



Condensed interim financial statement of

ELEKTROTIM S.A.

for the first half of 2023

Wrocław, September 19, 2023



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SELECTED FINANCIAL DATA IN PLN THOUSANDS AND IN THOUSAND EURO

Condensed interim separate financial statements for the period 01/01/2023 – 30/06/2023

		PLN		EUR	
		01.01.- 30.06.2023/ 30.06.2023	01.01.- 30.06.2022/ 31.12.2022	01.01.- 30.06.2023/ 30.06.2023	01.01.- 30.06.2022/ 31.12.2022
I.	Net revenues from the sale of products, goods and materials	213 472	92 261	46 276	19 872
II.	Profit (loss) from operations	24 080	-2 883	5 220	-621
III.	profit (loss) Gross	24 279	-2 692	5 263	-580
IV.	Net profit (loss).	19 014	-2 279	4 122	-491
V.	Net cash flows from operating activities	-64 462	7 395	-13 974	1 593
VI.	Net cash flow from investing activities	2 234	476	484	103
VII.	Net cash flows from financing activities	13 462	1 429	2 918	308
VIII.	Net cash flow, total	-48 766	9 300	-10 571	2 003
IX.	total assets	230 151	240 239	51 716	51 225
X.	Liabilities and provisions for liabilities	134 615	148 742	30 249	31 715
XI.	Long-term liabilities	6 781	7 515	1 524	1 602
XII.	Current liabilities	127 834	141 227	28 725	30 113
XIII.	Equity capital	95 536	91 497	21 467	19 509
XIV.	Share capital	9 983	9 983	2 243	2 129
XV.	Number of shares (in pcs.)	9 983 009	9 983 009	9 983 009	9 983 009
XVI.	Profit (loss) per ordinary share (in PLN/EUR)	1,90	-0,23	0,41	-0,05
XVII.	Diluted earnings (loss) per ordinary share (in PLN/EUR)	1,90	-0,23	0,41	-0,05
XVIII.	Book value per share (in PLN/EUR)	9,57	9,17	2,15	1,96
XIX.	Diluted book value per share (in PLN/EUR)	9,57	9,17	2,15	1,96
XX.	Declared or paid dividend per share (in PLN/EUR)	1,50		0,33	

EUR rates used for conversions

	30.06.2023	30.06.2022	31.12.2022
mid-year course	4,613	4,6427	4,6883
exchange rate on the last day of the reporting period	4,4503	4,6806	4,6899

Condensed interim separate financial statement for the period January 1–June 30, 2023.

STATEMENT OF FINANCIAL POSITION IN PLN THOUSAND

Assets		mark	30.06.2023	31.12.2022
I.	Fixed assets		27 809	28 058
-	Intangible assets	2.2	144	104
-	Company value	2.3	2 396	2 396
-	Property, plant and equipment	2.4	12 581	12 088
	Investment Estates		4 058	4 058
	Investments in subsidiaries		644	644
-	Other long-term financial assets	2.5	2 382	2 394
-	Deferred tax assets	2.7	4 064	4 900
-	Other long-term non-financial assets		1 540	1 474
II.	Current assets		202 342	212 181
-	Inventory	2.8	11 015	3 358
-	Trade receivables and other receivables	2.9	104 793	94 654
-	Contract assets	2.10	78 748	57 645
-	Other short-term financial assets		1 900	0
-	Cash and cash equivalents	2.11	5 886	54 652
1.	Current assets other than Assets for sale		202 342	210 309
2.	Fixed assets held for sale	2,12	0	1 872
Assets total			230 151	240 239
Liabilities		mark	30.06.2023	31.12.2022
I.	Equity capital		95 536	91 497
-	Share capital	2.13	9 983	9 983
-	The excess of the issue price above the nominal value of shares		44 522	44 522
-	Other capitals		-10	-10
-	Retained earnings	2.13	22 027	13 916
-	Net profit (loss).		19 014	23 086
II.	Liabilities and provisions for liabilities		134 615	148 742
1.	Long-term liabilities		6 781	7 515
-	Deferred income tax	2.7	1 248	1 532
-	Long-term reserves	2.14	2 263	2 459
-	Financial liabilities (credits, loans, debt securities, etc.)		0	0
-	Long-term leasing liabilities	2,16	3 270	3 524
3.	Current liabilities		127 834	141 227
-	Short-term reserves	2.14	13 840	16 786
-	Trade and service liabilities and other liabilities	2.15	77 590	76 166
-	Financial liabilities (credits, loans, debt securities, etc.)	2,6	18 112	0
-	Corporate income tax liabilities		1 085	2 977
-	Short-term leasing liabilities	2.16	2 786	2 518
-	Contract obligations	2.10	14 421	42 780
	Short-term liabilities other than those related to assets for sale		127 834	141 227
	Liabilities relating to fixed assets held for sale		0	0
Total liabilities			230 151	240 239

RESULT REPORT

(calculation variant in PLN thousand)		mark	01.01.-30.06.2023	01.01.-30.06.2022
-	Sales revenues	2.1	213 472	92 261
-	Personal sale expense		179 297	89 563
I	Gross profit (loss) from sales		34 175	2 698
-	Sales costs		4 080	3 645
-	General management costs		4 158	3 278
-	Other operating income	2.17	605	1 147
-	Other operating cost	2.17	1 888	612
-	Gain (loss) on expected credit losses	2.17	-574	807
II	Profit (loss) from operations		24 080	-2 883
-	Financial revenues	2.18	3 125	783
-	Financial costs	2.18	2 926	592
-	Write-down of the goodwill of a subordinated entity		0	0
III	profit (loss) Gross		24 279	-2 692
-	Income tax		5 265	-413
-	Net profit (loss) from continuing operations		19 014	-2 279
-	Profit (loss) from discontinued operations		0	0
IV	Net profit (loss)		19 014	-2 279

STATEMENT OF OTHER COMPREHENSIVE INCOME

in PLN thousand		01.01.-30.06.2023	01.01.-30.06.2022
1.	Net profit (loss)	19 014	-2 279
2.	Other comprehensive income; including:	0	0
	will not be reclassified to profit or loss (actuarial write-offs)	0	0
	will be reclassified to profit or loss)	0	0
3.	Total comprehensive income	19 014	-2 279

**CASH FLOW STATEMENT**

(indirect method in PLN thousand)		01.01.- 30.06.2023	01.01.-30.06.2022
I.	Cash flow from operating activities		
1.	Profit (loss) Gross	24 279	-2 692
2.	Total adjustments	-82 135	10 907
-	Depreciation	1 812	1 726
-	(Profits) exchange rate losses	0	0
-	Interest and share in profits (dividends)	-2 638	142
-	(Profit) loss from investing activities	1 831	30
-	Change in reserves	-3 425	-1 341
-	Change in inventory	-7 658	-7 260
-	Change in the balance of receivables	-30 473	-1 068
-	Change in the balance of short-term liabilities, except for loans and credits	-41 633	18 265
-	Other adjustments	49	413
-	Cash flow used in the business	-57 856	8 215
-	Paid income tax included in operating activities	-6 606	-820
3.	Net cash flow from operating activities	-64 462	7 395
II.	Cash flows from investing activities		
-	Proceeds from the disposal of property, plant and equipment, intangible assets other than goodwill, investment properties and other fixed assets	44	35
-	interest	1 071	129
-	other proceeds from financial assets	2 062	791
-	Purchase of tangible fixed assets, intangible assets other than goodwill, investment properties and other fixed assets	-943	-479
-	Other investment expenses	0	0
1.	Net cash flow from investing activities	2 234	476
III.	Cash flow from financing activities		
-	Net proceeds from the issue of shares and other capital instruments	0	0
-	Credits and loans	0	0
-	Other financial receipts (expenditures).	-2 500	0
-	Acquisition of own shares (shares).	0	0
-	Dividends and other payments to owners	0	0
-	Repayment and taking out loans and credits	18 112	2 922
-	Payments of liabilities under financial leasing agreements	-1 667	-1 222
-	Interest	-483	-271
1.	Net cash flow from financing activities	13 462	1 429
IV.	Net cash flow, total	-48 766	9 300
	The effects of changes in exchange rates that affect cash		
	Balance sheet change in cash, including:		
	Cash at the beginning of the period	54 652	14 625
	Cash at the end of the period	5 886	23 925
	with limited use	4 291	6 154

