered by the Communication Network Unit.

a) Elements of road infrastructure, including:

- thin or thick layer road marking,
- vertical marking
- road traffic organisation: temporary and final
- road traffic safety devices
- traffic organisation designs.

The products are offered by the Traffic Engineering Unit.

b) Signalling and lighting service, including:

- operation, modernisation and maintenance of traffic lights,
- operation and maintenance of lighting for streets or squares,
- operation, modernisation and maintenance of external lighting and illumination of structures,
- maintenance of the wiring systems for three-phase power supply and lighting,
- traffic lights controllers.

The products are offered by the Signalling and Lighting Unit.

c) Systems:

- power generation automation,
- automation for environmental protection installations,



- industrial data processing,
- industrial automation.

d) High voltage grids, including:

- high-voltage overhead power lines
- high-voltage buried power lines
- power system automation and protection
- remote-control engineering
- superordinate systems
- high voltage / medium voltage substations

The products are offered by the High Voltage Division

Products offered by the Automation Segment

a) Automation systems for power generation

- automation system for power units
- automation system for water and sewage treatment installations
- automation system for fuel feeding, ash removal and deslagging installations
- automation system for heating systems
- automation system for compressor systems
- automation system for flue gas cleanup systems
- design of automation system for power units and auxiliary installations
- automation system for small power industry installations
- after-sales services.

The products are offered by the Power Engineering Automation Unit.

b) Automation systems for environmental protection installations

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

The products are offered by the Industrial Automation Unit and the Power Engineering Automation Unit.

c) Power engineering automation systems

- CERTAN PQ-100 - measuring instrument for power quality parameters
- interference recorder
- electric power system and energy balancing supervision system
- interference recording and power quality analysis system
- grid and device operation system
- after-sales services.

The products are offered by the Power Engineering Automation Unit.

d) Industrial data processing systems

- Starting Losses Monitoring System (SKSR)
- Modular Operating Monitoring System (MESKAN)
- Device Operation Monitoring System (VECTAN)
- Production process visualization and management support system (PROMAN)
- CERTAN SYSTEM
- communication interfaces
- custom software development
- after-sales service for own products.

The products are offered by the Industrial Information Technology Unit.

e) Other automation systems

- BMS

- fire detection and temperature monitoring system - PROList

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

Revenues, profit and loss of the segments

An analysis of the Group's revenues and results in the individual segments covered by the reporting is shown below:

Business segments	01.01- 31.03.2023	01.01- 31.03.2023	01.01- 31.03.2023	01.01- 31.03.2022	01.01- 31.03.2022	01.01- 31.03.2022
	Installation s Segment	Grid Segment	Automatio n Segment	Installation s Segment	Grid Segment	Automation Segment
Sales revenues from external customers	59,856	37,580	0	21,759	19,786	10,816
Revenues within and from other segments	5,331	9	0	526	113	0
Cost of sold products	55,732	32,371	0	23,172	19,835	9,315
Gross profit (loss) from sales	9,455	5,218	0	-887	64	1,501

Segment assets

The Group does not analyse assets and liabilities of a segment in the statements used by the parent's Management Board for operational and analytical purposes, since the assets and liabilities are not assigned to a segment.

Geographic information

The group operates in only one geographical area, which is Poland.

2.2. Intangible fixed assets

Intangible fixed assets

	31.03.2023	31.12.2022
development works completed	0	0
acquired concessions, patents, licenses and similar assets	91	142
other intangible fixed assets	0	0
Intangible fixed assets, total	91	142

Changes in intangible fixed assets (by type group) in 2023

	development costs	concessions, patents, licenses and similar assets	other intangible fixed assets	Intangible fixed assets, total
gross value of intangible fixed assets as of the beginning of the period	18	103	5,069	5,190
increases (arising from)	0	0	0	0
- purchase	0	0	0	0
- acquisition of subsidiaries	0	0	0	0



	0	0	0	0
decreases (arising from)	0	0	0	0
- sale	0	0	0	0
- liquidation	0	0	0	0
	0	0	0	0
gross value of intangible fixed assets as of the end of the period	18	103	5,069	5,190
accumulated depreciation as of the beginning of the period	18	65	4,964	5,047
depreciation for the period (arising from)	0	3	49	52
- planned write-downs	0	3	49	52
- acquisition of subsidiaries	0	0	0	0
- decreases	0	0	0	0
accumulated depreciation as of the end of the period	18	68	5,013	5,099
Impairment loss write-downs as of the beginning of the period				0
- increases	0	0	0	0
- decreases	0	0	0	0
Impairment loss write-downs as of the end of the period	0	0	0	0
net value of intangible fixed assets as of the end of the period	0	35	56	91

Changes in intangible fixed assets (by type group) in 2022

	development costs	concessions, patents, licenses and similar assets	other intangible fixed assets	Intangible fixed assets, total
gross value of intangible fixed assets as of the beginning of the period	18	109	5,040	5,167
increases (arising from)	0	44	29	73
- purchase	0	44	29	73
- acquisition of subsidiaries	0	0	0	0
	0	0	0	0
decreases (arising from)	0	50	0	50
- sale	0	0	0	0



- liquidation	0	50	0	50
	0	0	0	0
gross value of intangible fixed assets as of the end of the period	18	103	5,069	5,190
accumulated depreciation as of the beginning of the period	18	109	4,744	4,871
depreciation for the period (arising from)	0	-44	220	176
- planned write-downs	0	6	220	226
- acquisition of subsidiaries	0	0	0	0
- decreases	0	-50	0	-50
accumulated depreciation as of the end of the period	18	65	4,964	5,047
Impairment loss write-downs as of the beginning of the period				0
- increases	0	0	0	0
- decreases	0	0	0	0
Impairment loss write-downs as of the end of the period	0	0	0	0
net value of intangible fixed assets as of the end of the period	0	38	105	143

Intangible fixed assets (ownership structure)

	31.03.2023	31.12.2022
owned	91	142
used under a rental, tenancy or other contract, including a lease contract	0	0
Intangible fixed assets, total	91	142

2.3. Goodwill

	31.03.2023	31.12.2022
- of subsidiaries	3,998	6,310
- PWS	2,396	2,396
-	0	0
Goodwill of subordinate units, total	6,394	8,706
Write-downs from the sale of subsidiary	0	2,312
Carrying amount, total	6,394	6,394

Change in goodwill of subordinate units

	31.03.2023	31.12.2022
as of the beginning of the period	6,394	8,706
increases (arising from)	0	0

- acquisition of subsidiaries	0	0
decreases from the sale a subsidiary	0	2,312
as of the end of the period	6,394	6,394

As of 01.04.2012, for the purposes of the running restructuring of the Capital Group, the process of including the products provided by the subsidiary Elektromont Beta S.A. in the product offer of the ELEKTROTIM S.A. Network Division, lasting since 01.02.2012, was completed, and, at the same time, all employees of this company were taken over by ELEKTROTIM S.A. pursuant to Article 231 of the Labour Code. Thus, the entire activity of Elektromont Beta S.A. was transferred to ELEKTROTIM S.A. In conjunction with the above and pursuant to IAS 36.87 which applies to reorganisations of economic entities, ELEKTROTIM S.A. transferred the goodwill of Elektromont Beta S.A., which was recognised as of the date of control acquisition, from the previous cash-generating centre (which was the subsidiary) to a new cash-generating centre, which is the High Voltage Unit belonging to the Grid Division. This reflects the lowest level at which goodwill can be monitored for the internal purposes of ELEKTROTIM S.A. (IAS 36.80 to 87).

Due to the internal reorganisation of ELEKTROTIM S.A. the goodwill of the High Voltage Plant, which belongs to the Grid Division, was allocated to the newly established cash-generating centre, i.e. the Electric Power Substations Unit within the Grid Division.

Based on the impairment test of the cash-generating centre after its restructuring, to which the goodwill was allocated by comparing the carrying amount with its recoverable value, a revaluation write-down was made in 2013 in the amount of PLN 1,707 thousand. The test was carried out on the following assumptions: cash flow forecasting horizon of five years, discount rate of 11%.

As of 31.12.2017, the value of shares in Mawilux S.A. was written down in the amount of PLN 3,954 thousand, based on the Gordon model, assuming a five-year cash flow forecasting horizon, a discount rate of 13.7% and a 3% growth rate beyond the forecasting horizon.

As of 31.12.2022, the financial assets of cash-generating units (High Voltage Unit and Airport Services Unit) and subsidiaries were subjected to impairment tests.

The performed asset impairment test did not demonstrate the need to recognise a goodwill write-down. This test was carried out on the assumption of a five-year cash flow forecasting horizon, a discount rate of 11% and growth rate beyond the forecasting horizon of 3%. The impairment tests were carried out by an external company.

In conjunction with the sale on 12.12.2022 of shares in the subsidiary Procom System S.A., the goodwill allocated to the company decreased in 2022 by PLN 2,312 thousand.

As of 31.03.2023, the goodwill is allocated only to organised components of the activity of ELEKTROTIM S.A. and does not apply to subsidiaries.

In the first quarter of 2023, no goodwill write-down was recognised.

2.4. Tangible assets

	31.03.2023	31.12.2022
a) Fixed assets, including:	12,254	12,134
- land	869	869
- buildings, premises and civil engineering works	5,224	5,153
- technical equipment and machines	1,781	1,828
- means of transport	4,213	4,114
- other fixed assets	167	170
b) Fixed assets under construction	463	298
	0	0
Tangible assets, total	12,717	12,432

Fixed assets on balance sheet (ownership structure)



	31.03.2023	31.12.2022
owned	5,762	5,594
used under rental, tenancy or other contracts, including lease contracts, including:	6,955	6,838
Fixed assets on balance sheet, total	12,717	12,432

Changes in fixed assets (by type groups) in 2023

	land	buildings, premises and civil engineering works	technical equipment and machines	means of transport	other fixed assets	Fixed assets total
Gross value of fixed assets as of the beginning of the period	869	9,425	8,983	12,277	2,102	33,656
increases (arising from)	0	440	94	438	24	996
- purchase	0	440	94	438	24	996
- acquisition of subsidiary	0	0	0	0	0	0
	0	0	0	0	0	0
decreases (arising from)	0	0	3	155	31	189
sale and liquidation	0	0	3	155	31	189
	0	0	0	0	0	0
Gross value of fixed assets as of the end of the period	869	9,865	9,074	12,560	2,095	34,463
accumulated depreciation as of the beginning of the period	0	4,272	7,155	8,163	1,932	21,522
depreciation for the period (arising from)	0	369	138	184	-4	687
- planned write-downs	0	369	141	339	27	876
- acquisition of subsidiary	0	0	0	0	0	0
- sale and liquidation	0	0	3	155	31	189
	0	0	0	0	0	0
accumulated depreciation as of the end of the period	0	4,641	7,293	8,347	1,928	22,209
Impairment loss write-downs as of 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 loss write-downs as of the end of the period	0	0	0	0	0	0
Net value of fixed assets as of the end of the period	869	5,224	1,781	4,213	167	12,254

Changes in fixed assets (by type groups) in 2022

	land	buildings, premises and civil engineering works	technical equipment and machines	means of transport	other fixed assets	Fixed assets total
Gross value of fixed assets as of the beginning of the period	869	9,103	7,709	11,688	1,966	31,335

increases (arising from)	0	322	1,292	1,858	149	3,621
- purchase	0	322	1,292	1,858	149	3,621
- acquisition of subsidiary	0	0	0	0	0	0
	0	0	0	0	0	0
decreases (arising from)	0	0	18	1,269	13	1,300
sale and liquidation	0	0	18	1,269	13	1,300
	0	0	0	0	0	0
Gross value of fixed assets as of the end of the period	869	9,425	8,983	12,277	2,102	33,656
accumulated depreciation as of the beginning of the period	0	2,842	6,595	8,066	1,843	19,346
depreciation for the period (arising from)	0	1,430	560	97	89	2,176
- planned write-downs	0	1,430	574	1,321	102	3,427
- acquisition of subsidiary	0	0	0	0	0	0
- sale and liquidation	0	0	14	1,224	13	1,251
	0	0	0	0	0	0
accumulated depreciation as of the end of the period	0	4,272	7,155	8,163	1,932	21,522
Impairment loss write-downs as of 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 loss write-downs as of the end of the period	0	0	0	0	0	0
Net value of fixed assets as of the end of the period	869	5,153	1,828	4,114	170	12,134

Lease

The asset value from the right of use is shown in the consolidated statement of financial position including fixed assets owned by the Group.

