



**SUPPLEMENTARY INFORMATION
TO THE CONSOLIDATED QUARTERLY REPORT OF THE
ELEKTROTIM CAPITAL GROUP
FOR THE FIRST QUARTER OF 2023**
prepared on the basis of par. 66(5) of the Regulation of Minister of
Finance of 29.03.2018 on current and periodic information
provided by issuers of securities and conditions for deeming
information required under the laws of a non-member state
equivalent (Journal of Laws of 2018, item 757, as amended)

The information on the principles adopted in the preparation of the report, in particular information about changes in the applied accounting principles (policy), and information on considerable changes in estimates, including adjustments resulting from provisions, deferred income tax provisions and deferred tax assets referred to in the Accounting Act, revaluation write-downs of assets is described in detail in the Annual Report 2022, which was made public on 28.04.2023.

The abbreviated financial statements for the period from 01.01.2023 to 31.03.2023 were prepared in accordance with the IAS/IFRS principles.

1) amount and type of items affecting assets, liabilities, equity, net result or cash flows that are unusual due to their type, value or frequency;

In the period from 01.01.2023 to 31.03.2023, no unusual items in terms of their type, value or frequency, affecting assets, liabilities, equity, net result or cash flows occurred at ELEKTROTIM S.A. or the Capital Group.

2) explanations concerning the seasonality or periodicity of the issuer's activity in the presented period;

The sales revenue shows seasonal fluctuations throughout the year, which is usually attributable to the nature of work in the construction market. A lower level of revenue can be observed in the first quarter of the year, which is related to the lack of possibility to perform work due to weather conditions. Normally, each subsequent quarter has a growing share in the revenue, which is also attributable to weather conditions and an increased performance of contracts in the second half of the year. The majority of the Company's customers operate with an annual budget perspective, so they use the first quarter to open tenders, which are then executed in the subsequent months.

In recent years, the average share of sales demonstrates a relatively constant sales volume distribution in the first three quarters and a growth in the fourth quarter. Such a picture of the sales structure results from the decisive influence of the pandemic period 2019-2022.

In 2022, the Company performed the largest contract in its history, for the construction of an electronic barrier on the Polish-Belarussian border. A portion of the revenue from that contract was accomplished in the first quarter of 2023.

3) information on write-downs of inventories to net realisable value and reversal of write-downs arising therefrom;

Consolidated statements:

Information on inventory write-downs is included in the financial statements, item 2.8., in the note entitled "Change in inventory write-downs."

Standalone statements:

Information on inventory write-downs is included in the financial statements, item 3.8., in the note entitled "Change in inventory write-downs."

4) information on write-downs of impairment loss for financial assets, tangible fixed assets, intangible fixed assets or other assets and the reversal of such write-downs;

At the end of the first quarter of 2023, there were no write-downs of impairment losses for financial assets, tangible fixed assets or intangible fixed assets.

Consolidated statements:

Information on receivables write-downs is included in the financial statements, item 2.9., in the note entitled "Change in uncollectible current receivables write-downs."

Standalone statements:

Information on receivables write-downs is included in the financial statements, item 3.9., in the note entitled "Change in uncollectible current receivables write-downs."

5) information on recognition, increase, use and reversal of provisions;

Consolidated statements:

Information on recognition, increase, use and reversal of provisions is included in the financial statements, item 2.14., in the note entitled "Change in other non-current provisions" and "Change in other current provisions."

Standalone statements:

Information on recognition, increase, use and reversal of provisions is included in the financial statements, item 3.14., in the note entitled "Change in other non-current provisions" and "Change in other current provisions."

6) Information on deferred tax liabilities and assets

Consolidated statements:

Information on deferred tax liabilities and assets is included in the financial statements:

- item 2.7., in the note entitled "Change in deferred tax liabilities"
- item 2.7., in the note entitled "Change in deferred tax assets."

Standalone statements:

Information on deferred tax liabilities and assets is included in the financial statements:

- item 3.7., in the note entitled "Change in deferred tax liabilities"
- item 3.7., in the note entitled "Change in deferred tax assets."

7) information on considerable purchase or sale transactions of tangible fixed assets;

In the first quarter of 2023, no considerable purchase or sale transactions of tangible fixed assets took place.