**REPORT OF CHANGES IN EQUITY FOR THE PERIOD 01/01/2023 - 30/06/2023**

in PLN thousand	Share capital	The excess of the issue price above the nominal value of shares	Other capitals	Retained earnings	Total
As at the beginning of the period	9 983	44 522	-10	37 002	91 497
Period profit				19 014	19 014
Other comprehensive income for the period				0	0
Total income	0	0	0	19 014	19 014
Dividend				-14 975	-14 975
Increase (decrease) in capital	0	0	0	4 039	4 039
Status at the end of the period	9 983	44 522	-10	41 041	95 536

REPORT OF CHANGES IN EQUITY FOR THE PERIOD 01/01/2022 - 30/06/2022

in PLN thousand	Share capital	The excess of the issue price above the nominal value of shares	Other capitals	Retained earnings	Total
As at the beginning of the period	9 983	44 522	107	13 916	68 528
Period profit				-2 279	-2 279
Other comprehensive income for the period				0	0
Total income	0	0	0	-2 279	-2 279
Increase (decrease) in capital	0	0	0	-2 279	-2 279
Status at the end of the period	9 983	44 522	107	11 637	66 249

1. 1. ADDITIONAL INFORMATION TO THE SEPARATE FINANCIAL STATEMENTS

1.1. 1.1. General information about the Company

ELEKTROTIM Spółka Akcyjna (hereinafter referred to as: the Company)

There was no change in the Company's name during the reporting period.

Legal form: Joint Stock Company

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

Headquarters: Poland

Country of registration: Poland

Primary place of business: Poland

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

The duration of the Issuer's operations has not been limited.

These condensed interim separate financial statement for the first half of 2023 (including comparative data) was approved for publication by the Company's Management Board on September 19, 2023.

Registration court: District Court for Wrocław Fabryczna in Wrocław,
6th Commercial Division of the National Court Register

1.2. Basis of preparation, principles of presentation

1.2.1. Basis for preparing the separate financial statements for the first half of 2023

Interim condensed financial statement of ELEKTROTIM S.A. covers the 6-month period ended June 30, 2023. It was 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 the interim condensed financial statements.

The interim condensed financial statement does not contain all the information disclosed in the annual financial statements prepared in accordance with IFRS. This interim condensed financial statement should be read together with the financial statements of the ELEKTROTIM Capital Company for the financial year ended December 31, 2022.

The interim condensed financial statements were prepared with the assumption that the Company will continue its business operations in the foreseeable future. As at the date of approval of these interim condensed financial statements of ELEKTROTIM S.A. for publication, there are no circumstances indicating a threat to the Company's continuation of operations.

1.2.2. Retrospective approaches to IAS/IFRS selected by ELEKTROTIM S.A.

In the event of retrospective introduction of changes to accounting principles, presentation or correction of errors, the Company presents a statement of financial position prepared additionally at the beginning of the comparative period, if the above changes are significant for the data presented at 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 principles used

The accounting principles (policies) used to prepare the condensed financial statements are consistent with those used to prepare the Company's financial statements for the year ended December 31, 2022.

Standards and changes to standards applied for the first time in 2023

The company applied the following standards and amendments to the standards for the first time:

- Amendments to IAS 1 Presentation of Financial Statements and Practice Statement 2: Disclosure of Accounting Policies,
- Amendments to IAS 8 „Accounting Policies, Changes in Accounting Estimates and Correction of Errors”,
- Amendments to IAS 12 „Income Taxes”: Deferred tax relating to assets and liabilities arising from a single transaction,
- IFRS 17 „Insurance Contracts” and amendments to IFRS 17,
- Amendments to IFRS 17 „Insurance Contracts”: First application of IFRS 17 and IFRS 9 - Comparative Information.

The above standards and changes to the standards did not have a significant impact on the Company's accounting policy previously used.

Standards and amendments to standards adopted by the IASB but not yet endorsed by the EU

IFRS as approved by the EU currently does not differ significantly from the regulations adopted by the International Accounting Standards Board (IASB), with the exception of the following standards and amendments to standards which, as of the date of preparation of the report, have not yet been adopted for use:

- IFRS 14 „Regulatory Accruals” - in accordance with the decision of the European Commission, the process of approval of the standard in the preliminary version will not be initiated before the publication of the standard in the final version (effective for annual periods starting on or after January 1, 2016),
- Amendments to IFRS 10 „Consolidated Financial Statements” and IAS 28 „Investments in Associates and Joint Ventures” - Transactions of sale or contribution of assets between an investor and its associate or joint venture - work leading to the approval of these amendments has been postponed by the EU indefinitely - the entry into force has been postponed indefinitely by the IASB,
- Amendments to IAS 1 „Presentation of Financial Statements” - Classification of liabilities as short-term or long-term, Classification of liabilities as short-term or long-term - deferral of the entry into force and Long-term contract liabilities containing covenants (effective for annual periods beginning on 1 January 2024 or after that date),
- Amendments to IFRS 16 „Leases” - Lease liability under sale and leaseback (effective for annual periods beginning on January 1, 2024 or after that date),
- Amendments to IAS 12 „Income Taxes” - International tax reform - Pillar II model rules (applicable to annual periods beginning on or after January 1, 2023),
- Amendments to IAS 7 „Cash Flow Statement” and IFRS 7 „Financial Instruments – Disclosures” - Supplier Financing Agreements (effective for annual periods beginning on or after January 1, 2024).
- Amendments to IAS 21 „The Effects of Changes in Foreign Exchange Rates” - No exchange option (effective for annual periods beginning on or after January 1, 2025).

The above-mentioned standards and amendments to the standards would not have a significant impact on the financial statements if they were applied by the Company as at the balance sheet date.

The Company did not decide to introduce interpretation standards or changes that have not entered into force earlier.

1.2.4. Continuation of the business

These condensed financial statements have been prepared with the assumption that the Company will continue its business operations in the foreseeable future. As at the date of approval of these interim condensed financial statements of the Company for publication, there are no circumstances indicating a threat to the Company's continuing operations.

1.3. Adopted accounting principles

1.3.1. Functional currency and presentation currency of financial statements and principles adopted to translate financial data

Functional currency

The functional currency of the Company and the presentation currency of these separate financial statements is the Polish zloty.

Presentation currency

All amounts included in the separate financial statements are expressed in thousands of Polish zlotys (unless otherwise indicated). Due to the adopted method of presenting data in financial statements in thousands of zlotys and the rounding technique used, individual items in the statements may not add up to the amounts shown therein (a difference of PLN 1,000).

As a rule, transactions expressed in currencies other than Polish zloty are converted into Polish zloty using the exchange rate applicable on the date of conclusion of the transaction (spot rate). However, if the sale or purchase transaction is preceded by the receipt or payment of an advance payment in a foreign currency, the advance payment is recognized at the exchange rate on that day as at the date of payment. Then, when the income earned in a currency or an expense or a purchased asset is recognized in the profit and loss account, these transactions are recognized at the exchange rate on the date the advance payment is recognized, and not at the exchange rate on the date on which the income or expense or asset was recognized.

As at the balance sheet date, monetary items expressed in currencies other than Polish zloty are converted into Polish zloty using the closing rate applicable at the end of the reporting period, i.e. the average exchange rate established for a given currency by the National Bank of Poland.

Non-monetary items recognized at historical cost expressed in a foreign currency are carried at the historical exchange rate on the transaction date.

Non-monetary items recorded at fair value expressed in a foreign currency are valued according to the exchange rate on the date of determining the fair value, i.e. the average exchange rate established for a given currency by the National Bank of Poland.

Exchange differences arising from the settlement of transactions or the translation of monetary items other than derivatives are recognized as financial revenues or costs, respectively, in the net amount, with the exception of exchange differences capitalized in the value of assets in cases specified in accounting principles (presented in the section on external financing costs).

1.3.2. Operating segments

According to the IFRS 8, the results of operating segments result from internal reports periodically verified by the Company's Management Board. The Management Board analyses the results of operating segments at the level of profit (loss) from operating activities.

The measurement of operating segment results used in management calculations is consistent with the accounting principles used in preparing the separate financial statements. Sales revenues disclosed in the separate profit and loss statement do not differ from revenues presented within operating segments.