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

Changes in right-of-use-assets (by type groups) in 2023

	land	buildings, premises and civil engineering works	technical equipment and machines	means of transport	other fixed assets	Fixed assets total
gross value as of the beginning of the period	0	6,523	643	5,072	0	12,238
increases (arising from)	0	416	0	304	0	720
- conclusion of a lease contract	0	0	0	304	0	304
- changes resulting from contract amendments	0	416	0	0	0	416
	0	0	0	0	0	0



decreases (arising from)	0	0	0	22	0	22
termination of a lease contract	0	0	0	0	0	0
profile changes/bought out	0	0	0	22	0	22
value as of the end of the period	0	6,939	643	5,354	0	12,936
accumulated depreciation as of the beginning of the period	0	3,578	29	1,793	0	5,400
depreciation for the period (arising from)	0	350	18	213	0	581
- planned write-downs	0	350	18	235	0	603
profile changes/bought out	0	0	0	0	0	0
-- depreciation of terminated lease/return	0	0	0	22	0	22
-	0	0	0	0	0	0
accumulated depreciation as of the end of the period	0	3,928	47	2,006	0	5,981
Impairment loss write-downs as of 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 loss write-downs as of the end of the period	0	0	0	0	0	0
as of the end of the period	0	3,011	596	3,348	0	6,955

Changes in right-of-use-assets (by type groups) in 2022

	land	buildings, premises and civil engineering works	technical equipment and machines	means of transport	other fixed assets	Fixed assets total
gross value as of the beginning of the period	0	6,332	35	4,677	0	11,044
increases (arising from)	0	191	643	1,759	0	2,593
- conclusion of a lease contract	0	0	643	1,759	0	2,402
- changes resulting from contract amendments	0	191	0	0	0	191



	0	0	0	0	0	0
decreases (arising from)	0	0	35	1,364	0	1,399
termination of a lease contract	0	0	0	575	0	575
profile changes/bought out	0	0	35	789	0	824
value as of the end of the period	0	6,523	643	5,072	0	12,238
accumulated depreciation as of the beginning of the period	0	2,217	26	1,919	0	4,162
depreciation for the period (arising from)	0	1,361	3	-126	0	1,238
- planned write-downs	0	1,361	31	902	0	2,294
profile changes/bought out	0	0	-28	-516	0	-544
-- depreciation of terminated lease/return	0	0	0	512	0	512
-	0	0	0	0	0	0
accumulated depreciation as of the end of the period	0	3,578	29	1,793	0	5,400
Impairment loss write-downs as of 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 loss write-downs as of the end of the period	0	0	0	0	0	0
as of the end of the period	0	2,945	614	3,279	0	6,838

2.5. Financial assets

Other non-current financial assets

	31.03.2023	31.12.2022
in other entities	2,382	2,394
other non-current financial assets, including non-current investment	2,382	2,394
Non-current financial assets, total	2,382	2,394

Changes in non-current financial assets (by type groups)

	31.03.2023	31.12.2022
as of the beginning of the period	2,394	3,340
	0	0
granted loans	0	0
other non-current financial assets	2,394	3,340
increases (arising from)	0	0
granted loans	0	0
other non-current financial assets	0	0
decreases (arising from)	12	946
granted loans	0	0
other non-current financial assets	12	946
as of the end of the period	2,382	2,394
	0	0
granted loans	0	0
other non-current financial assets, including non-current investment	2,382	2,394

2.6. Financial liabilities

Non-current financial liabilities

	31.03.2023	31.12.2022
- credits and loans	0	0
Non-current liabilities, total	0	0

Current financial liabilities

	31.03.2023	31.12.2022
Financial liabilities (loans, credits, debt instruments etc.)	0	0
- credits and loans	0	0

2.7. Deferred tax assets and liabilities

Changes in deferred tax assets

	31.03.2023	31.12.2022
Deferred tax assets as of the beginning of the period, including:	4,976	4,072
recognised in financial result	4,976	4,072
Increases	5,482	4,969
Recognised in the financial result of the period in conjunction with negative temporary differences (arising from)	5,482	4,969
- Uncollectible receivables write-downs	887	878
- Inventory impairment loss write-downs	588	591
- unpaid salaries	0	0
- provision for employee benefits	1,780	1,685

- provision for warranty repairs	567	588
- other	1,660	1,227
- IAS / IFRS	0	0
Recognised in the financial result of the period in conjunction with a tax loss (arising from)	0	0
Decreases	4,900	4,065
Recognised in the financial result of the period in conjunction with negative temporary differences (arising from)	4,900	4,065
- reversal of temporary differences	0	14
Deferred tax assets as of the end of the period, total, including:	5,558	4,976
Recognised in financial result	5,558	4,976
- Uncollectible receivables write-downs	889	880
- Inventory impairment loss write-downs	588	591
- unpaid salaries	0	0
- provision for employee benefits	1,833	1,693
- provision for warranty repairs	584	595
- other	1,664	1,217
- IAS / IFRS	0	0
- recognised in the financial result of the period in conjunction with a tax loss (arising from)	0	0
recognised in equity	0	0
recognised in goodwill	0	0

Changes in deferred tax liabilities

	31.03.2023	31.12.2022
Deferred tax liabilities as of the beginning of the period, including:	1,551	799
Recognised in financial result	1,551	799
Increases	740	1,547
Recognised in the financial result of the period due to positive temporary differences (arising from)	740	1,547
- Valuation of receivables	0	0
- valuation of long-term contracts	0	799
- tangible and intangible fixed assets	699	709
- other	41	39
Decreases	1,534	795
Recognised in the financial result of the period in conjunction with positive temporary differences (arising from)	1,534	795
	0	0
Deferred tax liabilities as of the end of the period, total:	757	1,551
Recognised in financial result	757	1,551
- Valuation of receivables	0	0
- valuation of long-term contracts	0	799
- tangible and intangible fixed assets	711	712
- other	46	40
Recognised in equity	0	0
Recognised in goodwill	0	0

2.8. Inventory



	31.03.2023	31.12.2022
materials	1,875	1,494
semi-finished products and work in progress	3,644	1,864
finished products	0	0
goods	0	0
other	0	0
Inventory, total	5,519	3,358
Inventory impairment loss write-downs	3,097	3,110
Inventory, gross total	8,616	6,468

Changes in inventory impairment loss write-downs

	31.03.2023	31.12.2022
As of the beginning of the period	3,110	659
	0	0
increases	0	2,471
use	0	0
reversal	13	20
Inventory impairment loss write downs as of the end of the period, including:	3,097	3,110
materials	3,097	3,110
goods	0	0

In the first quarter of 2023, the Group did not recognise any revaluation of the inventories. Write-offs in the total amount of PLN 13 thousand were reversed. PLN.

2.9. Trade receivables and other receivables

Trade receivables and other receivables

	31.03.2023	31.12.2022
- Receivables from other entities	47,484	91,928
- cost accruals	1,273	1,578
Net trade receivables and other receivables, total	48,757	93,506

Current receivables

	31.03.2023	31.12.2022
Receivables from other entities	47,484	91,928
Trade receivables, with a repayment period:	32,546	84,826
- up to twelve months	31,427	83,591
- above twelve months	1,119	1,235
Other receivables	0	0
Other receivables, including:	14,938	7,102
- arising from taxes, duties, social or health insurances and other benefits	12,507	5,765
- company's social fund surplus	0	0



- other	2,431	1,337
- asserted in court	0	0
Net current receivables, total	47,484	91,928
Uncollectible receivables write-downs	5,517	5,471
Gross current receivables, total	53,001	97,399

Gross current receivables (by currency)

	31.03.2023	31.12.2022
a) in Polish currency	53,001	97,262
b) in foreign currencies (by currency and after conversion to PLN)	0	137
PLN	0	137
EUR	0	29
PLN	0	0
USD	0	0
Current receivables, total	53,001	97,399

Changes in uncollectible current receivables write-downs

	31.03.2023	31.12.2022
As of the beginning of the period	5,471	6,245
Increases (arising from)	46	304
- allowances for overdue receivables and receivables under risk of uncollectability	46	304
- revaluation of receivables	0	0
Decreases (arising from)	0	1,078
- reversal of write-offs after receivable repayment	0	964
- write off against unrecoverable debts	0	114
The revaluation amount of current receivables as of the end of the period	5,517	5,471

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

	31.03.2023	31.12.2022
Up to one month	5,679	48,297
Over one month and up to three months	21,630	25,002
Over three months and up to six months	24	31
Over six months and up to one year	295	221
Above one year	1,568	1,632
Overdue receivables	8,454	14,687
Trade receivables, total (gross)	37,650	89,870
Uncollectible trade receivables write-downs	5,104	5,044
Trade receivables, total (net)	32,546	84,826

Trade receivables, overdue (gross) - divided into receivables not collected in the period

	31.03.2023	31.12.2022
up to one month	998	8,459
over one month and up to three months	1,257	96
over three months and up to six months	75	3
over six months and up to one year	0	0
above one year	6,125	6,129
Trade receivables, overdue, total (gross)	8,455	14,687
Uncollectible trade receivables write-downs, overdue	4,649	4,642
Trade receivables, overdue, total (net)	3,806	10,045

2.10. Assets and liabilities under contracts
Clearance of assets from contracts in progress IFRS 15

	31.03.2023	31.12.2022
Services in progress - valuation of the transaction amount allocated to liabilities, which was not fulfilled as of 31.12.2022.	57,649	14,214
Services in progress - valuation of the transaction amount allocated to liabilities, which was not fulfilled as of 31.03.2023.	49,604	57,649
Impact on revenues for the current reporting period	-8,045	43,435
Capitalised costs related to contracts in execution as of the end 31.12.2022	60,712	24,553
Capitalised costs related to contracts in execution as of the end 31.03.2023	51,839	53,446
Impact on production cost for the current reporting period	-8,873	28,893
Net impact on financial result	828	14,542

The assets from contracts cover the revenues arising from construction and assembly contracts, estimated as of 31.03.2023.

Ancillary information on contracts in progress IFRS 15

	31.03.2023	31.12.2022
Estimated amount of receivables from contracts in progress	49,604	57,649
Estimated amount of liabilities under contracts in progress	51,839	53,446
Withheld amounts of deposits and guarantee collaterals for performed work	2,883	2,625
Advance payments received on account of deliveries or services	15,589	42,822

Contract liabilities

	31.03.2023	31.12.2022
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-	advances for deliveries	15,589	42,822
Contract liabilities, total		15,589	42,822

2.11. Cash and cash equivalents

	31.03.2023	31.12.2022
g) cash and other cash assets	66,018	56,733
- cash on hand and in bank accounts	66,018	56,733
- other cash	0	0
- other cash assets	0	0
Current financial assets, total	66,018	56,733

2.12. Fixed assets held for sale

	31.03.2023	31.12.2022
a) baseline value as of the beginning of the period	28,999	0
reclassification to assets held for disposal	0	28,999
sale	0	0
decreases	7,166	
Assets held for sale as of the end of the period	21,833	28,999

The assets held for disposal as of the end of the first quarter of 2023 amounted to PLN 21,833 thousand. This value refers to the assets of a subsidiary, whose shares ELEKTROTIM offers for disposal. The liabilities relating to assets held for disposal as of the end of the year amount to PLN 16,157 thousand.