8) information on considerable liability for the purchase of tangible fixed assets;

As of the end of the first quarter of 2023, no considerable liabilities for the purchase of tangible fixed assets existed.

9) information on considerable settlements resulting from court cases;

No considerable settlements resulting from court cases took place.

10) indication of error corrections from previous periods;

At the end of the first quarter of 2023, no corrections of errors from previous periods took place.

11) information on changes in the economic situation and conditions for conducting activity that have a considerable impact on the fair value of the entity's financial assets and financial liabilities, regardless of whether these assets or liabilities are recognised at fair value or at an adjusted purchase price (depreciated cost) ;

No changes with a considerable impact on the fair value of financial assets or financial liabilities of the entity took place.

12) information on a credit or loan default or infringement of material provisions of a credit or loan contract with respect to which no remedies have been taken by the end of the reporting period;

In the first quarter of 2023, no loan default and no infringement of material provisions of a loan contract took place.

13) information on the conclusion by the issuer or its subsidiary of one or more transactions with related entities, providing that they were concluded on terms other than arm's length, along with an indication of their value, whereby the information on individual transactions may be grouped by type, except in the case of when information on individual transactions is necessary to understand their impact on the property situation, financial situation and financial result of the issuer, together with the presentation of:

In the Capital Group, no transactions were concluded with related entities on terms other than arm's length.

14) in the case of financial instruments valued at fair value - information about the change in the method of its determination;

No change in the valuation method of the fair value of financial instruments took place.

15) information on a reclassification of financial assets due to a change in the purpose or use of these assets;

No reclassification of financial assets took place as a result of a change in the price or use of these assets.

16) information on the issue, buyback and repayment of non-equity and equity securities;

In the first quarter of 2023, no issue, buyback or repayment of non-equity and equity securities took place.

17) information on a paid (or declared) dividend, in total and converted per share, broken down into ordinary and preferred shares;

In the first quarter of 2023, ELEKTROTIM S.A. did not pay any dividend.

18) indication of events that occurred after the date as of which the abbreviated quarterly financial statements were prepared, not recognised in these statements, and which may have a considerable impact on the issuer's future financial results;

On 17.05.2023, the Management Board of ELEKTROTIM SA published a current report with a positive recommendation of the Supervisory Board of ELEKTROTIM S.A. concerning a **dividend payment** to the Company's Shareholders **in the amount of PLN 1.50 per share of ELEKTROTIM S.A.**

The Management Board of the Company recommends the following distribution of profit for 2022 amounting to PLN 23,085,499.09: allocate a part of the profit, i.e. the amount of PLN 14,974,513.50 to the dividend, i.e. PLN 1.50 per share of ELEKTROTIM S.A. and use the amount of PLN 8,110,985.59 to increase the reserve capital.

The submitted motion complies with the "Dividend payment policy of ELEKTROTIM S.A. for 2023-2025" adopted on 31.03.2023. The proposed level of dividend is 65% of the net profit for 2022, i.e. it lies within the bandwidth of 50%-75% specified in the Company's dividend policy.

The motion will be submitted to the Company's Annual General Assembly, which will take the final decision on profit distribution.

19) information on changes in contingent liabilities or contingent assets that took place since the end of the last financial year;

Changes in contingent liabilities are recognised in the consolidated financial statements, item 2.22, in the note entitled "Details of off-balance sheet items, in particular contingent liabilities".

20) Other information, which may considerably affect the assessment of the issuer's property situation, financial situation and financial result.

Positive factors include an increase in the value of investments related to the country's security and defensive capability, continuing public procurement market recovery, construction production growth from January to April 2023 by 3.9% on year-over-year basis, improving mood of construction companies in the first quarter of 2023 and a relative stabilisation of prices on the construction materials market.

The negative factors include geopolitical risks (Russia, China, EU, USA), risk of price destabilisation, election cycle, signs of slowdown in certain segments of the construction market (mainly residential construction).

21) Information on revenue and financial results attributable to individual segments

The information on revenue and financial results attributable to individual segments is included in the financial part of the quarterly report.