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

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

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

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

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

1.3.3. The accounting policies

The separate financial statement is prepared on the basis of the historical cost principle, with the exception of: derivative financial instruments, capital instruments measured at fair value, the change of which is recognized in the separate profit and loss statement, financial assets held for trading, which were measured at fair value. The separate report was prepared in accordance with the applicable IAS/IFRS standards.

1.3.4. Subjective assessments and uncertainty of estimates

Uncertainty of estimates

Basic assumptions regarding the future and other key sources of uncertainty existing at the end of the reporting period, which are associated with a significant risk of a significant adjustment of the carrying amounts of assets and liabilities in the next financial year.

Construction service contracts

In the case of implemented contracts, the Company applies the provisions of IFRS 15 „Revenue from contracts with customers” and reports sales revenues in the profit and loss account based on measuring the degree of advancement of their implementation (determined in the proportion of contract costs incurred for work performed by the end of the period in relation to estimated total costs of the contract). In their case, there is a risk that the Company has incorrectly estimated the production costs, there will be changes in production costs during the product production process, there will be errors in the management of the task or errors in technical and technological solutions, the task implementation will be delayed. The result of these risks may be a reduction in revenues and/or an increase in costs and, consequently, a reduction in the Company's financial result.

Deferred tax asset

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

Write-downs on goodwill (value of shares in subsidiaries)

At the end of each reporting period, the Management Board assesses whether there are any indications of impairment of goodwill (value of shares in subsidiaries). If there are indications of impairment, the Management Board makes write-offs updating the value of these assets to the level of the recoverable value.

The recoverable value was determined as one of two values, depending on which of them is higher: fair value less costs of disposal or value in use of a given asset. The value in use was estimated using the DCF method. The DCF method is based on discounted financial flows generated by subsidiaries with assumed operating schedules and sales proceeds. The discount factor takes into account the weighted cost of external and equity capital (WACC). The recoverable value of shares and the amount of write-offs revaluing shares is estimated as at June 30, 2023 and may change depending on the revenues generated and production costs incurred, project implementation schedules and the calculation of the discount rate in the future. Actual results may differ from these estimates, which were calculated based on data available on the date they were prepared. It is also related to the uncertainty regarding the appropriate estimation of market conditions in the following years.

Depreciation rates

The amount of depreciation rates is determined based on the expected economic useful life of the tangible fixed assets and intangible assets.

During the 12-month period ended June 30, 2023, the Company verified the originally assumed useful lives of fixed assets and intangible assets and found that there was no need to change the estimated useful lives.

Provisions

Provisions for employee benefits - retirement severance pay - are estimated using actuarial methods. The amount of provisions for employee benefits shown in the separate financial statements results from an estimate made by an independent actuary. The level of provisions is influenced by assumptions regarding the discount rate and the salary growth rate.

Income tax

Tax regulations in force in Poland are subject to frequent changes, causing significant differences in their interpretation and significant doubts in their application. Tax authorities have control instruments enabling them to verify the tax bases (in most cases during the previous 5 financial years). As a result, determining tax liabilities, assets and deferred tax liabilities may require significant judgment, including those relating to transactions that have already occurred, and the amounts presented and disclosed in the financial statements may change in the future as a result of audits by tax authorities.

As a result, determining tax liabilities, assets and deferred tax liabilities may require significant judgment, including those relating to transactions that have already occurred, and the amounts presented and disclosed in the financial statements may change in the future as a result of audits by tax authorities.

Lease period

When determining the lease liability, the Company estimates the lease period, which includes:

- irrevocable leasing period,
- periods during which there is an option to extend the lease if it can be assumed with sufficient certainty that the lessee will exercise this option,
- periods during which there is an option to terminate the lease if it can be reasonably certain that the lessee will not exercise this option.

In assessing whether the Company will exercise or not exercise the extension option, the Company shall take into account all relevant facts and circumstances that constitute an economic incentive for it 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, however, a change in circumstances in the future may result in an increase or decrease in the lease liability and the recognition of a corresponding adjustment in the right-of-use assets.

2. ADDITIONAL INFORMATION TO THE SEPARATE FINANCIAL STATEMENT

2.1. Information regarding operating segments

Products and services from which reportable segments derive their revenues

The ELEKTROTIM company offers its products on the construction and assembly works market for public and non-public customers.

The reporting segments separated in the Company constitute an aggregation of the Company's organizational structure, the operational part of which was divided into separately managed economic entities (plants) grouped into divisions. The criteria for separating individual plants and divisions were product companies and territorial distribution.

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

- Installations segment
- Grid Segment
- Automation Segment



Together, these segments meet the following principles:

Together, these segments meet the following principles:

- the combination was carried out in accordance with the overarching principle of IFRS 8 „presenting information in a way that enables users of financial statements to assess the type and financial effects of the economic activities in which the entity is engaged and the economic environment in which it operates.”
- segments show similar economic characteristics
- segments are similar in:
 - * type of products and services
 - * type of production processes
 - * type or companies of customers for given products and services
 - * methods used to distribute products or provide services

The principles used to measure information regarding segments are consistent with the principles resulting from the Company's accounting policy.

Products offered by the Installation Segment

a) Construction and executive designs, including:

- designs of electrical power and light installations for industrial and commercial facilities,
- designs of MV and LV wire power lines,
- designs of MV/LV transformer stations,
- lighting designs for roads, streets and squares,
- traffic light designs,
- illumination designs for objects of architectural value,
- Christmas illumination designs,
- sanitary installation designs,
- designs of low-current installations.

The products listed are offered by the **Design Studio**.

b) Electrical installations including:

- transformer stations,
- electrical power and light installations in facilities:
 - industrial
 - residential
 - public utility
 - warehouses
 - sports
 - military.

The products mentioned are offered by the **Electrical Installations Department**.

c) Electrical switchboards, including:

- SM6 type MV switchboards,
- OKKEN type LV MCC switchboards,
- PRISMA type LV switchboards for electricity distribution,
- X-ENERGY type switchboards, SOT type street lighting cabinets,
- meter boards.

The products mentioned are offered by the **Production Department**.

d) Low current installations, including:

- computer systems integrating BMS and SMS
- structured wiring systems,
- fire alarm systems
- access control systems,
- CCTV systems,
- technical protection systems
- building automation installations
- work registration systems,
- perimeter protection systems,



- EiB systems,
- telecommunications systems.

The products mentioned are offered by the **Low Current Installation Department**.

e) Service of electrical installations and devices, including:

- low voltage equipment service,
- measurement and control works on station and dispatch telemechanics,
- electrical measurements.

The services mentioned are provided by the **Service Department**.

Products offered by the Grid Segment:

o Electrical networks including:

- traffic lights,
- road lighting,
- illuminations of objects,
- airport navigation lighting,
- MV and LV wire lines,
- telecommunications networks,
- MV and LV transformer stations

The products listed are offered by the **Electrical Networks Department**.

o Telecommunications networks, including:

- Teletechnical sewage systems,
- Copper telecommunications lines,
- Fiber optic telecommunications lines
- radio beacons (NDB, DVOR/DME),
- radar systems,
- antenna systems,
- other navigation and radio communication systems

The products mentioned are offered by the **Teletechnical Networks Department**.

a) Road infrastructure elements, including:

- thin and thick-layer road and street markings,
- vertical markings
- road traffic organization: temporary and final
- road traffic safety devices
- traffic organization projects.

The products mentioned are offered by the **Traffic Engineering Department**.

b) Signalling and lighting service, including:

- operation, modernization and maintenance of traffic lights,
- operation and maintenance of road and square lighting,
- operation, modernization and maintenance of external lighting and illumination of facilities,
- maintenance of the light power installation,
- traffic light controllers.

The products mentioned are offered by the **Signalling and Lighting Department**.

c) Systems:

- automation for power generation,
- automation for environmental protection institutions,
- industrial informatics,
- automation for industry.

d) High voltage grids, including:

- overhead HV power lines
- HV wire power lines
- electric power protection automatics (EAZ)

- telemechanics
- superior systems
- HV/MV stations

The products mentioned are offered by the **High Voltage Department**

Products offered by the Automation Segment

a) Automation systems for power generation

- automation system for the power unit
- automation system for water and sewage treatment installations
- automation system for fuel feeding, ash and slag removal installations
- heating automation system
- automation system for compressor systems
- automation system for the exhaust gas treatment installation
- design of automation of the power unit and auxiliary installations
- automation system for small installations in the energy industry
- maintenance services.