Components of assets reclassified as held for sale	31.03.2023
I. Fixed assets	5,383
- Tangible assets	4,238
- Other non-current financial assets	98
- Deferred tax assets	1,047
II. Current assets	16,450
- Trade receivables and other receivables	10,814
- Contract assets	5,475
- Cash and cash equivalents	161
Total assets	21,833

Components of liabilities and equity reclassified to liabilities relating to assets held for sale	31.03.2023
II. Liabilities and provisions for liabilities	16,157
1. Non-current liabilities	742
- Deferred tax liabilities	160
- Non-current provisions	161
- Financial liabilities (loans, credits, debt instruments etc.)	0
- Non-current lease liabilities	421
3. Current liabilities	15,415
- Current provisions	467
- Trade payables and other liabilities	14,782
- Other financial liabilities	0
- Corporate income tax liabilities	61
- Current lease liabilities	105
- Contract liabilities	0
Total liabilities and equity	16,157

**2.13. Equity****Equity capital**

Capital stock (structure)	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023
a) nominal value of one share in PLN	1	1	1	1	1	1	1
b) series/issue	A	B	C	C	C	C	D
c) class of shares	to bearer						
d) type of share preference	ordinary						
e) type of limitation of rights to shares							
f) number of shares in thousands pieces	5,206	794	91	74	111	24	3683
g) value of series/issue to nominal value in PLN thousand	5,206	794	91	74	111	24	3683
h) method of bringing in capital	cash						
i) registration date	30-11-1998	18-10-2006	27-02-2009	16-03-2010	28-02-2011	11-04-2013	11-05-2007
j) right to dividend (from date)	01-01-1999	01-01-2006	01-01-2009	01-01-2010	01-01-2011	01-01-2013	01-01-2007
k) number of shares, total, in thousands pieces							
Capital stock, total, in PLN thousand							9,983

Retained earnings and net profit

	31.03.2023	31.12.2022
- Other reserve capital	40,856	40,856
- Profit (loss) brought forward	3,817	-18,166
- Net profit (loss)	5,757	21,984
Retained earnings, total	50,430	44,674

2.14. Provisions**Changes in other non-current provisions (by title)**

	31.03.2023	31.12.2022
a) as of the beginning of the period	2,626	2,440
provisions for warranty repairs	2,265	2,179
provisions for employee benefits	361	261
provisions for contractual penalties	0	0
other	0	0
b) increases (arising from)	146	315
provisions for warranty repairs	146	215
provisions for employee benefits	0	100
provisions for contractual penalties	0	0
other	0	0
c) use (arising from)	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 (arising from)	184	129
provisions for warranty repairs	184	129
provisions for employee benefits	0	0
provisions for contractual penalties	0	0

other	0	0
e) as of the end of the period	2,588	2,626
provisions for warranty repairs	2,227	2,265
provisions for employee benefits	361	361
provisions for contractual penalties	0	0
other	0	0

Changes in other current provisions (by title)

	31.03.2023	31.12.2022
a) as of the beginning of the period	17,374	7,376
provisions for warranty repairs	960	899
provisions for employee benefits	9,139	2,601
provisions for contractual penalties	7,274	3,876
other	1	0
b) increases (arising from)	2,843	14,244
provisions for warranty repairs	61	985
provisions for employee benefits	1,267	8,382
provisions for contractual penalties	1,515	4,876
other	0	1
c) use (arising from)	4	22
provisions for warranty repairs	0	22
provisions for employee benefits	3	0
provisions for contractual penalties	0	0
other	1	0
d) reversal (arising from)	603	4,224
provisions for warranty repairs	75	902
provisions for employee benefits	528	1,844
provisions for contractual penalties	0	1,478
other	0	0
e) as of the end of the period	19,610	17,374
provisions for warranty repairs	946	960
provisions for employee benefits	9,875	9,139
provisions for contractual penalties	8,789	7,274
other	0	1

In 2017, a presentation change was made regarding the established provision for penalties imposed by the Military Infrastructure Board in Poznań in the amount of PLN 1,956 thousand.

In conjunction with the underpayment of receivables from the Military Infrastructure Board in Poznań in the amount of PLN 1,956 thousand, the receivable item on the asset side and the provision item on the liabilities side were reduced by PLN 1,956 thousand.

In 2018, a presentation change was made regarding the established provisions for penalties imposed by the District Infrastructure Board in Szczecin in the amount of PLN 503 thousand, penalties imposed by the Military Counterintelligence Service in the amount of PLN 35 thousand and penalties imposed by Tauron Dystrybucja in the amount of PLN 35 thousand. The above presentation changes resulted in a decrease in the balance sheet total by the total amount of PLN 2,494 thousand.

Starting with the consolidated financial statements for the first half of 2020, the amount of 2,494 thousand PLN is presented both on the side of receivables (assets) as well as on the side of provisions (liabilities).

2.15. Trade payables and other liabilities

	31.03.2023	31.12.2022
- Trade payables	50,891	66,981

-	arising from taxes, duties, insurances and other benefits	1,831	3,863
-	for salaries	1,758	2,250
-	other	132	363
-	current deferrals	0	0
Trade and other payables, total		54,612	73,457

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

		31.03.2023	31.12.2022
a)	liabilities ahead of maturity	47,754	58,407
b)	overdue liabilities	3,137	8,574
	up to one month	3,120	3,558
	over one month and up to three months	15	4,963
	over three months and up to six months	0	5
	over six months and up to one year	0	32
	above one year	2	16
Trade payables, total (gross)		50,891	66,981

2.16. Lease liabilities

		31.03.2023	31.12.2022
a)	Current liabilities	2,809	2,596
b)	Non-current liabilities	3,427	3,626
Total liabilities under lease, rental and other contracts of similar nature		6,236	6,222

Ancillary information on lease (IFRS 16)

The Group does not recognise liabilities under short-term lease contracts as well leases for which the underlying component of assets is of low value. In addition, contingent lease payments dependent on factors other than index or rate are not recognized in the value of lease liabilities.

		31.03.2023	31.12.2022
	lease interests	205	593
	cost of short-term leases and leases of low-value assets	68	178
	lease payment amount	709	2,772
Total		982	3,543

2.17. Other operating revenues and costs

Other operating revenues

		01.01.-31.03.2023	01.01.-31.03.2022
-	Profit on disposal of non-financial fixed assets	17	3
-	Subsidies	0	0
-	Other operating revenues	256	769
Other operating revenues, total		273	772

Other operating costs

	01.01.-31.03.2023	01.01.-31.03.2022
- Loss on disposal of non-financial fixed assets	0	17
- Revaluation of non-financial assets	-39	-11
- Other operating costs	1,727	302
Other operating costs, total	1,688	308

Profit (loss) arising from expected loan losses

	01.01.-31.03.2023	01.01.-31.03.2022
- Reversal of write-downs on receivables	0	27
- Recognition of receivables write-down	-46	-25
Result from expected credit loss, total	-46	2

2.18. Financial revenues and costs

Financial revenues

	01.01.-31.03.2023	01.01.-31.03.2022
- Dividends and profit participation	0	0
- Interest	808	17
- Profit on disposal of investments	0	0
- Revaluation of investments	0	0
- Other	19	81
Financial revenues, total	827	98

Financial costs

	01.01.-31.03.2023	01.01.-31.03.2022
- Interest	436	333
- Revaluation of investments	0	33
- Other	60	70
Financial costs, total	496	436

2.19. Profit (loss) arising from sale of subordinate units

In 2022, the subsidiary Procom System S.A. was sold and the loss on the sale of shares amounted to PLN 2,602 thousand.

In the first quarter of 2023, no company belonging to the Capital Group was sold.

2.20. Goodwill write-down of subordinate units

As of 31.12.2022, the Management Board of ELEKTROTIM S.A. subjected cash-generating centres with allocated goodwill to impairment tests by comparing the carrying amount of the centres including the goodwill with the recoverable value, on the assumptions of cash flow forecasting horizon of five years, growth rate beyond the forecasting horizon of 3% and discount rate of 11%, and stated that there was no impairment of the centre and the related value, so no revaluation write-down was made.

However, as a result of the sale of the subsidiary Procom System S.A., the allocated goodwill of PLN 2,312 thousand was offset in 2022 against the result from the sale of the investment.

In the first quarter of 2023, no write-down of goodwill was recognised.

2.21. Information on financial instruments

In the period covered by the consolidated statements, the Group acquired and disposed assets intended for trading, understood as financial assets acquired to obtain economic benefits resulting from short-term price changes and fluctuations of other market factors in a period not exceeding three months (excluding hedging instruments). Hedging deposits were also established for periods exceeding twelve months.

	31.03.2023	31.12.2022
a) deposits over twelve months	2,382	2,394
b) loans granted	0	0

Interest revenues

	31.03.2023	31.12.2022
a) arising from loans granted	0	0

Loan and lease liabilities:

	31.03.2023	31.12.2022
a) long-term loans	0	0
b) short-term credits	0	0

As of 31.03.2023, no loans exist.

Derivative instruments

The Group uses derivative transactions as collateral for foreign currency payments.

As of 31.03.2023, no forward transactions exist.

Reclassifications of financial assets

In the period covered by the consolidated financial statements, no reclassification of financial assets was performed,

Objectives of financial risk management

The risk to which the Group is exposed includes market risk (including foreign exchange, interest rate, fair value and price risk), as well as credit risk, liquidity risk and cash flow interest rate risk.

The Group strives to minimize the impact of various risk types using an ongoing monitoring and diversification of financial instruments.

Market risk

The ELEKTROTIM Group's business involves exposure to financial risk resulting from changes in interest rates or foreign exchange rates.

Currency risk management

The Group concludes transactions in foreign currencies. Therefore, a risk of currency fluctuations occurs.

Currency risk sensitivity

Most transactions are concluded in PLN. The Group is primarily exposed to risks related to EUR and USD.

The Group's financial assets and liabilities, other than derivatives denominated in foreign currencies, are converted into PLN at the closing exchange rate applicable as of the balance sheet date.

The currency risk exposure changes during the year depending on the volume of transactions concluded in the foreign currencies. As of 31.03.2023, this risk is negligible due to the value of assets and liabilities denominated in foreign currencies.

Interest rate risk management

The Group is exposed to the interest rate risk because the entities belonging to it borrow funds at variable interest rates. The Group manages this risk by maintaining an appropriate debt monitoring.

The interest rate risk management focuses on minimising fluctuations in interest flows arising from financial assets and liabilities with variable interest rates.

The Group is exposed to an interest rate risk in conjunction with the following categories of financial assets and liabilities:

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

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

Credit risk management

The basic practice of the Group in the field of credit risk management consists in striving to conclude transactions only with entities with confirmed credibility. Potential consignees are subject to verification procedures by the parent and companies of the Group prior to granting a trade credit limit. The current monitoring of the level of trade receivables across contracting parties helps reduce the level of credit risk related to these assets. Thus, the Group classifies contracting parties who arrange tenders pursuant to the public procurement law as well as central and local government budgetary units as financially credible. The regular business partners are assigned financial credibility categories based on credit limits granted by the insurer under the receivables insurance contract. We also use credit ratings provided by reliable rating institutions. If the above criteria are not met, we demand a collateral in the form of an advance payment, partial prepayments for services or bank guarantees. When working for a general contractor, we hedge our receivables in accordance with Article 647 of the Civil Code by reporting them to the investor. Such customer credibility investigation aims at building a credible portfolio of receivables.

The Group has developed a model for estimating expected losses generated by the portfolio of receivables and contractual assets.

Credit risk is the risk of the Group incurring financial losses as a result of the non-fulfilment of contractual obligations by a customer or contracting party being a party to a financial instrument.

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

Credit risk exposure	31.03.2023	31.12.2022
Loans		
Trade receivables and other receivables	48,757	93,506
Derivative financial instruments	0	0
Debt securities		
Mutual fund shares		
Other classes of other financial assets		
Cash and cash equivalents	66,018	56,733
Commitments and contingent liabilities	294	294

The credit risk is mainly related to the Group's receivables from customers and its financial investments. The Group's main customers are companies run under commercial law, including companies with shares held by the Treasury. The credit risk is minimised by the trade credit insurance contract concluded with Atradius Credit Insurance NV S.A. Branch in Poland (parent).