EUR exchange rates used for conversions	31.03.2023	31.03.2022	31.12.2022
mean annual exchange rate	PLN 4.7005	PLN 4.6472	PLN 4.6883
exchange rate as of the last day of the reporting period	PLN 4.6755	PLN 4.6525	PLN 4.6899

**OTHER SUPPLEMENTARY INFORMATION TO THE
CONSOLIDATED QUARTERLY REPORT OF THE ELEKTROTIM
CAPITAL GROUP FOR THE FIRST QUARTER OF 2023 prepared
on the basis of par. 66(8) of the Regulation of Minister of Finance
of 29.03.2018 on current and periodic information provided by
issuers of securities and conditions for deeming information
required under the laws of a non-member state equivalent
(Journal of Laws of 2018, item 757, as amended)**

1) **selected financial data** - included in the financial part of the quarterly report

2) **concise description of the issuer's considerable achievements or failures in the reporting period, along with a list of the most important events concerning the**

The Capital Group consists in 2023 of three entities: ELEKTROTIM S.A., ZEUS S.A. and OSTOYA-DataSystem Sp. z o.o.

The Group started the year 2023 without PROCOM SYSTEM S.A., whose shares were sold by ELEKTROTIM S.A. in December 2022. The baseline data (for 2022), presented in these statements, include data of PROCOM SYSTEM S.A. Because of the share sale, the data for 2023 do not include the data of PROCOM SYSTEM S.A.

In March 2023, the Company adopted a new strategy for the period 2023-2025. The adopted strategy assumes a regular revenue growth in each of ELEKTROTIM's divisions:



The installation and configuration works on the construction of the electronic barrier on the Polish-Belarussian border are completed. At present, the electronic barrier with a length of 200 km is in operation, while 150 m are still missing on the last section, where the work is obstructed by terrain and weather conditions. The estimated completion date of the contract is June 2023.

From the beginning of 2023, the company concluded contracts with PKP ENERGETYKA for the construction of traction substations (Knyszyn, Zduńska Wola, Karsznice, Lublinek) with a total net value of PLN 78.3 million.

The Company concluded a contract with TAURON Dystrybucja S.A., Wałbrzych Branch, for extension of 110 kV and 20 kV power switching stations for the net amount of PLN 14.6 million.

3) **indication of factors and events, including of unusual nature, with a considerable impact on the abbreviated financial statements;**

In the first quarter of 2023 no individual factors or events with a considerable impact on the abbreviated financial statements occurred, except for the settlement of over 90% of advance payments obtained on account of the perimeteric barrier construction on the Polish-Belorussian border.

In addition, the achieved financial results arise from the performance of a diversified project portfolio in 3 companies of the Group, including five divisions of ELEKTROTIM S.A., and thus the results are not the outcome of individual events, in particular of unusual nature.

4) description of changes in the organisation of the issuer's capital group, including as a result of a merger of entities, gaining or losing control over subsidiaries and non-current investments, as well as division, restructuring or cessation of activity, and indication of entities subject to consolidation, and in the case of an issuer being a parent which, under applicable regulations, is not obliged or cannot prepare consolidated financial statements - also an indication of the reason and legal framework for the lack of consolidation;

The **ELEKTROTIM Capital Group** was established on **30.04.2007** through the acquisition of 100% of shares in “Przedsiębiorstwo Projektowania i Usług PROCOM-System” S.A.

Current structure of the Capital Group

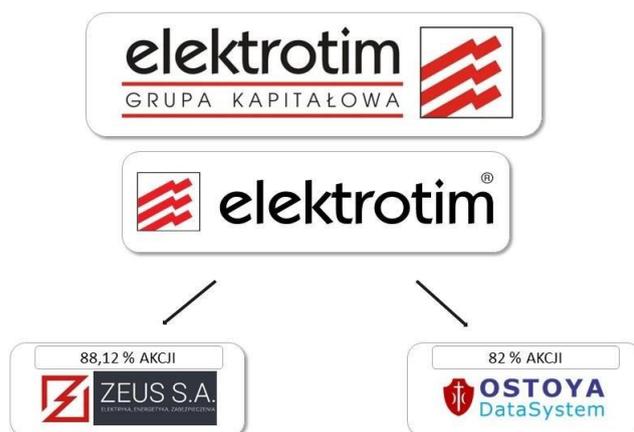
ELEKTROTIM S.A. – parent

Subsidiaries:

ZEUS S.A. - the main activity of this company is the provision of specialist construction services, design engineering and construction of electrical, power and communication installations.