The products are offered by the **Energy Automation Department.**

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
- automation design for a sewage treatment plant
- automation design for a water treatment plant
- maintenance services
- fish protection and monitoring system – Neptun
- scanner for monitoring fish passes.

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

c) Power automation systems

- CERTAN PQ-100 - meter of electricity quality indicators
- disturbance recorder
- power system supervision and energy balancing system
- system for recording disturbances and analysing electricity quality
- network and device operation system
- maintenance services.

The products are offered by the **Power Automation Department.**

d) Industrial IT systems

- SKSR Starting Loss Control System
- MESKAN Modular Operation Control System
- VECTAN Device Operation Control System
- PROMAN System for visualization and support of production process management)
- CERTAN SYSTEM
- communication interfaces
- custom software development
- servicing of own products.

The products are offered by the **Industrial IT Department.**

e) Other automation systems

- BMS
- fire detection and temperature monitoring system – PROList

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

Segment revenues and results

Below is an analysis of the Company's revenues and results in individual reporting segments:

Business segments	01.01- 30.06.2023	01.01- 30.06.2023	01.01- 30.06.2023	01.01- 30.06.2022	01.01- 30.06.2022	01.01- 30.06.2022
	Installation Segment	Grid Segment	Automation Segment	Installation Segment	Grid Segment	Automation Segment
Sales revenue from external customers	86 899	126 556	0	38 712	53 549	0
Revenues within and from other segments	5 585	140	0	1 576	455	0
Cost of producing products sold	78 777	106 228	0	40 896	50 698	0
Gross profit (loss) from sales	13 707	20 468	0	-608	3 306	0

Segment assets

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

Geographic information

The company operates only in one geographical area - Poland.

2.2. Intangible assets

Intangible assets

	30.06.2023	31.12.2022
completed development work	0	
acquired concessions, patents, licenses and similar values	144	104
other intangible assets	0	
Intangible assets, total	144	104

Changes in intangible assets (by type) for the first half of 2023.

	development costs	concessions, patents, licenses and similar values	other intangible assets	Intangible assets Total
gross value of intangible assets at the beginning of the period	9	0	4 894	4 903
increases (due to)	0	0	149	149
- purchase			149	149
- acquisition of subsidiaries				0
				0
reduction (due to)	0	0	0	0
- sale				0

- liquidation				0
				0
gross value of intangible assets at the end of the period	9	0	5 043	5 052
accumulated depreciation (remission) at the beginning of the period	9		4 789	4 798
depreciation for the period (due to)	0	0	110	110
- planned write-offs			110	110
- acquisition of subsidiaries				0
- reduction				0
accumulated depreciation (remission) at the end of the period	9	0	4 899	4 908
impairment losses at the beginning of the period				0
- increases				0
- reduction				0
impairment losses at the end of the period	0	0	0	0
net value of intangible assets at the end of the period	0	0	144	144

Changes in intangible assets (by type) for 2022

	development costs	concessions, patents, licenses and similar values	other intangible assets	Intangible assets Total
gross value of intangible assets at the beginning of the period	9		4 865	4 874
increases (due to)	0	0	29	29
- purchase			29	29
- acquisition of subsidiaries	0	0	0	0
	0	0	0	0
reduction (due to)	0	0	0	0
- sale	0	0	0	0
- liquidation	0	0	0	0
	0	0	0	0
gross value of intangible assets at the end of the period	9	0	4 894	4 903
accumulated depreciation (remission) at the beginning of the period	9		4 569	4 578
depreciation for the period (due to)	0	0	220	220
- planned write-offs			220	220
- acquisition of subsidiaries				0

- reduction				0
accumulated depreciation (remission) at the end of the period	9	0	4 789	4 798
impairment losses at the beginning of the period				0
- increases				0
- reduction				0
impairment losses at the end of the period	0	0	0	0
net value of intangible assets at the end of the period	0	0	105	105

Intangible assets (ownership structure)

	30.06.2023	31.12.2022
own	144	104
used under a rental or lease agreement or other agreement, including a leasing agreement	0	0
Intangible assets, total	144	104

2.3. Company goodwill

	30.06.2023	31.12.2022
- PWS (Power Stations Division, Distribution Division)	2 396	2 396
Goodwill of subordinated entities, total	2 396	2 396
Write-offs due to permanent loss of value	0	0
Carrying amount, total	2 396	2 396

Change in the goodwill of subordinated entities

	30.06.2023	31.12.2022
status at the beginning of the period	2 396	2 396
status at the end of the period	2 396	2 396

On April 1, 2012, as part of the ongoing restructuring of the Capital Company, the process that had been in progress since February 1, 2012 was completed. the process of incorporating products manufactured by the subsidiary Elektromont Beta S.A. to the product offer of the ELEKTROTIM S.A. Grid Division. and at the same time, all employees of this company were taken over by ELEKTROTIM S.A. pursuant to Article 231 of the Labor Code. Thus, the entire activity of Elektromont Beta S.A. was transferred to ELEKTROTIM S.A. Due to the above, ELEKTROTIM S.A., in accordance with IAS 36.87 regarding the reorganization of the structure of an economic entity, transferred the goodwill of Elektromont Beta S.A. established as at the date of taking control from the current cash-generating centre (which was the subsidiary) to the new cash-generating centre, which is the High Voltage Division, which is part of the Network Division. This is the lowest level at which the goodwill can be monitored for the internal needs of ELEKTROTIM S.A. (IAS 36.80 to 87).

Due to the internal reorganization within ELEKTROTIM S.A. goodwill from the High Voltage Division, which is part of the Grid Division, was assigned to the newly established cash-generating centre, i.e. the Power Stations Division within the Network Division.

According to the impairment test carried out on the cash-generating unit after restructuring, to which goodwill was assigned after comparing the carrying value with its recoverable value, an impairment loss was made in 2013 in the amount of PLN 1,707,000, in order to conduct the test, the following assumptions were made: period of forecast cash flows - 5 years, discount rate 11%.

As at December 31, 2017, a write-down was made on the value of the shares of Mawilux S.A. in the amount of PLN 3,954,000 based on the Gordon model assuming a 5-year cash flow forecast period and assuming a discount rate of 13.7% and a 3% growth rate after the forecast period.

As at December 31, 2022, impairment tests were performed on the financial assets of cash-generating centres (High Voltage Division and Airport Services Division).

The asset impairment test did not indicate the need to write down goodwill.

As at June 30, 2023, there were no indications of a potential impairment of the carrying value of goodwill.

The goodwill as of June 30, 2023 is assigned only to the organized components of ELEKTROTIM S.A.'s operations. and does not apply to subsidiaries.

Impairment tests were performed by an external company.

2.4. Tangible fixed assets

	30.06.2023	31.12.2022
a) fixed assets, including:	12 075	11 801
- land	869	869
- buildings, premises and civil engineering facilities	5 315	5 153
- technical devices and machines	1 718	1 750
- means of transport	4 000	3 886
- other fixed assets	173	143
b) fixed assets under construction	506	287
Tangible fixed assets, total	12 581	12 088

Balance sheet fixed assets (ownership structure)

	30.06.2023	31.12.2022
own	5 770	5 392
used under a rental or lease agreement or other agreement, including a leasing agreement	6 811	6 696
Balance sheet fixed assets, total	12 581	12 088

Changes in fixed assets (by type) for the first half of 2023

	Land	Buildings, premises and civil engineering facilities	Technical devices and machines	Means of transport	Other fixed assets	Fixed assets, total
gross value of fixed assets at the beginning of the period	869	9 425	8 743	11 980	1 906	32 923
increases (due to)	0	916	217	763	84	1 980
- purchase		916	217	763	84	1 980
- acquisition of a subsidiary						0
						0
reduction (due to)	0	0	6	319	27	352



sale and liquidation		6	319	27	352	0
gross value of fixed assets at the end of the period	869	10 341	8 954	12 424	1 963	34 551
accumulated depreciation (remission) at the beginning of the period		4 272	6 993	8 094	1 763	21 122
depreciation for the period (due to)	0	754	243	330	27	1 354
- planned write-offs		754	246	648	54	1 702
- acquisition of a subsidiary						0
- sale and liquidation		3	318	27		348
accumulated depreciation (remission) at the end of the period	0	5 026	7 236	8 424	1 790	22 476
impairment losses at the beginning of the period						0
- increases						0
- reduction						0
impairment losses at the end of the period	0	0	0	0	0	0
net value of fixed assets at the end of the period	869	5 315	1 718	4 000	173	12 075