Aiming at credit risk mitigation in relation to receivables, the Group adheres to the principle of concluding transactions only with contracting parties with proven creditworthiness and pursues a restrictive policy in the scope of granting credit limits. The Group continuously monitors the arrears of customers and creditors with payments, while analysing the credit risk. In the opinion of the parent's Management Board, the above financial assets, which are not overdue and covered by an impairment loss allowance as at each balance sheet date, can be deemed assets of good credit quality.

The credit risk exposure in terms of arrears and the age structure of overdue receivables not covered by write-downs are presented in the notes.

Gross trade receivables as of 31-03-2023

	Uncollectible receivables write-downs	Receivables	Write-downs in %
a) not overdue	455	29,196	1.56%
b) overdue up to one month	0	998	0.00%
c) overdue over one month and up to three months	0	1,257	0.00%
d) overdue over three months and up to six months	7	75	9.33%
e) overdue over six months and up to one year	0	0	0.00%
f) overdue above one year	4,642	6,124	75.80%
Total	5,104	37,650	13.56%
g) Uncollectible trade receivables write-downs	5,104	5,104	100.00%
Total	0	32,546	

The analysis of receivables in their presented age structure shows that the most of receivables belong in 2023 in terms of due payment to two age categories: up to one month -15%, and above one month and up to three months - 58%. Receivables with a maturity of up to one month and between one and three months do not pose a credit risk since they are receivables within the payment term, their receipt is monitored on an ongoing basis by the debt collection unit and the financial risk committee so that appropriate safeguarding procedures, such as requesting a guarantee or requesting payment from a credible investor when we work for a general contractor, can be launched.

Another considerable group of receivables are overdue receivables, constituting 23% of gross receivables. Its largest portion consists of receivables over one year old, constituting 16% of total gross receivables.

When analysing the history of overdue payments and finally lost receivables, we came to the conclusion that a considerable increase in credit risk occurs when a payment is overdue more than 90 days in relation to the original payment date, which leads to the contracting party's default. In such an event, independently of the future risk estimation, the Group covers these receivables with a 100% write-down.

Regarding trade receivables, the Group is not exposed to credit risk in conjunction with a single significant contracting party or a group of contracting parties with similar features. Based on the historical trends in payment arrears, the overdue receivables not covered by a write-down do not demonstrate a considerable deterioration in quality.

The credit risk related to cash or cash equivalents, marketable securities or derivative financial instruments is deemed negligible due to the high credibility of the transaction parties. Cash and cash equivalents are deposited in financial institutions with high financial credibility, which are mainly banks.

Regarding the loans granted, the Group considers them to pose low credit risk if they are not overdue as of the assessment date and the borrower has confirmed the debt balance.

The carrying amount of financial assets shown in the consolidated financial statements, after considering impairment losses, corresponds to the Group's maximum credit risk exposure.

The parent did not conduct negotiations and did not make arrangements resulting from a considerable increase in credit risk or changes in payment terms, or otherwise modify the cash flows expected from its receivables or assets under the contract.

Liquidity risk management

The Capital Group is exposed to the liquidity risk, i.e. the risk of losing ability to pay financial liabilities on time. The Group manages its liquidity risk by monitoring the payment deadlines and the cash demand in terms of rendering short-term payments (current transactions are monitored in weekly periods) and long-term cash demand based on cash flow forecasts updated in bimonthly periods. The demand for cash is compared with the available sources of funds (in particular by assessing the ability to obtain financing in the form of loans) and is confronted with liquid investments and available financial resources.

The responsibility for the liquidity risk management lies with the Management Board, which has developed an appropriate system for managing this risk in order to manage the Group's short-, medium- and long-term funds and meet the liquidity management requirements. The Group manages its liquidity risk by using bank services and standby credit lines, constantly monitoring forecast and actual cash flows and adjusting the maturity profiles of financial assets and liabilities.

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

	31.03.2023	31.12.2022
a) liabilities ahead of maturity	47,754	58,407
b) overdue liabilities	3,137	8,574
up to one month	3,120	3,558
over one month and up to three months	15	4,963
over three months and up to six months	0	5
over six months and up to one year	0	32
above one year	2	16
Trade payables, total (gross)	50,891	66,981

Capital risk management

The Group manages capital to ensure the ability of entities owned by it to continue their business while maximising the rate of return for shareholders by optimising the debt to equity ratio. In view of dynamically changing market conditions the parent's Management Board has developed and implemented in 2023 the "ELEKTROTIM S.A. Strategy 2023-2025". The strategy focuses on at least maintaining such a large turnover and a long-term, stable and sustainable growth ensuring an increase in the value of the Company and the Group.

In the course of operations, the companies of the ELEKTROTIM Capital Group use financial products such as working capital loans, tender securities or performance bonds.

2.22. Details of off-balance sheet items, in particular commitments and contingent liabilities

Commitments and contingent liabilities are understood as a possible obligation arising from past events, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events that are not fully controlled by the entity.

Guarantee lines possessed by the Company and their use.

As of 31.03.2023, the parent has at disposal a total limit of tender securities and performance bonds covering the guarantee and statutory warranty periods as well as advance payments in the amount of PLN 195,774 thousand and EUR 6,000 thousand. As of 31.03.2023, their utilisation amounts to PLN 88,150 thousand and EUR 2,810 thousand.

The Management Board of ELEKTROTIM S.A. concluded a contract with two shareholders of ZEUS S.A. for the purchase of up to 165,000 shares in ZEUS S.A. in the period from 01.01.2015 to 31.12.2025, for the purchase price determined on the basis of the income formula (earnings per share calculated as the mean of the company's results achieved during several years). In 2018, 78,000 shares in ZEUS S.A. were purchased. 87,000 shares remain to be purchased.

On behalf of Elektrotim, the bank issued for a subsidiary a performance bond up to the amount of PLN 294 thousand, the beneficiary of which is a company run under commercial law. The bond is valid until 31.07.2023.

The minority (non-controlling) interests are negligible in relation to the above contract..

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

The book value per share is the quotient of the book value, i.e. the total assets net of the borrowed capital, divided by the number of shares.

The diluted book value per share is the quotient of the book value divided by the number of ordinary shares plus the potential number of shares the entity has committed to issue.

Detailed values of the indicator for 2023 and 2022 are presented in the table "Selected financial data".

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

Earnings per ordinary share is the quotient of the net profit shown in the profit and loss statement for a given period divided by the weighted mean number of ordinary shares in a given period. The weighted mean number of ordinary shares is calculated as the total number of shares as of the end of each month of the given period divided by the number of months in the period.

The diluted earnings per share is the quotient of the net profit from the profit and loss statement for a given period divided by the weighted mean number of shares from the given period increased by the potential weighted mean number of shares the entity has committed to issue.

Detailed values of the indicator for 2023 and 2022 are presented in the table "Selected financial data".

2.25. Details of transactions with related parties, if individually or collectively considerable and concluded on terms other than arm's length

Transactions with related parties were concluded according to the arm's length principle, taking into account market prices and terms.

The purchasing strategy of the Group is geared to choosing the most advantageous market price from those existing on the market, by constantly monitoring prices offered by a number of suppliers and selecting out of most advantageous offers.

2.26. Information on considerable post balance sheet events

After the balance sheet date, according to the parent's Management Board, the following considerable events not included in the consolidated financial statements took place:

Possible effects of the war in Ukraine for the activity and financial situation

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

We employ a few people from Ukraine and even their leaving will not affect the Company's human resources.

The war has a negative impact on the financial and raw material markets. Increasing shortages in the raw material supply result in price increases and affect the availability of certain materials. The exchange rate risk occurs as well since the markets react nervously in such uncertain times, which causes fluctuations in the exchange rates of major currencies. This situation makes it necessary to hedge both raw material prices and foreign exchange rates, which in turn requires the involvement of greater working capital resources.

The growing inflation rate resulting from, inter alia, raw material and material shortages is an additional risk factor for the conducted business activity. When it comes to preparing offers for future projects, we take into account inflation and foreign exchange rate risks and also try to avoid tasks with a long time horizon.

Abbreviated Standalone Interim Financial Statements for the period 01.01. – 31.03.2023

STATEMENT OF FINANCIAL POSITION

Assets		note	31.03.2023	31.12.2022
I.	Fixed assets		28,830	28,058
-	Intangible assets	3.2	56	104
-	Goodwill	3.3	2,396	2,396
-	Tangible assets	3.4	12,404	12,088
	Investment properties		4,058	4,058
	Investments in subsidiaries		644	644
-	Other non-current financial assets	3.5	2,382	2,394
-	Deferred tax assets	3.7	5,482	4,900
-	Other non-current non-financial assets		1,408	1,474
II.	Current assets		168,254	212,181
-	Inventory	3.8	5,519	3,358
-	Trade receivables and other receivables	3.9	49,609	94,654
-	Contract assets	3.10	49,587	57,645
-	Other current financial assets		0	0
-	Cash and cash equivalents	3.11	61,667	54,652
1.	Current assets other than assets held for sale		166,382	210,309
2.	Fixed assets held for sale	3.12	1,872	1,872
	Total assets		197,084	240,239

Liabilities and equity		note	31.03.2023	31.12.2022
I.	Equity		97,461	91,497
-	Capital stock	3.13	9,983	9,983
-	Share premium		44,522	44,522
-	Reserves		-10	-10
-	Retained profit	3.13	37,002	13,916
-	Net profit (loss)		5,964	23,086
II.	Liabilities and provisions for liabilities		99,623	148,742
1.	Non-current liabilities		6,485	7,515
-	Deferred tax liabilities	3.7	740	1,532
-	Non-current provisions	3.14	2,401	2,459
-	Financial liabilities (loans, credits, debt instruments etc.)		0	0
-	Non-current lease liabilities	3.16	3,344	3,524
3.	Current liabilities		93,138	141,227
-	Current provisions	3.14	19,026	16,786
-	Trade payables and other liabilities	3.15	55,793	76,166
-	Other financial liabilities		0	0
-	Corporate income tax liabilities		0	2,977
-	Current lease liabilities	3.16	2,731	2,518
-	Contract liabilities	3.10	15,588	42,780
	Current liabilities other than those related to assets held for sale		93,138	141,227
	Liabilities relating to fixed assets held for sale		0	0
	Total liabilities and equity		197,084	240,239

**STATEMENT OF PROFIT AND LOSS**

(multiple-step variant, in PLN thousand)	note	01.01.-31.03.2023	01.01.-31.03.2022
- Sales revenues	3.1	91,584	34,114
- Cost of goods sold		78,363	35,191
I Gross profit (loss) from sales		13,221	-1,077
- Sales costs		2,176	1,407
- Costs of administrative activities		2,146	1,516
- Other operating revenues	3.17	305	270
- Other operating costs	3.17	1,651	210
- Profit (loss) arising from expected loan losses	3.17	-46	2
II Operating profit (loss)		7,507	-3,938
- Financial revenues	3.18	820	95
- Financial costs	3.18	475	326
- Subordinate unit goodwill write-down		0	0
III Gross profit (loss)		7,852	-4,169
- Income tax		1,888	380
- Net profit (loss) from continuing operations		5,964	-4,549
- Net profit (loss) from ceased operations		0	0
IV Net profit (loss)		5,964	-4,549

STATEMENT OF OTHER TOTAL INCOME

in PLN thousand	01.01.-31.03.2023	01.01.-31.03.2022
1. Net profit (loss)	5,964	-4,549
2. Other comprehensive income, including:	0	0
will not be reclassified to profit and loss (actuarial write-downs)	0	0
will be reclassified to profit and loss	0	0
3. Total comprehensive income	5,964	-4,549