Ostoya-DataSystem Sp. z o. o - the main activity of this company is the production and implementation of innovative IT systems in the field of security management.

Organisation chart of the ELEKTROTIM CAPITAL GROUP as of 31.03.2023



In the first quarter of 2023, the organisation of the ELEKTROTIM Capital Group remained unchanged.

5) position of the management board regarding the ability to accomplish the previously published forecasts of results for a given year, in the light of the results presented in the quarterly report in relation to the forecast results;

The Company's Management Board did not publish any forecast of standalone or consolidated financial results of ELEKTROTIM S.A. and the ELEKTROTIM Capital Group. In the opinion of the Management Board, the existing uncertainties do not allow presentation of forecasts with acceptable accuracy.

6) indication of shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the issuer's general assembly as of the date of submitting the quarterly report, with an indication of the number of shares held by these entities, their percentage share in the share capital, the number of votes resulting from them and their percentage share in the total number of votes at the general assembly, and an indication of changes in the ownership structure of significant parcels of shares of the issuer in the period from the submission of the previous quarterly report;

The shares of the ELEKTROTIM S.A. Company are not privileged in terms of voting rights – each share entitles to one vote.

List of shareholders of the parent, i.e. ELEKTROTIM S.A., holding **at least 5%** of the total number of votes at the general assembly, according to the information held by the Company **as of the date of making this quarterly report public.**

	Shareholder	Number of shares	Share in the share capital	Number of votes at GA	Share in the total number of votes at GA
1	Krzysztof Folta with the spouse Ewa Folta	1,721,864	17.25%	1,721,864	17.25%
2	Krzysztof Wieczorkowski	1,319,534	13.22%	1,319,534	13.22%
3	Allianz Polska OFE	979.236	9.81%	979.236	9.81%
4	Mirosław Nowakowski	608.030	6.09%	608.030	6.09%
5	Nationale Nederlanden PTE S.A.	584.244	5.85%	584.244	5.85%

The list of shareholders was prepared on the basis of shares in the share capital of the Company amounting to PLN 9,983,009.00.

Indication of changes in the ownership structure of considerable parcels of shares of the issuer in the period from the submission of the preceding periodic report:

The Company received on 09.01.2023 from Powszechne Towarzystwo Emerytalne Allianz Polska S.A., managing Allianz Polska Otwarty Fundusz Emerytalny, hereinafter referred to as Allianz OFE, managing Allianz Polska Dobrowolny Fundusz Emerytalny, hereinafter referred to as Allianz DFE, a notification prepared pursuant to art. 69 in conjunction with art. 87(1)(2b) of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies, that as a result of a merger with Aviva Powszechne Towarzystwo Emerytalne Aviva Santander Spółka Akcyjna, managing Drugi Allianz Polska Otwarty Fundusz Emerytalny (Drugi Allianz OFE), effected on 30.12.2022 pursuant to art. 67 of the Act of 28 August 1997 on the Organisation and Operation of Pension Funds, i.e. Journal Laws of 2020, item 105, as amended; "Act on Pension Funds" and art. 492 § 1(1) of the Commercial Code, the share in the share capital and in the total number of votes of ELEKTROTIM S.A. registered in the accounts of Allianz OFE, Allianz DFE and Drugi Allianz OFE exceeded 5%.

Prior to the merger, in accordance with the received notification, in the accounts of Allianz OFE and Allianz DFE 0 shares were registered in total, constituting 0.00% of the share capital of the Company, giving the right to exercise 0 votes from shares constituting 0.00% of the total number of votes at the General Assembly of the Company.

In the account of Drugi Allianz OFE, 979,236 shares were registered, constituting 9.81% of the Company's share capital, giving the right to exercise 979,236 votes from shares constituting 9.81% of the total number of votes at the General Assembly of the Company.

After the merger, according to the notification received, the total balance in the accounts of Allianz OFE, Allianz DFE and Drugi Allianz OFE reached the level of 979,236 shares, constituting 9.81% of the Company's share capital, giving the right to exercise 979,236 votes from shares constituting 9.81% of the total number of votes at the Company's General Assembly.