Changes in fixed assets (by type) for 2022

	Land	Buildings, premises and civil engineering facilities	Technical devices and machines	Means of transport	Other fixed assets	Fixed assets, total
gross value of fixed assets at the beginning of the period	869	9 103	7 521	11 314	1 778	30 585
increases (due to)	0	322	1 230	1 605	128	3 285
- purchase		322	1 230	1 605	128	3 285
- acquisition of a subsidiary						0
reduction (due to)	0	0	8	939	0	947
sale and liquidation			8	939		947
gross value of fixed assets at the end of the period	869	9 425	8 743	11 980	1 906	32 923
accumulated depreciation (remission) at the beginning of the period		2 842	6 467	7 721	1 667	18 697
depreciation for the period (due to)	0	1 430	526	373	96	2 425
- planned write-offs		1 430	534	1 267	96	3 327
- acquisition of a subsidiary						0
- sale and liquidation			8	894		902
accumulated depreciation (remission) at the end of the period	0	4 272	6 993	8 094	1 763	21 122
impairment losses at the beginning of the period						0

- increases						0
- reduction						0
impairment losses at the end of the period	0	0	0	0	0	0
net value of fixed assets at the end of the period	869	5 153	1 750	3 886	143	11 801

Leasing

Value of assets due to right of use was presented in the separate statement of financial position together with fixed assets owned by the Company.

The values of the right of use in accordance with IFRS 16 are presented in the table „Changes in assets due to rights of use“.

Changes in assets due to rights of use (by type groups) for the first half of 2023

	Land	Buildings, premises and civil engineering facilities	Technical devices and machines	Means of transport	Other fixed assets	Fixed assets, total
gross value at the beginning of the period		6 523	643	4 915		12 081
increases (due to)	0	892	0	521	0	1 413
- Conclusion of a leasing agreement	0			521		521
- Changes resulting from modifications to contracts	0	892				892
	0	0	0	0	0	0
reduction (due to)	0	0	0	270	0	270
Termination of the leasing contract	0	0	0	0	0	0
profile changes/purchased	0	0	0	270	0	270
value at the end of the period	0	7 415	643	5 166	0	13 224
accumulated depreciation (remission) at the beginning of the period	0	3 578	29	1 778		5 385
depreciation for the period (due to)	0	714	36	278	0	1 028
- planned write-offs	0	714	36	453		1 203
profile changes/purchased	0					0
depreciation of the terminated lease/return	0			175		175
-	0	0	0	0	0	0
accumulated depreciation (remission) at the end of the period	0	4 292	65	2 056	0	6 413
impairment losses at the beginning of the period	0	0	0	0	0	0

-increases	0	0	0	0	0	0
-reductions	0	0	0	0	0	0
impairment losses at the end of the period	0	0	0	0	0	0
net value at the end of the period	0	3 123	578	3 110	0	6 811

Changes in assets due to rights of use (by type groups) for 2022

	Land	Buildings, premises and civil engineering facilities	Technical devices and machines	Means of transport	Other fixed assets	Fixed assets, total
gross value at the beginning of the period		6 332	35	4 497		10 864
increases (due to)	0	191	643	1 602	0	2 436
- Conclusion of a leasing agreement	0	0	643	1 602		2 245
- Changes resulting from modifications to contracts	0	191	0	0	0	191
	0	0	0	0	0	0
reduction (due to)	0	0	35	1 184	0	1 219
Termination of the leasing contract	0	0	0	395	0	395
profile changes/purchased	0	0	35	789	0	824
value at the end of the period	0	6 523	643	4 915	0	12 081
accumulated depreciation (remission) at the beginning of the period	0	2 217	26	1 767	0	4 010
depreciation for the period (due to)	0	1 361	3	11	0	1 375
- planned write-offs	0	1 361	31	859	0	2 251
profile changes/purchased	0	0	-28	-336	0	-364
depreciation of the terminated lease/return	0	0	0	512	0	512
-	0	0	0	0	0	0
accumulated depreciation (remission) at the end of the period	0	3 578	29	1 778	0	5 385
impairment losses at the beginning of the period	0	0	0	0	0	0
-increases	0	0	0	0	0	0
-reductions	0	0	0	0	0	0
impairment losses at the end of the period	0	0	0	0	0	0
net value at the end of the period	0	2 945	614	3 137	0	6 696

2.5. Financial assets

Other long-term financial assets

	30.06.2023	31.12.2022
a) in related entities shares or stocks	644	644
b) In other units	2 382	2 394
other long-term financial assets, including long-term deposits	2 382	2 394
Long-term financial assets, total	3 026	3 038

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

	30.06.2023	31.12.2022
status at the beginning of the period	3 038	16 420
shares or stocks	644	13 080
loans granted	0	0
other long-term financial assets	2 394	3 340
increases (due to)	0	0
shares or stocks	0	0
loans granted	0	0
other long-term financial assets	0	0
reduction (due to)	12	13 382
shares or stocks	0	12 436
a) sales	0	6 538
b) transfer to assets held for sale	-1 872	1 872
c) update	1 872	4 026
loans granted	0	0
other long-term financial assets	12	946
status at the end of the period	3 026	3 038
shares or stocks	644	644
loans granted		0
other long-term financial assets, including long-term deposits	2 382	2 394

Other short-term financial assets

	30.06.2023	31.12.2022
- Value of the loan granted (gross)	2 500	0
- Write-off for expected credit losses	-600	0
- Loan value (net)	1 900	0
Other short-term financial assets, total	1 900	0

Receivables

For the purposes of presentation in the separate statement of financial position, the Company separates a class of receivables. In the long-term part, receivables are presented in the statement of financial position in one item.

2.6. Financial liabilities

Long-term financial liabilities

	30.06.2023	31.12.2022
- credits and loans	0	0
Long term liabilities, total	0	0

Short-term financial liabilities

	30.06.2023	31.12.2022
Financial liabilities (credits, loans, debt securities, etc.)	18 112	0
- credits and loans	18 112	0

2.7. Assets and provisions for deferred income tax

Change in deferred tax assets

	30.06.2023	31.12.2022
The balance of deferred tax assets at the beginning of the period, including:	4 900	4 051
transferred to the financial result	4 900	4 051
Increases	4 064	4 900
Referred to the financial result for the period in connection with negative temporary differences (due to)	4 064	4 900
- write-offs for receivables	873	878
- write-downs on inventories	588	591
- unpaid wages	0	0
- provision for employee benefits	834	1 640
- provision for warranty repairs	530	580
- other	1 239	1 211
- IAS/IFRS	0	0
Recognized in the financial result for the period in connection with tax loss (due to)	0	0
Reductions	4 900	4 051
Referred to the financial result for the period in connection with negative temporary differences (due to)	4 900	4 051
- reversal of temporary differences	0	0
Deferred tax assets at the end of the period, total, including:	4 064	4 900
Referred to the financial result	4 064	4 900
- write-offs for receivables	873	878
- write-downs on inventories	588	591
- unpaid wages	0	0
- provision for employee benefits	834	1 640
- provision for warranty repairs	530	580
- other	1 239	1 211
- IAS/IFRS	0	0
- recognized in the financial result for the period in connection with the tax loss (due to)	0	0
transferred to equity capital	0	0
transferred to goodwill	0	0

Change in the balance of deferred tax liabilities

	30.06.2023	31.12.2022
The balance of the deferred tax liability at the beginning of the period, including:	1 532	795
Referred to the financial result	1 532	795
Increases	1 248	1 532
Recognized in the financial result for the period due to positive temporary differences (due to)	1 248	1 532
- valuation of receivables	0	0
- valuation of long-term contracts	543	799
- fixed assets and intangible assets	690	699
- others	15	34
Reductions	1 532	795
Referred to the financial result for the period in connection with positive temporary differences (due to)	1 532	795
	0	0
Total deferred tax liability at the end of the period	1 248	1 532
Referred to the financial result	1 248	1 532
- valuation of receivables	0	0
- valuation of long-term contracts	543	799
- fixed assets and intangible assets	690	699
- others	15	34
Referred to equity capital	0	0
Referred to the goodwill of the company	0	0

2.8. Inventory

	30.06.2023	31.12.2022
materials	7 058	1 494
semi-finished products and work in progress	3 957	1 864
finished products	0	0
goods	0	0
the remaining	0	0
Inventory, total	11 015	3 358
Write-downs on inventories	3 097	3 110
Inventories, total gross	14 112	6 468

Change in inventory write-downs

	30.06.2023	31.12.2022
As at the beginning of the period	3 110	659
increase	0	2 471
use	0	0
termination	13	20
State of inventory write-downs at the end of the period, including:	3 097	3 110
Materials	3 097	3 110
Goods	0	0

In 2023, the Company did not update the value of inventories. Write-offs in the total amount of PLN 13,000 were reversed.