**CASH FLOW STATEMENT**

(indirect method, in PLN thousand)	01.01.- 31.03.2023	01.01.-31.03.2022
I. Cash flow from operating activities		
1. Gross profit (loss)	7,852	-4,169
2. Total adjustments	6,740	201
- Depreciation	891	864
- Foreign exchange gains (losses)	0	0
- Interest	-483	90
- (Profit) loss from investing activities	-17	30
- Changes in provisions	1,392	-122
- Change in inventory	-2,161	-1,809
- Change in receivables	52,587	30,651
- Change in current liabilities, except for loans and credits	-43,581	-29,123
- Other adjustments	-1,888	-380
- Cash flow used for operations	14,592	-3,968
- Paid income tax attributed to operating activities	-6,555	-820
3. Net cash flow from operating activities	8,037	-4,788
II. Cash flow from investment activities		
- Proceeds from disposal of tangible fixed assets, intangible assets other than goodwill, investment property and other fixed assets	17	26
- interest	680	12
- other proceeds from financial assets	12	-1,489
- Purchase of tangible fixed assets, intangible assets other than goodwill, investment property and other fixed assets	-633	-372
- Other investment expenditures	0	0
1. Net cash flow from investing activities	76	-1,823
III. Cash flow from financing activities		
- Net proceeds from the issue of shares and other equity instruments	0	0
- Credits and loans	0	0
- Other financial proceeds (expenditures).	0	0
- Acquisition of own shares	0	0
- Dividends and other payments to owners	0	0
- Credit and loan repayments	0	0
- Payments of liabilities under finance lease contracts	-901	-561
- Interest	-197	-103
1. Net cash flow from financing activities	-1,098	-664
IV. Net cash flow, total	7,015	-7,275
Foreign exchange rate effects affecting cash		
On-balance sheet change in cash, including:	7,015	-7,275
Cash as of the beginning of the period	54,652	14,625
Cash as of the end of the period	61,667	7,350
with limited disposal	3,926	3,709

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

in PLN thousand	Capital stock	Share premium	Reserves	Retained profit	Total
As of the beginning of the period	9,983	44,522	-10	37,002	91,497
Period profit				5,964	5,964
Other comprehensive income for the period					0
Comprehensive income	0	0	0	5,964	5,964
Capital increase (decrease)	0	0	0	5,964	5,964
As of the end of the period	9,983	44,522	-10	42,966	97,461

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 01.01.2022 - 31.03.2022

in PLN thousand	Capital stock	Share premium	Reserves	Retained profit	Total
As of the beginning of the period	9,983	44,522	107	13,916	68,528
Period profit				-4,549	-4,549
Other comprehensive income for the period					0
Comprehensive income	0	0	0	-4,549	-4,549
Capital increase (decrease)	0	0	0	-4,549	-4,549
As of the end of the period	9,983	44,522	107	9,367	63,979

3. NOTES TO THE STANDALONE FINANCIAL STATEMENTS

3.1. Information on operating segments

Products and services from which the reporting segments derive their revenues

The ELEKTROTIM Company offers its products public and non-public customers on the market for civil engineering works.

The reporting segments separated within the Company constitute an aggregation of the Company's organisational structure, the operational part of which has been divided into independently managed economic organisms (units) grouped into divisions. The criterion for separating individual units and divisions were product companies and the territorial distribution.

In order to present information in a way that allows proper assessment of the type and financial effects of the Company's business activities, the operating segments were merged into three segments, based on the product group criterion:

- Installations Segment
- Grid Segment
- Automation Segment

All these segments comply with the following principles jointly:

- the merger was carried out in accordance with the overriding principle of IFRS 8 saying that "an entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates".
- the segments demonstrate similar economic characteristics
- the segments are similar in terms of:
 - * type of products and services
 - * type of production processes
 - * type or groups of customers for the given products and services
 - * methods used to distribute products or render services

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

Products offered by the Installations Segment

e) Building and detailed plans including:

- designs of wiring systems for three-phase power supply and lighting of industrial or commercial facilities,
- designs of medium or low voltage power cable lines,
- designs of medium-voltage / low-voltage transformer stations,
- designs of lighting for roads, streets and squares,
- designs of traffic lights,
- designs of structure illumination for architectural purposes,
- designs of Christmas illumination,
- designs of sewer systems,
- designs of signal wirings.

These products are offered by the Design Unit.

f) Electrical installations, including:

- transformer stations,
- wiring systems for three-phase power supply and lighting of facilities for:
 - industry
 - housing
 - public institutions
 - warehousing
 - sports
 - military.

The products are offered by the Electrical Installations Unit.



g) Switchgears, including:

- medium voltage switchgears SM6 type,
- low voltage MCC switchgears OKKEN type,
- low voltage electricity distribution switchgears PRISMA type,
- switchgears X-ENERGY type, street lighting cabinets SOT type,
- meter panels.

The products are offered by the Production Unit.

h) Signal wirings, including:

- computer systems for integration of BMS and SMS systems
- structured cabling systems,
- fire alarm systems
- access control systems,
- CCTV systems,
- technical protection systems
- building automation installations
- working time recording systems,
- perimeter protection systems,
- RAMS systems,
- telecommunications systems.

The products are offered by the Signal Wiring Unit.

e) Servicing electrical installations and devices, including:

- low voltage equipment service,
- measurements and inspections in the field of remote-control engineering in stations and for dispatching purposes,
- electrical measurements.

The services are rendered by the Service Unit.

Products offered by the Grid Segment:

o Electricity grids, including:

- traffic lights,
- street lighting,
- illuminations of structures,
- airfield navigation lights,
- medium or low voltage cable lines,
- communication networks,
- medium and low voltage transformer stations

The products are offered by the **Electric Grid Unit**.

o Communication networks, including:

- Communication cable ducting systems,
- Copper-made telecommunications lines,
- Fibre-optic telecommunications lines,
- radiobeacon stations (NDB, DVOR/DME),
- radar systems,
- antenna systems,
- other navigation and radio communication systems

The products are offered by the Communication Network Unit.

c) Elements of road infrastructure, including:

- thin or thick layer road marking,
- vertical marking
- road traffic organisation: temporary and final
- road traffic safety devices
- traffic organisation designs.

The products are offered by the Traffic Engineering Unit.



d) Signalling and lighting service, including:

- operation, modernisation and maintenance of traffic lights,
- operation and maintenance of lighting for streets or squares,
- operation, modernisation and maintenance of external lighting and illumination of structures,
- maintenance of the wiring systems for three-phase power supply and lighting,
- traffic lights controllers.

The products are offered by the Signalling and Lighting Unit.

e) Systems:

- power generation automation,
- automation for environmental protection installations,
- industrial data processing,
- industrial automation.

f) High voltage grids, including:

- high-voltage overhead power lines
- high-voltage buried power lines
- power system automation and protection
- remote-control engineering
- superordinate systems
- high voltage / medium voltage substations

The products are offered by the High Voltage Division

Products offered by the Automation Segment

f) Automation systems for power generation

- automation system for power units
- automation system for water and sewage treatment installations
- automation system for fuel feeding, ash removal and deslagging installations
- automation system for heating systems
- automation system for compressor systems
- automation system for flue gas cleanup systems
- design of automation system for power units and auxiliary installations
- automation system for small power industry installations
- after-sales services.

The products are offered by the Power Engineering Automation Unit.

g) Automation systems for environmental protection installations

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

The products are offered by the Industrial Automation Unit and the Power Engineering Automation Unit.

h) Power engineering automation systems

- CERTAN PQ-100 - measuring instrument for power quality parameters
- interference recorder
- electric power system and energy balancing supervision system
- interference recording and power quality analysis system
- grid and device operation system
- after-sales services.

The products are offered by the Power Engineering Automation Unit.

i) Industrial data processing systems

- Starting Losses Monitoring System (SKSR)
- Modular Operating Monitoring System (MESKAN)
- Device Operation Monitoring System (VECTAN)
- Production process visualization and management support system (PROMAN)
- CERTAN SYSTEM
- communication interfaces
- custom software development
- after-sales service for own products.

The products are offered by the Industrial Information Technology Unit.

j) Other automation systems

- BMS
- fire detection and temperature monitoring system - PROList

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

Revenues, profit and loss of the segments

An analysis of the Company's revenues and results in the individual segments covered by the reporting is shown below:

Business segments	01.01- 31.03.2023	01.01- 31.03.2023	01.01- 31.03.2023	01.01- 31.03.2022	01.01- 31.03.2022	01.01- 31.03.2022
	Installations Segment	Grid Segment	Automation Segment	Installations Segment	Grid Segment	Automation Segment
Sales revenues from external customers	53,987	37,580	0	14,328	19,786	0
Revenues within and from other segments	3,593	9	0	526	113	0
Cost of sold products	49,578	32,371	0	15,995	19835	0
Gross profit (loss) from sales	8,002	5,218	0	-1,141	64	0

Segment assets

The Company does not analyse assets and liabilities of a segment in the statements used by the parent's Management Board for operational and analytical purposes, since the assets and liabilities are not assigned to a segment.

Geographic information

The Company operates in only one geographical area, which is Poland.

3.2. Intangible fixed assets

Intangible fixed assets

	31.03.2023	31.12.2022
development works completed	0	
acquired concessions, patents, licenses and similar assets	56	104
other intangible fixed assets	0	
Intangible fixed assets, total	56	104

Changes in intangible fixed assets (by type group) in 2023



	development costs	concessions, patents, licenses and similar assets	other intangible fixed assets	Intangible fixed assets, total
gross value of intangible fixed assets as of the beginning of the period	9	0	4,894	4,903
increases (arising from)	0	0	0	0
- purchase			0	0
- acquisition of subsidiaries				0
decreases (arising from)	0	0	0	0
- sale				0
- liquidation				0
gross value of intangible fixed assets as of the end of the period	9	0	4,894	4,903
accumulated depreciation as of the beginning of the period	9		4,789	4,798
depreciation for the period (arising from)	0	0	49	49
- planned write-downs			49	49
- acquisition of subsidiaries				0
- decreases				0
accumulated depreciation as of the end of the period	9	0	4,838	4,847
Impairment loss write-downs as of the beginning of the period				0
- increases				0
- decreases				0
Impairment loss write-downs as of the end of the period	0	0	0	0
net value of intangible fixed assets as of the end of the period	0	0	56	56

Changes in intangible fixed assets (by type group) in 2022

	development costs	concessions, patents, licenses and similar assets	other intangible fixed assets	Intangible fixed assets, total
gross value of intangible fixed assets as of the beginning of the period	9		4,865	4,874
increases (arising from)	0	0	29	29
- purchase			29	29
- acquisition of subsidiaries	0	0	0	0

	0	0	0	0
decreases (arising from)	0	0	0	0
- sale	0	0	0	0
- liquidation	0	0	0	0
	0	0	0	0
gross value of intangible fixed assets as of the end of the period	9	0	4,894	4,903
accumulated depreciation as of the beginning of the period	9		4,569	4,578
depreciation for the period (arising from)	0	0	220	220
- planned write-downs			220	220
- acquisition of subsidiaries				0
- decreases				0
accumulated depreciation as of the end of the period	9	0	4,789	4,798
Impairment loss write-downs as of the beginning of the period				0
- increases				0
- decreases				0
Impairment loss write-downs as of the end of the period	0	0	0	0
net value of intangible fixed assets as of the end of the period	0	0	105	105

Intangible fixed assets (ownership structure)

	31.03.2023	31.12.2022
owned	56	104
used under a rental, tenancy or other contract, including a lease contract	0	0
Intangible fixed assets, total	56	104

3.3. Goodwill

	31.03.2023	31.12.2022
- PWS (Electric Power Substations Unit, Distribution Division)	2,396	2,396
Goodwill of subordinate units, total	2,396	2,396
Durable impairment loss write-downs	0	0
Carrying amount, total	2,396	2,396

Change in goodwill of subordinate units

	31.03.2023	31.12.2022
as of the beginning of the period	2,396	2,396
as of the end of the period	2,396	2,396

As of 01.04.2012, for the purposes of the running restructuring of the Company, the process of including the products provided by the subsidiary Elektromont Beta S.A. in the product offer of the ELEKTROTIM S.A. Network Division, lasting since 01.02.2012, was completed, and, at the same time, all employees of this company were taken over by ELEKTROTIM

S.A. pursuant to Article 231 of the Labour Code. Thus, the entire activity of Elektromont Beta S.A. was transferred to ELEKTROTIM S.A. In conjunction with the above and pursuant to IAS 36.87 which applies to reorganisations of economic entities, ELEKTROTIM S.A. transferred the goodwill of Elektromont Beta S.A., which was recognised as of the date of control acquisition, from the previous cash-generating centre (which was the subsidiary) to a new cash-generating centre, which is the High Voltage Unit belonging to the Grid Division. This reflects the lowest level at which goodwill can be monitored for the internal purposes of ELEKTROTIM S.A. (IAS 36.80 to 87).