The Company received on 16.05.2023 from Powszechne Towarzystwo Emerytalne Allianz Polska Spółka Akcyjna with its registered office in Warsaw, managing Allianz Polska Otwarty Fundusz Emerytalny, a notification prepared pursuant to art. 69 in conjunction with art. 87(1)(2b) of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies, that as a result of the liquidation of Drugi Allianz Polska Otwarty Fundusz Emerytalny (hereinafter: Drugi Allianz OFE) by a transfer of its assets to Allianz OFE effected on 12.05.2023 pursuant to art. 69(1) of the Act of 28 August 1997 on the Organisation and Operation of Pension Funds (Journal Laws of 2022, item 2342, as amended), the share in the total number of votes of ELEKTROTIM S.A. registered in the accounts of Allianz OFE exceeded 5%.

Prior to the liquidation of Drugi Allianz OFE, in accordance with the received notification, the total balance in the accounts of Allianz OFE and Drugi Allianz OFE amounted to 979,236 shares of the Company, which constituted a total of 9.81% of the Company's share capital and gave the right to exercise 979,236 votes constituting 9.81% of the total number of votes at the Company's General Assembly.

After the liquidation of Drugi Allianz OFE, in accordance with the received notification, the total balance registered in the accounts of Allianz OFE amounted to 979,236 shares, which constituted a total of 9.81% of the Company's share capital and gave the right to exercise 979,236 votes from shares constituting 9.81% of the total number of votes at the Company's General Assembly.

7) list of shares or rights to shares of the issuer held by persons managing or supervising the issuer as of the quarterly report submission date, with an indication of changes in the shareholding effected in the period from the submission of the preceding quarterly report, separately for each person;

List of shares held by persons managing or supervising ELEKTROTIM S.A. **as of the quarterly report submission date.**

Persons managing the ELEKTROTIM S.A. company:

Full name and function	Number of shares in ELEKTROTIM S.A.	Percentage share in the Company's share capital (and votes at GA)
Dariusz Kozikowski – Member of the Management Board	4.980	0.05%

Persons supervising the ELEKTROTIM S.A. company:

Full name and function	Number of shares in ELEKTROTIM S.A.	Percentage share in the Company's share capital (and votes at GA)
Jan Walulik	410.000	4.11%

In the period from the submission of the preceding periodic report (2022 report), no changes in the ownership of the Issuer's shares by managing or supervising persons took place.

8) indication of considerable proceedings pending before a court, a body competent for arbitration proceedings or a public administration institution

In the period covered by this quarterly report, no proceedings related to the Issuer or the entire Capital Group were initiated before a court, a body competent for arbitration proceedings or a public administration institution regarding payables or receivables with a value of at least 10% of the Company's equity.

9) information on the conclusion by the issuer or its subsidiary of one or more transactions with related parties, if, individually or collectively, they are considerable and were concluded on terms other than arm's length.

In the Capital Group, there were no transactions with related entities, concluded on terms other than arm's length.

10) information on credit or loan sureties or guarantees granted by the issuer or its subsidiary collectively to one entity or its subsidiary, if the total value of the existing sureties or guarantees is equivalent to at least 10% of the issuer's equity.

In the first quarter, the Company and its subsidiary did not grant a credit or loan surety or a guarantee representing at least 10% of the issuer's equity.

11) other information which, at the issuer's discretion, is significant for the assessment of its personnel, property or financial situation, financial result and changes therein, as well as information significant for the assessment of the issuer's

ELEKTROTIM Capital Group

Net sales revenue of the ELEKTROTIM Capital Group

In the period from 01.01.2023 to 31.03.2023 the ELEKTROTIM Capital Group achieved a consolidated sales revenue in the amount of PLN **97.453** thousand.

In the period from 01.01.2022 to 31.03.2022 r. the ELEKTROTIM Capital Group achieved a consolidated sales revenue in the amount of PLN **52.361** thousand.

The dynamics of the consolidated sales revenue of the ELEKTROTIM Capital Group in the first quarter of 2023 in relation to the consolidated sales revenue of the ELEKTROTIM Capital Group in the first quarter of 2022 amounts to **186%**.