2.9. Trade receivables and other receivables

Trade receivables and other receivables

	30.06.2023	31.12.2022
- from related entities	958	1 517
- receivables from other entities	102 564	91 690
- active accruals of costs	1 271	1 447
Trade receivables and other net receivables, total	104 793	94 654

Short-term receivables

	30.06.2023	31.12.2022
Receivables from related entities	958	1 517
- Trade receivables	44	0
- other receivables	914	1 517
Receivables from other entities	102 564	91 690
For supplies and services, repayment period:	92 372	84 652
- up to 12 months	90 905	83 417
- over 12 months	1 467	1 235
Other receivables	0	0
Other receivables, including:	10 192	7 038
- taxes, customs duties, social and health insurance and other benefits	7 076	5 765
- other	3 116	1 273
Net short-term receivables, total	103 522	93 207
write-offs revaluating receivables	5 188	5 214
Gross short-term receivables, total	108 710	98 421

Gross short-term receivables (currency structure)

	30.06.2023	31.12.2022
a) in Polish currency	108 710	98 421
b) in foreign currencies (according to currencies and after conversion to PLN)	0	0
PLN	0	0
EUR	0	0
PLN	0	0
USD	0	0
Short-term receivables, total	108 710	98 421

Change in the balance of write-offs for short-term receivables

	30.06.2023	31.12.2022
As at the beginning of the period	5 214	6 179
Increases (due to)	22	70
- write-offs for overdue and non-performing receivables	22	70
Reductions (due to)	48	1 035
- liquidation of write-offs after repayment of receivables	48	941
- write-off of uncollectible receivables	0	94

Status of write-offs revaluating short-term receivables at the end of the period	5 188	5 214
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Trade receivables (gross) - with the remaining repayment period from the balance sheet date

	30.06.2023	31.12.2022
Up to 1 month	46 919	48 211
Over 1 month to 3 months	39 421	25 002
Over 3 months to 6 months	217	31
Over 6 months to 1 year	80	221
Over 1 year	1 846	1 632
Overdue receivables	8 956	14 576
Trade receivables, total (gross)	97 439	89 673
Write-offs on trade receivables	5 023	5 021
Trade receivables, total (net)	92 416	84 652

Trade receivables, overdue (gross) - divided into receivables unpaid in the period

	30.06.2023	31.12.2022
Up to 1 month	83	8 459
Over 1 month to 3 months	1 777	8
Over 3 months to 6 months	985	3
Over 6 months to 1 year	7	0
Over 1 year	6 104	6 106
Trade receivables, overdue, total (gross)	8 956	14 576
write-offs revaluating trade receivables, past due	4 645	4 619
Trade receivables, overdue, total (net)	4 311	9 957

2.10. Contract assets and liabilities
Settlement of assets due to contracts during the implementation of IFRS 15

	30.06.2023	31.12.2022
Services in progress - valuation of the transaction amount assigned to liabilities that has not been met as of December 31, 2022.	57 645	13 552
Services in progress - valuation of the transaction amount assigned to liabilities that has not been met as of June 30, 2023.	78 748	57 645
Impact on revenues for the current reporting period	21 103	44 093
Capitalized costs for contracts in progress at the end 31/12/2022	53 442	16 625
Capitalized costs for contracts in progress at the end 30/06/2023	75 893	53 442
Impact on the cost of production for the current reporting period	22 451	36 817
Impact on the financial result on balance	-1 348	7 276

Contract assets concern revenues from construction and assembly contracts estimated as at June 30, 2023.

Additional information regarding contracts under implementation of IFRS 15

	30.06.2023	31.12.2022
Estimated amount of receivables due to contracts in progress	78 748	57 645
Estimated amount of liabilities related to contracts in progress	75 893	53 442
The amount of retained deposits and guarantees related to work performed	2 913	2 625
The amount of advance payments received for the provision of supplies and services	14 421	42 780

Contract liabilities

	30.06.2023	31.12.2022
- advance payments received for deliveries	14 421	42 780
Total contract liabilities	14 421	42 780

2.11. Cash and cash equivalents

	30.06.2023	31.12.2022
g) cash and other financial assets	5 886	54 652
- cash in hand and on accounts	5 886	54 652
- other cash assets	0	0
Short-term financial assets, total	5 886	54 652

2.12. Assets held for sale

	30.06.2023	31.12.2022
a) initial value at the beginning of the period	1 872	0
reclassification as assets for sale	0	1 872
Write-off for impairment of shares	-1 872	0
Assets held for sale at the end of the period	0	1 872

Assets intended for sale concern shares of the subsidiary.

2.13. Equity capital

Core capital

Share capital (structure)	30.06.2023	30.06.2023	30.06.2023	30.06.2023	30.06.2023	30.06.2023	30.06.2023
a) nominal value of one share in PLN	1	1	1	1	1	1	1
b) series/emission	A	B	C	C	C	C	D
c) type of action	bearer	bearer	bearer	bearer	bearer	bearer	bearer
d) type of preference shares	common	common	common	common	common	common	common
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 the series/issue at nominal value in thousands PLN	5 206	794	91	74	111	24	3683
h) method of covering capital	cash	cash	cash	cash	cash	cash	cash
i) Date of registration	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

Share capital, total in PLN thousand

9 983

Retained earnings and net profit

	30.06.2023	31.12.2022
- Other reserve capitals	40 336	32 225
- Profit (loss) from previous years	-18 309	-18 309
- Net profit (loss).	19 014	23 086
Retained earnings, total	41 041	37 002

2.14. Reserves

Change in the balance of other long-term reserves (by title)

	30.06.2023	31.12.2022
a) status at the beginning of the period	2 459	2 381
reserves for warranty repairs	2 098	2 120
provision for employee benefits	361	261
provisions for contractual penalties	0	
the remaining	0	
b) increases (due to)	166	207
reserves for warranty repairs	166	107
provision for employee benefits	0	100
provisions for contractual penalties	0	
the remaining	0	
c) use (of title)	0	0
reserves for warranty repairs	0	
provision for employee benefits	0	
provisions for contractual penalties	0	
the remaining	0	
d) termination (of title)	362	129
reserves for warranty repairs	362	129
provision for employee benefits	0	0
provisions for contractual penalties	0	0
the remaining	0	
e) status at the end of the period	2 263	2 459
reserves for warranty repairs	1 902	2 098
provision for employee benefits	361	361
provisions for contractual penalties	0	0
the remaining	0	0

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

	30.06.2023	31.12.2022
a) status at the beginning of the period	16 786	7 266
reserves for warranty repairs	955	879
provision for employee benefits	8 557	2 511
provisions for contractual penalties	7 274	3 876
the remaining	0	0



b)	increases (due to)	4 330	13 713
	reserves for warranty repairs	86	954
	provision for employee benefits	2 729	7 883
	provisions for contractual penalties	1 515	4 876
	the remaining	0	0
c)	use (of title)	0	0
	reserves for warranty repairs	0	
	provision for employee benefits	0	
	provisions for contractual penalties	0	
	the remaining	0	
d)	termination (of title)	7 276	4 193
	reserves for warranty repairs	155	878
	provision for employee benefits	6 971	1 837
	provisions for contractual penalties	150	1 478
	the remaining	0	0
e)	status at the end of the period	13 840	16 786
	reserves for warranty repairs	886	955
	provision for employee benefits	4 315	8 557
	provisions for contractual penalties	8 639	7 274
	the remaining	0	0

2.15. Trade and service liabilities and other liabilities

	30.06.2023	31.12.2022
- Towards related entities	804	3 255
- Trade and service liabilities	58 266	66 961
- due to taxes, customs duties, insurance and other benefits	1 698	3 346
- due to remuneration	1 535	2 248
- Other (including dividends)	15 287	356
- passive short-term accruals	0	0
Trade and other liabilities, total	77 590	76 166

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

	30.06.2023	31.12.2022
a) liabilities before their due date	48 125	61 644
b) overdue liabilities	10 945	8 572
up to 1 month	10 885	3 557
over 1 month to 3 months	88	4 962
over 3 months to 6 months	0	5
over 6 months to 1 year	0	32
over 1 year	2	16
Total trade liabilities (gross)	59 070	70 216

2.16. Lease liabilities

	30.06.2023	31.12.2022
a) Short-term liabilities	2 786	2 518
b) Long-term liabilities	3 270	3 524

Liabilities related to leasing, rental and other similar contracts in total	6 056	6 042
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Additional information on leasing (IFRS 16)

The Company does not recognize liabilities under short-term leases or leases for which the underlying asset has a low value. Moreover, the value of leasing liabilities does not include contingent leasing fees dependent on factors other than the index or rate.