Due to the internal reorganisation of ELEKTROTIM S.A. the goodwill of the High Voltage Plant, which belongs to the Grid Division, was allocated to the newly established cash-generating centre, i.e. the Electric Power Substations Unit within the Grid Division.

Based on the impairment test of the cash-generating centre after its restructuring, to which the goodwill was allocated by comparing the carrying amount with its recoverable value, a revaluation write-down was made in 2013 in the amount of PLN 1,707 thousand. The test was carried out on the following assumptions: cash flow forecasting horizon of five years, discount rate of 11%.

As of 31.12.2017, the value of shares in Mawilux S.A. was written down in the amount of PLN 3,954 thousand, based on the Gordon model, assuming a five-year cash flow forecasting horizon, a discount rate of 13.7% and a 3% growth rate beyond the forecasting horizon.

As of 31.12.2022, the financial assets of cash-generating units (High Voltage Unit and Airport Services Unit) were subjected to impairment tests.

The performed asset impairment test did not demonstrate the need to recognise a goodwill write-down.

As of 31.03.2023, the goodwill is allocated only to organised components of the activity of ELEKTROTIM S.A. and does not apply to subsidiaries.

The impairment tests were carried out by an external company.

3.4. Tangible assets

	31.03.2023	31.12.2022
a) Fixed assets, including:	11,941	11,801
- land	869	869
- buildings, premises and civil engineering works	5,224	5,153
- technical equipment and machines	1,701	1,750
- means of transport	4,005	3,886
- other fixed assets	142	143
b) Fixed assets under construction	463	287
Tangible assets, total	12,404	12,088

Fixed assets on balance sheet (ownership structure)

	31.03.2023	31.12.2022
owned	5,576	5,392
used under rental, tenancy or other contracts, including lease contracts, including:	6,828	6,696
Fixed assets on balance sheet, total	12,404	12,088

Changes in fixed assets (by type groups) in 2023

	land	buildings, premises and civil engineering works	technical equipment and machines	means of transport	other fixed assets	Fixed assets total
Gross value of fixed assets as of the beginning of the period	869	9,425	8,743	11,980	1,906	32,923
increases (arising from)	0	440	82	438	22	982
- purchase		440	82	438	22	982
- acquisition of subsidiary						0
						0
decreases (arising from)	0	0	0	155	27	182
sale and liquidation				155	27	182
						0
Gross value of fixed assets as of the end of the period	869	9,865	8,825	12,263	1,901	33,723
accumulated depreciation as of the beginning of the period		4,272	6,993	8,094	1,763	21,122
depreciation for the period (arising from)	0	369	131	164	-4	660
- planned write-downs		369	131	319	23	842
- acquisition of subsidiary						0
- sale and liquidation				155	27	182
						0
accumulated depreciation as of the end of the period	0	4,641	7,124	8,258	1,759	21,782
Impairment loss write-downs as of the beginning of the period						0
- increases						0
- decreases						0
Impairment loss write-downs as of the end of the period	0	0	0	0	0	0
Net value of fixed assets as of the end of the period	869	5,224	1,701	4,005	142	11,941

Changes in fixed assets (by type groups) in 2022

	land	buildings, premises and civil engineering works	technical equipment and machines	means of transport	other fixed assets	Fixed assets total
Gross value of fixed assets as of the beginning of the period	869	9,103	7,521	11,314	1,778	30,585
increases (arising from)	0	322	1,230	1,605	128	3,285
- purchase		322	1,230	1,605	128	3,285
- acquisition of subsidiary						0
						0
decreases (arising from)	0	0	8	939	0	947
sale and liquidation			8	939		947
						0



Gross value of fixed assets as of the end of the period	869	9,425	8,743	11,980	1,906	32,923
accumulated depreciation as of the beginning of the period		2,842	6,467	7,721	1,667	18,697
depreciation for the period (arising from)	0	1,430	526	373	96	2,425
- planned write-downs		1,430	534	1,267	96	3,327
- acquisition of subsidiary						0
- sale and liquidation			8	894		902
						0
accumulated depreciation as of the end of the period	0	4,272	6,993	8,094	1,763	21,122
Impairment loss write-downs as of the beginning of the period						0
- increases						0
- decreases						0
Impairment loss write-downs as of the end of the period	0	0	0	0	0	0
Net value of fixed assets as of the end of the period	869	5,153	1,750	3,886	143	11,801

Lease

The asset value from the right of use is shown in the standalone statement of financial position including fixed assets owned by the Company.

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

Changes in right-of-use-assets (by type groups) in 2023

	land	buildings, premises and civil engineering works	technical equipment and machines	means of transport	other fixed assets	Fixed assets total
gross value as of the beginning of the period		6,523	643	4,915		12,081
increases (arising from)	0	416	0	304	0	720
- conclusion of a lease contract	0			304		304
- changes resulting from contract amendments	0	416				416
	0	0	0	0	0	0
decreases (arising from)	0	0	0	22	0	22
termination of a lease contract	0	0	0	0	0	0
profile changes/bought out	0	0	0	22		22
value as of the end of the period	0	6,939	643	5,197	0	12,779



accumulated depreciation as of the beginning of the period	0	3,578	29	1,778		5,385
depreciation for the period (arising from)	0	350	18	198	0	566
- planned write-downs	0	350	18	220		588
profile changes/bought out	0					0
depreciation of terminated lease/return	0			22		22
-	0	0	0	0	0	0
accumulated depreciation as of the end of the period	0	3,928	47	1,976	0	5,951
Impairment loss write-downs as of 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 loss write-downs as of the end of the period	0	0	0	0	0	0
as of the end of the period	0	3,011	596	3,221	0	6,828

Changes in right-of-use-assets (by type groups) in 2022

	land	buildings, premises and civil engineering works	technical equipment and machines	means of transport	other fixed assets	Fixed assets total
gross value as of the beginning of the period		6,332	35	4,497		10,864
increases (arising from)	0	191	643	1,602	0	2,436
- conclusion of a lease contract	0	0	643	1,602		2,245
- changes resulting from contract amendments	0	191	0	0	0	191
	0	0	0	0	0	0
decreases (arising from)	0	0	35	1,184	0	1,219
termination of a lease contract	0	0	0	395	0	395
profile changes/bought out	0	0	35	789	0	824
value as of the end of the period	0	6,523	643	4,915	0	12,081
accumulated depreciation as of the beginning of the period	0	2,217	26	1,767	0	4,010
depreciation for the period (arising from)	0	1,361	3	11	0	1,375

- planned write-downs	0	1,361	31	859	0	2,251
profile changes/bought out	0	0	-28	-336	0	-364
depreciation of terminated lease/return	0	0	0	512	0	512
-	0	0	0	0	0	0
accumulated depreciation as of the end of the period	0	3,578	29	1,778	0	5,385
Impairment loss write-downs as of 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 loss write-downs as of the end of the period	0	0	0	0	0	0
as of the end of the period	0	2,945	614	3,137	0	6,696

3.5. Financial assets

Other non-current financial assets

	31.03.2023	31.12.2022
a) in related parties shares	644	644
b) in other entities	2,382	2,394
other non-current financial assets, including non-current investment	2,382	2,394
Non-current financial assets, total	3,026	3,038

Changes in non-current financial assets (by type groups)

	31.03.2023	31.12.2022
as of the beginning of the period	3,038	16,420
shares	644	13,080
granted loans	0	0
other non-current financial assets	2,394	3,340
increases (arising from)	0	0
shares	0	0
granted loans	0	0
other non-current financial assets	0	0
decreases (arising from)	12	13,382
shares	0	12,436
a) sale	0	6,538
b) transfer to assets held for sale	0	1,872
c) revaluation	0	4,026
granted loans	0	0

other non-current financial assets	12	946
as of the end of the period	3,026	3,038
shares	644	644
granted loans		0
other non-current financial assets, including non-current investment	2,382	2,394

Receivables

For the purposes of presentation in the standalone statement of financial position, the Company distinguishes a class of receivables. As for the non-current part, the receivables are presented in one item in the statement of financial position.

3.6. Financial liabilities

Non-current financial liabilities

	31.03.2023	31.12.2022
- credits and loans	0	0
Non-current liabilities, total	0	0

Current financial liabilities

	31.03.2023	31.12.2022
Financial liabilities (loans, credits, debt instruments etc.)	0	0
- credits and loans	0	0

3.7. Deferred tax assets and liabilities

Changes in deferred tax assets

	31.03.2023	31.12.2022
Deferred tax assets as of the beginning of the period, including:	4,900	4,051
recognised in financial result	4,900	4,051
Increases	5,482	4,900
Recognised in the financial result of the period in conjunction with negative temporary differences (arising from)	5,482	4,900
- Uncollectible receivables write-downs	887	878
- Inventory impairment loss write-downs	588	591
- unpaid salaries	0	0
- provision for employee benefits	1,780	1,640
- provision for warranty repairs	567	580
- other	1,660	1,211
- IAS / IFRS	0	0
Recognised in the financial result of the period in conjunction with a tax loss (arising from)	0	0
Decreases	4,900	4,051
Recognised in the financial result of the period in conjunction with negative temporary differences (arising from)	4,900	4,051
- reversal of temporary differences	0	0
Deferred tax assets as of the end of the period, total, including:	5,482	4,900
Recognised in financial result	5,482	4,900
- Uncollectible receivables write-downs	887	878

- Inventory impairment loss write-downs	588	591
- unpaid salaries	0	0
- provision for employee benefits	1,780	1,640
- provision for warranty repairs	567	580
- other	1,660	1,211
- IAS / IFRS	0	0
- recognised in the financial result of the period in conjunction with a tax loss (arising from)	0	0
recognised in equity	0	0
recognised in goodwill	0	0

Changes in deferred tax liabilities

	31.03.2023	31.12.2022
Deferred tax liabilities as of the beginning of the period, including:	1,532	795
Recognised in financial result	1,532	795
Increases	740	1,532
Recognised in the financial result of the period due to positive temporary differences (arising from)	740	1,532
- Valuation of receivables	0	0
- valuation of long-term contracts	0	799
- tangible and intangible fixed assets	699	699
- other	41	34
Decreases	1,532	795
Recognised in the financial result of the period in conjunction with positive temporary differences (arising from)	1,532	795
	0	0
Deferred tax liabilities as of the end of the period, total:	740	1,532
Recognised in financial result	740	1,532
- Valuation of receivables	0	0
- valuation of long-term contracts	0	799
- tangible and intangible fixed assets	699	699
- other	41	34
Recognised in equity	0	0
Recognised in goodwill	0	0

3.8. Inventory

	31.03.2023	31.12.2022
materials	1,875	1,494
semi-finished products and work in progress	3,644	1,864
finished products	0	0
goods	0	0
other	0	0
Inventory, total	5,519	3,358
Inventory impairment loss write-downs	3,097	3,110
Inventory, gross total	8,616	6,468

**Changes in inventory impairment loss write-downs**

	31.03.2023	31.12.2022
As of the beginning of the period	3,110	659
increases	0	2,471
use	0	0
reversal	13	20
Inventory impairment loss write downs as of the end of the period, including:	3,097	3,110
materials	3,097	3,110
Goods	0	0

In the first quarter of 2023, the Company did not recognise any revaluation of the inventories. Write-offs in the total amount of PLN 13 thousand were reversed. PLN.