This level of dynamics was achieved in spite of the fact that the revenue of PROCOM SYSTEM S.A., taken into account in the Group's revenues in 2022, is not a component of the revenue in 2023.

EBIT of the ELEKTROTIM Capital Group

In the period from 01.01.2023 to 31.03.2023 the ELEKTROTIM Capital Group achieved a

consolidated EBIT in the amount of PLN **7.542** thousand.

In the period from 01.01.2022 to 31.03.2022 the ELEKTROTIM Capital Group achieved a consolidated EBIT in the amount of PLN -4.417 thousand.

Net result of the ELEKTROTIM Capital Group

In the period from 01.01.2023 to 31.03.2023 the ELEKTROTIM Capital Group achieved a consolidated **net profit (attributable to parent's shareholders) in the amount of PLN 5.757 thousand.**

In the period from 01.01.2022 to 31.03.2022 the ELEKTROTIM Capital Group achieved a consolidated net loss in the amount of PLN -5.407 thousand.

ELEKTROTIM S.A. - data presented according to IAS/IFRS.

Net sales revenue of ELEKTROTIM S.A.

In the period from 01.01.2023 to 31.03.2023 ELEKTROTIM S.A. achieved a sales revenue in the amount of PLN **91.584** thousand.

In the period from 01.01.2022 to 31.03.2022 ELEKTROTIM S.A. achieved a sales revenue in the amount of PLN 34.114 thousand.

The dynamics of the sales revenue of ELEKTROTIM S.A. after the first quarter of 2023 in relation to the first quarter of 2022 amounts to **268%**.

EBIT of ELEKTROTIM S.A.

In the period from 01.01.2023 to 31.03.2023 ELEKTROTIM S.A. achieved an EBIT in the amount of PLN:

7.507 thousand.

In the period from 01.01.2022 to 31.03.2022 ELEKTROTIM S.A. achieved an EBIT in the amount of PLN:

-4.169 thousand.

Net result of ELEKTROTIM S.A.

In the period from 01.01.2023 to 31.03.2023 ELEKTROTIM S.A. achieved a net profit in the amount of PLN **5.964 thousand.**

In the period from 01.01.2022 to 31.03.2022 ELEKTROTIM S.A. achieved a net profit in the amount of PLN -4.549 thousand.

The **net return on sales** of the ELEKTROTIM Capital Group amounts to:

- after the first quarter of 2023: 5.9%

The **net return on sales** of ELEKTROTIM S.A. amounts to:

- after the first quarter of 2023: 6.5%

OBTAINED ORDERS / ORDER BOOK

Due to the sale of all shares in PROCOM SYSTEM S.A. effected in December 2022, data for the comparable period, i.e. from 01.04.2021 to 31.03.2022. and until the end of November 2022, i.e. until the last month in which ELEKTROTIM S.A. owned PROCOM SYSTEM S.A., include the order book acquired by PROCOM SYSTEM S.A. in the above periods.

Due to the sale by ELEKTROTIM S.A. of all shares in PROCOM SYSTEM S.A., data for the period from December 2022 to the end of the first quarter of 2023 do not include data on the order book of PROCOM SYSTEM S.A.

In the period from 01.04.2022 to 31.03.2023 ELEKTROTIM S.A. acquired orders worth PLN **510.201** thousand net.

In the period from 01.04.2021 to 31.03.2022 ELEKTROTIM S.A. acquired orders worth PLN **455.795** thousand net.

The increase in the value of acquired orders in the period from 01.04.2022 to 31.03.2023 in relation to the period from 01.04.2021 to 31.03.2022 amounts to 12%.

As of 31.03.2023, ELEKTROTIM S.A. had an order book worth approx. PLN **569.095** thousand net. As of 31.03.2022, ELEKTROTIM S.A. had an order book worth approx. PLN **498.563** thousand net.

In the period from 31.03.2023 to 31.03.2022, the order book of ELEKTROTIM S.A. increased by 14%.

In the period from 01.04.2022 to 31.03.2023, the ELEKTROTIM Group acquired orders worth PLN **553.383** thousand net.