	30.06.2023	31.12.2022
leasing interest	400	585
the cost of short-term leasing and leasing of low-value assets	141	178
value of leasing payments	1 397	2 716
Total	1 938	3 479

2.17. Other operating income and expenses

Other operating income

	01.01.-30.06.2023	01.01.-30.06.2022
- Profit from the disposal of non-financial fixed assets	42	0
- Subsidies	0	0
- Other operating income	563	1 147
Other operating income, total	605	1 147

Other operating cost

	01.01.-30.06.2023	01.01.-30.06.2022
- Loss on disposal of non-financial fixed assets	0	10
- Revaluation of non-financial assets	0	0
- Other operational costs	1 888	602
Other operating costs, total	1 888	612

Other operational costs

	01.01.-30.06.2023	01.01.-30.06.2022
a) created provisions (due to)	1 515	44
Others, including expected losses on contracts	1 515	44
b) others, including:	373	558
costs of resold services	41	38
damages due to traffic incidents	11	109
court costs	20	104
donations	5	2
contractual penalties and compensation	275	208
other costs	21	97
Other operating costs, total	1 888	602

Profit (loss) from expected credit losses

	01.01.-30.06.2023	01.01.-30.06.2022
- Reinstate of write-offs on receivables	48	821
- Creation of an allowance for receivables	-22	-14
- Loan write-off Result from expected credit losses, total	-600	0
Result of expected credit losses, total	-574	807

2.18. Financial revenues and costs

Financial revenues

	01.01.-30.06.2023	01.01.-30.06.2022
- Dividends and profit sharing	2 050	0
- Interest	1 067	292
- Profit from the disposal of investments	0	0
- Investment value update	0	0
- Other	8	491
Operating revenues, total	3 125	783

Financial costs

	01.01.-30.06.2023	01.01.-30.06.2022
- Interest	1 033	543
- Loss on disposal of investment	0	0
- Investment value update	1 872	20
- Other	21	29
Financial costs, total	2 926	592

2.19. Profit (loss) on the sale of shares of subordinated entities

In 2022, shares of the subsidiary Procom System S.A. were sold, which generated a profit on the sale of the investment of PLN 2,552,000.

The sale transaction was preceded by a dividend payment from Procom to Elektrotim in the amount of PLN 2,160,000.

There were no sales of the subsidiary in the first half of 2023.

2.20. Write-down of goodwill of subordinated entities

As at December 31, 2022, the Management Board of ELEKTROTIM S.A. subjected cash-generating units to which goodwill was assigned to impairment tests by comparing the carrying amount of the unit, including goodwill, with its recoverable amount, adopting the following assumptions: cash flow forecast period - 5 years, growth rate after the forecast period – 3%, discount rate – 11% and stated that there was an impairment of the shares of Zeus S.A. and a write-off was made in the amount of PLN 4,026 thousand. However, there was no impairment of the value of the Power Stations Plant within the Network Division and the goodwill of the Airport Services Division within the Special Division and other subsidiaries of ELEKTROTIM S.A.

As of June 30, 2023, there was an impairment of the shares of Zeus S.A. therefore, a write-off was made in the amount of PLN 1,872 thousand.

2.21. Information about financial instruments

In the period covered by the separate report, the Company purchased and sold assets held for trading, understood as financial assets acquired in order to achieve economic benefits resulting from short-term price changes and fluctuations of other market factors in a period not longer than 3 months (excluding hedging instruments). Security deposits have also been established for periods longer than 12 months.

	30.06.2023	31.12.2022
a) deposits over 12 months	2 382	2 394
b) loans granted	1 900	0

As of June 30, 2023, a loan was granted to the subsidiary Zeus S.A. in the amount of PLN 2,500 thousand on market terms, and the interest due date was not yet due on that date.

Analyzing the terms and probability of repayment of the loan, a write-down was made on the value of the loan granted in the amount of PLN 600,000.

Interest income

	30.06.2023	31.12.2022
a) due to loans granted	0	0

Loan and leasing liabilities:

	30.06.2023	31.12.2022
a) long-term loans	0	0
b) short-term loans	18 112	0

Derivative instruments

The company uses derivative transactions as security for existing currency payments.

As at June 30, 2023, there were no forward transactions or other derivative instruments.

Reclassifications of financial assets

In the period covered by the separate report, no reclassification of financial assets was carried out.

Financial risk management goals

The risks to which the Company is exposed include market risk (including currency risk, interest rate risk at 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 types of risk using ongoing monitoring and diversification of financial instruments.

Market risk

ELEKTROTIM's activities involve exposure to financial risk resulting from changes in interest rates and currency exchange rates.

Management of currency risk

The company enters into transactions in foreign currencies. Therefore, there is a risk of currency fluctuations.

Sensitivity to currency risk

Most transactions are carried out in PLN. The Company is exposed primarily to risks related to EUR and USD currencies. The Company's financial assets and liabilities, other than derivatives denominated in foreign currencies, converted into PLN at the closing rate applicable on the balance sheet date.

Exposure to currency risk changes throughout the year depending on the volume of transactions conducted in currency. As of June 30, 2023, the risk is immaterial due to the value of assets and liabilities denominated in foreign currencies.

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

	Value in currency:					Value after conversion (PLN thousand)
	EUR	USD	GBP	CHF	other	
As of 30.06.2023						
<i>Financial assets :</i>						
Loans						
Trade receivables and other financial receivables						
Other financial assets						
Cash and cash equivalents	149	171	3	0	1	1 378
<i>Financial liabilities :</i>						
Credits, loans, other debt instruments						
Lease liabilities						
Trade and service liabilities and other financial liabilities	765	83				3 767
Total currency risk exposure	914	254	3	0	1	5 145
As of 31.12.2022						
<i>Financial assets (+):</i>						
Loans						
Trade receivables and other financial receivables						
Other financial assets						
Cash and cash equivalents	826	926	3	0	1	7 968
<i>Financial liabilities (-):</i>						
Credits, loans, other debt instruments						
Lease liabilities						
Trade and service liabilities and other financial liabilities	671	296				4 459
Total currency risk exposure	1 497	1 222	3	0	1	12 427

The sensitivity analysis of the financial result and equity in relation to the Company's financial assets and liabilities and fluctuations in the EUR/PLN and USD/PLN exchange rates is presented below.

The sensitivity analysis assumes an increase or decrease in the EUR/PLN and USD/PLN rates by 5% compared to the closing rate applicable on the balance sheet date, i.e. June 30, 2023.

	Exchange rate fluctuations	Impact on financial result:			Impact on equity:		
		EUR	USD	total	EUR	USD	total
As of 30.06.2023							
Exchange rate increase	5%	205	52	256	205	52	256
A drop in the exchange rate	-5%	-205	-52	-256	-205	-52	-256
As of 31.12.2022							

Exchange rate increase	5%	351	270	621	351	270	621
A drop in the exchange rate	-5%	-351	-270	-621	-351	-270	-621

Exposure to currency risk changes throughout the year depending on the volume of transactions conducted using the foreign currency. Therefore, the above sensitivity analysis can be considered as an estimate of the Company's exposure to currency risk as at the balance sheet date, determined by the scale of the analysed change. As of June 30, 2023, the risk is immaterial due to the value of assets and liabilities denominated in foreign currencies.

Interest rate risk management

The company is exposed to interest rate risk because its entities borrow funds at variable interest rates. The company manages this risk by maintaining appropriate debt monitoring. Interest rate risk management focuses on minimizing fluctuations in interest flows on financial assets and liabilities bearing variable interest rates.