3.9. Trade receivables and other receivables**Trade receivables and other receivables**

	31.03.2023	31.12.2022
- from related parties	1,134	1,517
- Receivables from other entities	47,333	91,690
- cost accruals	1,142	1,447
Net trade receivables and other receivables, total	49,609	94,654

Current receivables

	31.03.2023	31.12.2022
Receivables from related parties	1,134	1,517
- Trade receivables	0	0
- other receivables	1,134	1,517
Receivables from other entities	47,333	91,690
Trade receivables, with a repayment period:	32,403	84,652
- up to twelve months	31,284	83,417
- above twelve months	1,119	1,235
Other receivables	0	0
Other receivables, including:	14,930	7,038
- arising from taxes, duties, social or health insurances and other benefits	12,507	5,765
- other	2,423	1,273
Net current receivables, total	48,467	93,207
Uncollectible receivables write-downs	5,260	5,214
Gross current receivables, total	53,727	98,421

Gross current receivables (by currency)

	31.03.2023	31.12.2022
a) in Polish currency	53,727	98,421
b) in foreign currencies (by currency and after conversion to PLN)	0	0
PLN	0	0
EUR	0	0
PLN	0	0
USD	0	0
Current receivables, total	53,727	98,421

Changes in uncollectible current receivables write-downs

	31.03.2023	31.12.2022
As of the beginning of the period	5,214	6,179
Increases (arising from)	46	70
- allowances for overdue receivables and receivables under risk of uncollectability	46	70
Decreases (arising from)	0	1,035
- reversal of write-offs after receivable repayment	0	941
- write off against unrecoverable debts	0	94
The revaluation amount of current receivables as of the end of the period	5,260	5,214

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

	31.03.2023	31.12.2022
Up to one month	5,632	48,211
Over one month and up to three months	21,630	25,002
Over three months and up to six months	24	31
Over six months and up to one year	295	221
Above one year	1,568	1,632
Overdue receivables	8,335	14,576
Trade receivables, total (gross)	37,484	89,673
Uncollectible trade receivables write-downs	5,081	5,021
Trade receivables, total (net)	32,403	84,652

Trade receivables, overdue (gross) - divided into receivables not collected in the period

	31.03.2023	31.12.2022
up to one month	966	8,459
over one month and up to three months	1,257	8
over three months and up to six months	11	3
over six months and up to one year	0	0
above one year	6,102	6,106
Trade receivables, overdue, total (gross)	8,336	14,576
Uncollectible trade receivables write-downs, overdue	4,626	4,619
Trade receivables, overdue, total (net)	3,710	9,957

3.10. Assets and liabilities under contracts

Clearance of assets from contracts in progress IFRS 15

	31.03.2023	31.12.2022
Services in progress - valuation of the transaction amount allocated to liabilities, which was not fulfilled as of 31.12.2022.	57,645	13,552
Services in progress - valuation of the transaction amount allocated to liabilities, which was not fulfilled as of 31.03.2023.	49,587	57,645
Impact on revenues for the current reporting period	-8,058	44,093
Capitalised costs related to contracts in execution as of the end 31.12.2022	53,442	16,625
Capitalised costs related to contracts in execution as of the end 31.03.2023	51,822	53,442
Impact on production cost for the current reporting period	-1,620	36,817
Net impact on financial result	-6,438	7,276

The assets from contracts cover the revenues arising from construction and assembly contracts, estimated as of 31.03.2023.

Ancillary information on contracts in progress IFRS 15

	31.03.2023	31.12.2022
Estimated amount of receivables from contracts in progress	49,587	57,645
Estimated amount of liabilities under contracts in progress	51,822	53,442
Withheld amounts of deposits and guarantee collaterals for performed work	2,883	2,625
Advance payments received on account of deliveries or services	15,588	42,780

Contract liabilities

	31.03.2023	31.12.2022
- advances for deliveries	15,588	42,780
Contract liabilities, total	15,588	42,780

3.11. Cash and cash equivalents

	31.03.2023	31.12.2022
g) cash and other cash assets	61,667	54,652
- cash on hand and in bank accounts	61,667	54,652
- other cash assets	0	0
Current financial assets, total	61,667	54,652

3.12. Assets held for sale

	31.03.2023	31.12.2022
a) baseline value as of the beginning of the period	1,872	0
reclassification to assets held for disposal	0	1,872
sale	0	0
Assets held for sale as of the end of the period	1,872	1,872

The assets held for disposal relate to shares in a subsidiary.

**3.13. Equity****Equity capital**

Capital stock (structure)	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023
a) nominal value of one share in PLN	1	1	1	1	1	1	1
b) series/issue	A	B	C	C	C	C	D
c) class of shares	to bearer						
d) type of share preference	ordinary						
e) type of limitation of rights to shares							
f) number of shares in thousands pieces	5,206	794	91	74	111	24	3683
g) value of series/issue to nominal value in PLN thousand	5,206	794	91	74	111	24	3683
h) method of bringing in capital	cash						
i) registration date	30-11-1998	18-10-2006	27-02-2009	16-03-2010	28-02-2011	11-04-2013	11-05-2007
j) right to dividend (from date)	01-01-1999	01-01-2006	01-01-2009	01-01-2010	01-01-2011	01-01-2013	01-01-2007
k) number of shares, total, in thousands pieces							
Capital stock, total, in PLN thousand							9,983

Retained earnings and net profit

	31.03.2023	31.12.2022
- Other reserve capital	32,225	32,225
- Profit (loss) brought forward	4,777	-18,309
- Net profit (loss)	5,964	23,086
Retained earnings, total	42,966	37,002

3.14. Provisions**Changes in other non-current provisions (by title)**

	31.03.2023	31.12.2022
a) as of the beginning of the period	2,459	2,381
provisions for warranty repairs	2,098	2,120
provisions for employee benefits	361	261
provisions for contractual penalties	0	
other	0	
b) increases (arising from)	126	207
provisions for warranty repairs	126	107
provisions for employee benefits	0	100
provisions for contractual penalties	0	
other	0	
c) use (arising from)	0	0
provisions for warranty repairs	0	
provisions for employee benefits	0	
provisions for contractual penalties	0	
other	0	
d) reversal (arising from)	184	129



provisions for warranty repairs	184	129
provisions for employee benefits	0	0
provisions for contractual penalties	0	0
other	0	
e) as of the end of the period	2,401	2,459
provisions for warranty repairs	2,040	2,098
provisions for employee benefits	361	361
provisions for contractual penalties	0	0
other	0	0

Changes in other current provisions (by title)

	31.03.2023	31.12.2022
a) as of the beginning of the period	16,786	7,266
provisions for warranty repairs	955	879
provisions for employee benefits	8,557	2,511
provisions for contractual penalties	7,274	3,876
other	0	0
b) increases (arising from)	2,843	13,713
provisions for warranty repairs	61	954
provisions for employee benefits	1,267	7,883
provisions for contractual penalties	1,515	4,876
other	0	0
c) use (arising from)	0	0
provisions for warranty repairs	0	
provisions for employee benefits	0	
provisions for contractual penalties	0	
other	0	
d) reversal (arising from)	603	4,193
provisions for warranty repairs	75	878
provisions for employee benefits	528	1,837
provisions for contractual penalties	0	1,478
other	0	0
e) as of the end of the period	19,026	16,786
provisions for warranty repairs	941	955
provisions for employee benefits	9,296	8,557
provisions for contractual penalties	8,789	7,274
other	0	0

3.15. Trade payables and other liabilities

	31.03.2023	31.12.2022
- Against related parties	1,407	3,255
- Trade payables	50,878	66,961
- arising from taxes, duties, insurances and other benefits	1,624	3,346
- for salaries	1,758	2,248
- other	126	356
- current deferrals	0	0
Trade and other payables, total	55,793	76,166

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

	31.03.2023	31.12.2022
a) liabilities ahead of maturity	49,149	61,644
b) overdue liabilities	3,136	8,572
up to one month	3,119	3,557
over one month and up to three months	15	4,962
over three months and up to six months	0	5
over six months and up to one year	0	32
above one year	2	16
Trade payables, total (gross)	52,285	70,216

3.16. Lease liabilities

	31.03.2023	31.12.2022
a) Current liabilities	2,731	2,518
b) Non-current liabilities	3,344	3,524
Total liabilities under lease, rental and other contracts of similar nature	6,075	6,042

Ancillary information on lease (IFRS 16)

The Company does not recognise liabilities under short-term lease contracts as well leases for which the underlying component of assets is of low value. In addition, contingent lease payments dependent on factors other than index or rate are not recognized in the value of lease liabilities.

	31.03.2023	31.12.2022
lease interests	197	585
cost of short-term leases and leases of low-value assets	68	178
lease payment amount	688	2,716
Total	953	3,479

3.17. Other operating revenues and costs**Other operating revenues**

	01.01.-31.03.2023	01.01.-31.03.2022
- Profit on disposal of non-financial fixed assets	17	0
- Subsidies	0	0
- Other operating revenues	288	270
Other operating revenues, total	305	270

Other operating costs

	01.01.-31.03.2023	01.01.-31.03.2022
- Loss on disposal of non-financial fixed assets	0	12
- Revaluation of non-financial assets	-39	-11
- Other operating costs	1,690	209
Other operating costs, total	1,651	210

Profit (loss) arising from expected loan losses

	01.01.-31.03.2023	01.01.-31.03.2022
- Reversal of write-downs on receivables	0	27
- Recognition of receivables write-down	-46	-25
Result from expected credit loss, total	-46	2

3.18. Financial revenues and costs

Financial revenues

	01.01.-31.03.2023	01.01.-31.03.2022
- Dividends and profit participation	0	0
- Interest	808	14
- Profit on disposal of investments	0	0
- Revaluation of investments	0	0
- Other	12	81
Operating revenues, total	820	95

Financial costs

	01.01.-31.03.2023	01.01.-31.03.2022
- Interest	426	294
- Loss on disposal of investments	0	0
- Revaluation of investments	0	19
- Other	49	13
Financial costs, total	475	326

3.19. Profit (loss) arising from sale of shares in subordinate units

In 2022, the shares of the subsidiary Procom System S.A. were disposed, which resulted in a profit on the investment disposal of PLN 2,552 thousand.

The sales transaction was preceded by a dividend payout from Procom to Elektrotim in the amount of PLN 2,160 thousand.

In the first quarter of 2023, no subsidiary was sold.

3.20. Goodwill write-down of subordinate units

As of 31.12.2022, the Management Board of ELEKTROTIM S.A. subjected cash-generating centres with allocated goodwill to impairment tests by comparing the carrying amount of the centres including the goodwill with the recoverable value on the assumptions of cash flow forecasting horizon of five years, growth rate beyond the forecasting horizon of 3% and discount rate of 11%, and stated that there was no impairment of the centre and the related value, so no revaluation write-down was made. PLN. However, there was no goodwill impairment of the Electric Power Substations Unit as part of the Grid Division, the Airport Services Unit as part of the Special Division and other subsidiaries of ELEKTROTIM S.A.

3.21. Information on financial instruments

In the period covered by the standalone statements, the Company acquired and disposed assets intended for trading, understood as financial assets acquired to obtain economic benefits resulting from short-term price changes and fluctuations of other market factors in a period not exceeding three months (excluding hedging instruments). Hedging deposits were also established for periods exceeding twelve months.

	31.03.2023	31.12.2022
a) deposits over twelve months	2,382	2,394
b) loans granted	0	0

Interest revenues

	31.03.2023	31.12.2022
a) arising from loans granted	0	0

Loan and lease liabilities:

	31.03.2023	31.12.2022
a) long-term loans	0	0
b) short-term credits	0	0

As of 31.03.2023, no loans exist.

Derivative instruments

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

As of 31.03.2023, no forward transactions took place.

Reclassifications of financial assets

In the period covered by the standalone financial statements, no reclassification of financial assets was performed.

Objectives of financial risk management

The risk to which the Company is exposed includes market risk (including foreign exchange, interest rate, fair value and price risk), as well as credit risk, liquidity risk and cash flow interest rate risk.

The Company strives to minimize the impact of various risk types using an ongoing monitoring and diversification of financial instruments.

Market risk

The ELEKTROTIM's business involves exposure to financial risk resulting from changes in interest rates or foreign exchange rates.

Currency risk management

The Company concludes transactions in foreign currencies. Therefore, a risk of currency fluctuations occurs.