In the period from 01.04.2021 to 31.03.2022, the ELEKTROTIM Group acquired orders worth PLN **556.317** thousand net.

The dynamics of the value of acquired orders in the period from 01.04.2022 to 31.03.2023 in relation to the period from 01.04.2021 to 31.03.2022 amounts to 99.5%.

As of 31.03.2023, the ELEKTROTIM Group has an order book worth approx. PLN **617.862** thousand net. As of 31.03.2022, the ELEKTROTIM Group had an order book worth approx. PLN **597.957** thousand net.

The order book of the ELEKTROTIM Group increased from 31.03.2022 to 31.03.2023 by 3%.

12) indication of factors which, in the issuer's opinion, will affect the results achieved by it for at least the next quarter.

According to the Management Board of ELEKTROTIM S.A. the results forecast by **the Issuer and the companies belonging to the ELEKTROTIM Capital Group** will or may be affected by the following factors:

- completion and settlement of the contract concluded with the Border Guard for the construction of the perimeter barrier on the Polish-Belarussian border;
- conclusion of a contract with the Treasury - Cyberspace Resources Centre of the Polish Armed Forces based in Warsaw, the subject of which is the construction of fibre optic communication lines between facilities in Gdynia, Rumia, Łężyce, Wejherowo and Rzucewo, including obtaining necessary approvals, arrangements, decisions and permits;
- continuation and sale of works related to four key contracts with PKP Energetyka
- progress of work under the contract with Nestle Purina Manufacturing Operations Poland sp.z o.o.
- efficient performance of the other approx. 200 active projects in which ELEKTROTIM is involved;
- complementing the order book for 2024 - in this respect, changes occurring in the ELEKTROTIM's markets will have a decisive impact:

CHANGES SEEN AS POSITIVE FACTORS:

- increase in demand in the special segment, reported by the law enforcement ministries and the defence industry sector,
- unchanged demand in the conventional power engineering segment, due to the restructuring of fuel and energy supply sources; the transformation of the power generation segment creates unique opportunities for the company for innovative

transformation, including:

- In 2023, TAURON Dystrybucja S.A. will invest PLN 2.4 billion into power grids, which is the largest financial stream in recent years directed to the distribution segment; the funds are intended for connecting new customers, including renewable energy sources, and for modernisation and reconstruction of power grids
 - The government adopted on 18 April 2023 a draft amendment to the act on network systems that aims at accelerating and simplifying investment procedures; this will allow for effectively connecting renewable energy sources
- ambitious programmes of certain large customers in the chemical and petrochemical sector,
 - new markets related to other transformations in the energy sector are opening,
 - corporate investments in the broadly seen industrial sector, high activity of investors in economic zones,
 - stabilisation of prices for materials and subcontractors' services
 - mood improvement among construction companies.

CHANGES SEEN AS NEGATIVE FACTORS:

- still high inflation and related destabilisation risk of macroeconomic conditions (in April 2023, the inflation rate amounted to 12.2% - when excluding food and energy prices - the CPI coefficient amounted to 14.7% YOY;
- growing employment costs;
- the election cycle, which may lead to a suspension or slowdown of tenders, a revision of strategic assumptions and personnel changes among decision-makers in the public sector and in companies controlled by the Treasury
- considerable EU funds still blocked and not available for Poland
- prolonged state of war beyond the eastern border of Poland, risk for Poland of being involved in the ongoing conflict
- risk of adverse macroeconomic trends, including a global recession
- risk of recognising receivables write-downs,
- risk of recognising provisions for possible contractual penalties.

Wrocław, 29 May 2023

THE MANAGEMENT BOARD OF ELEKTROTIM S.A.

President of the Management Board - Artur Więznowski	 Signed by / Signed by: Artur Norbert Więznowski Date / Data: 2023-05-29 16:53
Member of the Management Board - Dariusz Kozikowski	 Signed by / Signed by: Dariusz Jan Kozikowski MEMBER OF THE MANAGEMENT BOARD OF ELEKTROTIM S.A. Date / Data: 2023- 05-29 17:03
Member of the Management Board - Krzysztof Wójcikowski	 Signature Not Verified Document signed by KRZYSZTOF PAWEŁ WÓJCIKOWSKI