Currency risk sensitivity

Most transactions are concluded in PLN. The Company is primarily exposed to risks related to EUR and USD.

The Company's financial assets and liabilities, other than derivatives denominated in foreign currencies, are converted into PLN at the closing exchange rate applicable as of the balance sheet date.

The currency risk exposure changes during the year depending on the volume of transactions concluded in the foreign currencies. As of 31.03.2023, this risk is negligible due to the value of assets and liabilities denominated in foreign currencies.

Interest rate risk management

The Company is exposed to the interest rate risk because the entities belonging to it borrow funds at variable interest rates. The Company manages this risk by maintaining an appropriate debt monitoring. The interest rate risk management focuses on minimising fluctuations in interest flows arising from financial assets and liabilities with variable interest rates.

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

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

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

Credit risk management

The basic practice of the Company in the field of credit risk management consists in striving to conclude transactions only with entities with confirmed credibility. Potential consignees are subject to verification procedures by the parent and companies of the Group prior to granting a trade credit limit. The current monitoring of the level of trade receivables across contracting parties helps reduce the level of credit risk related to these assets. Thus, the Company classifies contracting parties who arrange tenders pursuant to the public procurement law as well as central and local government budgetary units as financially credible. The regular business partners are assigned financial credibility categories based on credit limits granted by the insurer under the receivables insurance contract. We also use credit ratings provided by reliable rating institutions. If the above criteria are not met, we demand a collateral in the form of an advance payment, partial prepayments for services or bank guarantees. When working for a general contractor, we hedge our receivables in accordance with Article 647 of the Civil Code by reporting them to the investor. Such customer credibility investigation aims at building a credible portfolio of receivables.

The Company has developed a model for estimating expected losses generated by the portfolio of receivables and contractual assets.

Credit risk is the risk of ELEKTROTIM incurring financial losses as a result of the non-fulfilment of contractual obligations by a customer or contracting party being a party to a financial instrument.

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

Credit risk exposure	31.03.2023	31.12.2022
Loans		
Trade receivables and other receivables	49,609	94,654
Derivative financial instruments	0	0
Debt securities		
Mutual fund shares		
Other classes of other financial assets		
Cash and cash equivalents	61,667	54,652
Commitments and contingent liabilities	294	294

The credit risk is mainly related to the Company's receivables from customers and its financial investments. The main customers of Elektrotim are companies run under commercial law, including companies with shares held by the Treasury. The credit risk is minimised by the trade credit insurance contract concluded with Atradius Credit Insurance NV S.A. Branch in Poland.

Aiming at credit risk mitigation in relation to receivables, the Company adheres to the principle of concluding transactions only with contracting parties with proven creditworthiness and pursues a restrictive policy in the scope of granting credit limits

The Company continuously monitors the arrears of customers and creditors with payments, while analysing the credit risk. In the opinion of the Management Board, the above financial assets, which are not overdue and covered by an impairment loss allowance as of each balance sheet date, can be deemed assets of good credit quality.

The credit risk exposure in terms of arrears and the age structure of overdue receivables not covered by write-downs are presented in the notes.

Gross trade receivables as of 31-03-2023

	Uncollectible receivables write-downs	Receivables	Write-downs in %
a) not overdue	455	29,149	1.56%
b) overdue up to one month	0	966	0.00%
c) overdue over one month and up to three months	0	1,257	0.00%
d) overdue over three months and up to six months	7	11	63.64%
e) overdue over six months and up to one year	0	0	0.00%
f) overdue above one year	4,619	6,101	75.71%
Total	5,081	37,484	13.56%
g) Uncollectible trade receivables write-downs	5,081	5,081	100.00%
Total	0	32,403	

In 2017, a presentation change was made regarding the recognised provision for penalties imposed by the Military Infrastructure Board in Poznań in the amount of PLN 1,956 thousand. PLN.

In conjunction with the underpayment of receivables from the Military Infrastructure Board in Poznań in the amount of PLN 1,956 thousand, the receivable item on the asset side and the provision item on the liabilities side were reduced by PLN 1,956 thousand.

In 2018, a presentation change was made regarding the established provisions for penalties imposed by the District Infrastructure Board in Szczecin in the amount of PLN 503 thousand, penalties imposed by the Military Counterintelligence Service in the amount of PLN 35 thousand and penalties imposed by Tauron Dystrybucja in the amount of PLN 35 thousand. The above presentation changes resulted in a decrease in the balance sheet total by the total amount of PLN 2,494 thousand.

Starting with the standalone financial statements for the first half of 2020, the amount of 2,494 thousand PLN is presented both on the side of receivables (assets) as well as on the side of provisions (liabilities).

As a result, since the provisions for the above penalties were recognised in the costs, no write-downs for receivables were created under the same items.

The analysis of receivables in their presented age structure shows that the most of receivables belong in 2023 in terms of due payment to two age categories: up to one month -15%, and above one month and up to three months - 58%. Receivables with a maturity of up to one month and between one and three months do not pose a credit risk since they are receivables within the payment term, their receipt is monitored on an ongoing basis by the debt collection unit and the financial risk committee so that appropriate hedging procedures, such as requesting a guarantee or requesting payment from a credible investor when we work for a general contractor, can be launched.

Another considerable group of receivables are overdue receivables, constituting 22% of gross receivables. Its largest portion consists of receivables over one year old, constituting 16% of total gross receivables.

When analysing the history of overdue payments and finally lost receivables, we came to the conclusion that a considerable increase in credit risk occurs when a payment is overdue more than 90 days in relation to the original payment date, which leads to the contracting party's default. In such an event, independently of the future risk estimation, the Company covers these receivables with a 100% write-down.

Regarding trade receivables, the Company is not exposed to credit risk in conjunction with a single significant contracting party or a group of contracting parties with similar features. Based on the historical trends in payment arrears, the overdue receivables not covered by a write-down do not demonstrate a considerable deterioration in quality.

The credit risk related to cash or cash equivalents, marketable securities or derivative financial instruments is deemed negligible due to the high credibility of the transaction parties. Cash and cash equivalents are deposited in financial institutions with high financial credibility, which are mainly banks.

Regarding the loans granted, the Company considers them to pose low credit risk if they are not overdue as of the assessment date and the borrower has confirmed the debt balance.

The carrying amount of financial assets shown in the standalone financial statements, after considering impairment losses, corresponds to the Company's maximum credit risk exposure.

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

Liquidity risk management

The Company is exposed to the liquidity risk, i.e. the risk of losing ability to pay financial liabilities on time. Elektrotim manages its liquidity risk by monitoring the payment deadlines and the cash demand in terms of rendering short-term payments (current transactions are monitored in weekly periods) and long-term cash demand based on cash flow forecasts updated in bimonthly periods. The demand for cash is compared with the available sources of funds (in particular by assessing the ability to obtain financing in the form of loans and the possibility to obtain advance payments on account of services) and is confronted with liquid investments and available financial resources.

The responsibility for the liquidity risk management lies with the Management Board, which has developed an appropriate system for managing this risk in order to manage the Company's short-, medium- and long-term funds and meet the liquidity management requirements. The Company manages its liquidity risk by using bank services and standby credit lines, constantly monitoring forecast and actual cash flows and adjusting the maturity profiles of financial assets and liabilities, as well as obtaining advance payments on account of services to be rendered.

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

	31.03.2023	31.12.2022
a) liabilities ahead of maturity	49,149	61,644
b) overdue liabilities	3,136	8,572
up to one month	3,119	3,557
over one month and up to three months	15	4,962
over three months and up to six months	0	5
over six months and up to one year	0	32
above one year	2	16
Trade payables, total (gross)	52,285	70,216

Capital risk management

The Company manages capital to ensure the ability of entities owned by it to continue their business while maximising the rate of return for shareholders by optimising the debt to equity ratio. In view of dynamically changing market conditions and the doubling of ELEKTROTIM's turnover, the parent's Management Board has developed and implemented in 2023 the "ELEKTROTIM S.A. Strategy 2023-2025". The strategy focuses on at least maintaining such a large turnover and a long-term, stable and sustainable growth ensuring an increase in the value of the Company.

In the course of operations, the Company uses financial products such as working capital loans, tender securities or performance bonds.

3.22. Details of off-balance sheet items, in particular commitments and contingent liabilities

Commitments and contingent liabilities are understood as a possible obligation arising from past events, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events that are not fully controlled by the entity.

Guarantee lines possessed by the Company and their use.

As of 31.03.2023, the parent has at disposal a total limit of tender securities and performance bonds covering the guarantee and statutory warranty periods as well as advance payments in the amount of PLN 195,774 thousand and EUR 6,000 thousand. As of 31.03.2023, their utilisation amounts to PLN 88,150 thousand and EUR 2,810 thousand.

The Management Board of ELEKTROTIM S.A. concluded a contract with two shareholders of ZEUS S.A. for the purchase of up to 165,000 shares in ZEUS S.A. in the period from 01.01.2015 to 31.12.2025, for the purchase price determined on the basis of the income formula (earnings per share calculated as the mean of the company's results achieved during several years). In 2018, 78,000 shares in ZEUS S.A. were purchased. 87,000 shares remain to be purchased.

On behalf of Elektrotim, the bank issued for a subsidiary a performance bond up to the amount of PLN 294 thousand, the beneficiary of which is a company run under commercial law. The bond is valid until 31.07.2023.

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

The book value per share is the quotient of the book value, i.e. the total assets net of the borrowed capital, divided by the number of shares.

The diluted book value per share is the quotient of the book value divided by the number of ordinary shares plus the potential number of shares the entity has committed to issue.

Detailed values of the indicator for 2023 and 2022 are presented in the table "Selected financial data".

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

Earnings per ordinary share is the quotient of the net profit shown in the profit and loss statement for a given period divided by the weighted mean number of ordinary shares in a given period. The weighted mean number of ordinary shares is calculated as the total number of shares as of the end of each month of the given period divided by the number of months in the period.

The diluted earnings per share is the quotient of the net profit from the profit and loss statement for a given period divided by the weighted mean number of shares from the given period increased by the potential weighted mean number of shares the entity has committed to issue.

Detailed values of the indicator for 2023 and 2022 are presented in the table "Selected financial data".

Details of off-balance sheet items

Transactions with related parties were concluded according to the arm's length principle, taking into account market prices and terms.

The purchasing strategy of the Company is geared to choosing the most advantageous market price from those existing on the market, by constantly monitoring prices offered by a number of suppliers and selecting out of most advantageous offers.

01.01.-31.03.2023	Co-subsidiaries	Key managers	Other related parties
Purchase of goods and services	-	-	4,742
Sale of goods and services	-	-	-
Property rental revenues			124
Property purchase	-	-	1
Sale of fixed asset			-
Receivables	-	-	1,134
Liabilities	-	-	1,407

01.01.-31.12.2022	Co-subsidiaries	Key managers	Other related parties
Purchase of goods and services	-	-	14,428
Sale of goods and services	-	-	959
Property rental revenues			
Property purchase	-	-	
Sale of fixed asset			-
Receivables	-	-	1,517
Liabilities	-	-	3,255

3.25. Information on considerable post balance sheet events

After the balance sheet date, according to the parent's Management Board, the following considerable events not included in the standalone financial statements took place:

Possible effects of the war in Ukraine for the activity and financial situation

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

We employ a few people from Ukraine and even their leaving will not affect the Company's human resources.

The war has a negative impact on the financial and raw material markets. Increasing shortages in the raw material supply result in price increases and affect the availability of certain materials. The exchange rate risk occurs as well since the markets react nervously in such uncertain times, which causes fluctuations in the exchange rates of major currencies. This situation makes it necessary to hedge both raw material prices and foreign exchange rates, which in turn requires the involvement of greater working capital resources.

The growing inflation rate resulting from, inter alia, raw material and material shortages is an additional risk factor for the conducted business activity. When it comes to preparing offers for future projects, we take into account inflation and foreign exchange rate risks and also try to avoid tasks with a long time horizon.

Prepared by:

Chief Accountant – Dariusz Połetek	
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Management Board of ELEKTROTIM S.A.

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