The Company is exposed to interest rate risk in connection 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 rates, Elektrotim does not analyse sensitivity to changes in rates, because in its opinion such risk is not significant for the Company.

Credit risk management

The Company's basic practice in the field of credit risk management is to strive to conclude transactions only with entities with proven credibility. Potential recipients are subjected to verification procedures by the Company before the trade credit limit is granted. Ongoing monitoring of the level of trade receivables across contractors serves to reduce the level of credit risk associated with these assets. Thus, the Company categorizes contractors who organize tenders based on the Public Procurement Act and central and local government budget units as financially reliable. For regular partners, we assign financial credibility categories based on the credit limits granted by the insurer under the receivables insurance agreement. We also use financial credibility ratings provided by reliable rating institutions. If you do not meet the above criteria, please provide security in the form of an advance payment, partial prepayments for services or bank guarantees. When we work for a general contractor, we secure our receivables in accordance with Art. 647 of the Civil Code with the investor by reporting them. Such a customer credibility test is aimed at building a reliable receivables portfolio.

The company has built a model to estimate expected losses from the portfolio of receivables and contract assets.

Credit risk is the risk of incurring financial losses by ELEKTROTIM as a result of the failure of a customer or contractor who is a party to a financial instrument to fulfil its contractual obligations.

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

Exposure to credit risks	30.06.2023	31.12.2022
Loans	1 900	
Receivables due to supplies and services and other receivables	104 793	94 654
Derivative financial instruments	0	0
Debt securities		
Investment fund units		
Other classes of other financial assets		
Cash and cash equivalents	5 886	54 652
Contingent liabilities	903	294

Credit risk is mainly related to the Company's receivables from customers and financial investments. Elektrotim's main customers are commercial law companies, including companies with State Treasury shareholding. Credit risk is minimized by the contract concluded with Atradius Credit Insurance NV S.A. Branch in Poland, trade receivables insurance agreement. In order to limit the credit risk of receivables, the Company applies the principle of concluding transactions only with contractors with proven creditworthiness and pursues a restrictive policy regarding granting credit limits.

The company continuously monitors the arrears of customers and creditors in making payments, analysing credit risk. In the opinion of the Company's Management Board, the above financial assets, which are not overdue and subject to impairment losses as at individual balance sheet dates, can be considered assets of good credit quality.

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

Gross trade receivables as at June 30, 2023

	Write-offs for receivables	Receivables	Receivables in %
a) not expired	378	88 483	0,43%
b) overdue for up to 1 month	0	83	0,00%
c) overdue for more than 1 month and up to 3 months	6	1 777	0,34%
d) overdue for more than 3 months and up to 6 months	15	985	1,52%
e) overdue for more than 6 months to 1 year	7	7	100,00%
f) overdue for more than 1 year	4 617	6 104	75,64%
Total	5 023	97 439	5,16%
g) write-offs revaluating receivables due to supplies and services	5 023	5 023	100,00%
Total	0	92 416	

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

Due to the underpayment of receivables from WZI Poznań in the amount of PLN 1,956 thousand, the receivables item on the assets side and the reserve item on the liabilities side were reduced by the amount of PLN 1,956 thousand.

In 2018, a change was made in the presentation regarding the provisions for penalties received from the District Infrastructure Management Board in Szczecin in the amount of PLN 503,000; provisions for fines received from the Military Counterintelligence Service in the amount of PLN 35,000; provisions for penalties received from Tauron Dystrybucja in the amount of PLN 35,000.

The above presentation changes resulted in a decrease in the balance sheet total by the total amount of PLN 2,494 thousand. Starting from the separate financial statements for the first half of 2020, the amount of PLN 2,494 thousand is presented both on the receivables side (assets) and on the reserves side (liabilities).

As a result, since provisions for the above penalties were included in the costs, no write-offs for receivables were opened in the same receivable items.

The analysis of receivables in their presented age structure shows that the majority of receivables are receivables belonging to two age ranges with a payment period of up to 1 month - 48% and over 1 month - 3 months 41% in 2023. Receivables with a payment date: up to one month and between 1 and 3 months do not constitute credit risk due to the fact that these are receivables on their due date, their inflow is monitored on an ongoing basis by the debt collection unit and the financial risk committee so that appropriate security procedures can be implemented, such as requesting a guarantee or requesting payment from a reliable investor if we work for a general contractor.

The next significant group of receivables are overdue receivables, constituting 9% of gross receivables, and here the largest group of receivables are receivables over 1 year old, constituting 6% of total gross receivables.

Analysing historical overdue payments and ultimately lost receivables, we came to the conclusion that a significant increase in credit risk occurs beyond 90 days of overdue payments in relation to the original payment deadline, which leads to non-performance of the obligation by the contractor. In such a case, regardless of the risk of future estimation, the Company covers these receivables with a 100% write-off.

With respect to trade receivables, the Company is not exposed to credit risk in connection with a single significant contractor or a group of contractors with similar characteristics. Based on historical arrears trends, outstanding receivables not covered by the write-off do not show any significant deterioration in quality.

The credit risk of cash and cash equivalents, marketable securities and derivative financial instruments is considered immaterial due to the high credibility of the entities that are parties to the transaction. Cash and cash equivalents are invested in financial institutions with high financial credibility, mainly banks.

The Company considers loans granted to be of low credit risk if they are not past due as of the assessment date and the borrower has confirmed the outstanding balance.

The carrying amount of financial assets disclosed in the separate financial statements after taking into account impairment losses corresponds to the Company's maximum exposure to credit risk.

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

Liquidity risk management

The company is exposed to the risk of loss of liquidity, i.e. the ability to settle financial liabilities on time. Elektrotim manages liquidity risk by monitoring payment dates and the need for cash in terms of short-term payments (current transactions monitored on a weekly basis) and long-term cash demand based on cash flow forecasts updated on a bimonthly basis. The demand for cash is compared with available sources of funds (in particular by assessing the ability to obtain financing in the form of loans and the possibility of obtaining advance payments for services) and is confronted with liquid investments and the state of available financial resources.

Responsibility for liquidity risk management rests with the management board, which has developed an appropriate risk management system for the needs of managing the Company's short-, medium- and long-term funds and meeting liquidity management requirements. The company manages liquidity risk by using banking services and reserve 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 for services provided.

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

	30.06.2023	31.12.2022
a) liabilities before their due date	48 125	61 644
b) overdue liabilities	10 945	8 572
up to 1 month	10 885	3 557
over 1 month to 3 months	88	4 962
over 3 months to 6 months	0	5
over 6 months to 1 year	0	32
over 1 year	2	16
Trade payables, total (gross)	59 070	48 125

Capital risk management

The company manages capital to ensure that its units will be able to continue operating while maximizing profitability for shareholders by optimizing the debt to equity ratio. In 2023, taking into account dynamically changing market conditions and an approximately twofold increase in ELEKTROTIM's turnover, the Company's Management Board developed and implemented the „ELEKTROTIM S.A. Strategy for the years 2023-2025“. The strategy for the years 2023-2025 was focused on at least maintaining such a large turnover volume and on long-term, stable and sustainable development ensuring an increase in the Company's value.

In its operations, the Company uses financial products such as working capital loan, bid security, and performance bond.

2.22. Data on off-balance sheet items, in particular contingent liabilities

Contingent liabilities understood as a possible obligation arising from past events, the existence of which will only be confirmed by the occurrence or lack thereof of one or more future events not entirely within the entity's control.

Warranty lines held by the Company and their use.

As at June 30, 2023, the Company has total limits for deposit guarantees, performance guarantees, guarantee and warranty periods and advance payments in the amount of PLN 222,774 thousand and EUR 6,000 thousand. Utilization as of June 30, 2023 amounts to PLN 83,551 thousand and EUR 2,810 thousand.

Management Board of ELEKTROTIM S.A. concluded with two shareholders of ZEUS S.A. contract for the purchase of up to 165,000 shares of ZEUS S.A. from January 1, 2015 to December 31, 2025 for the purchase price determined based on the income formula (earnings per share calculated as the average of several years of the company's results). In 2018, 78,000 shares of ZEUS SA were purchased. There are 87,000 shares left to purchase.

At the request of Elektrotim, the bank issued a contract performance bond up to PLN 903,000 for a subsidiary whose beneficiary is a commercial law company.

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 difference between the total assets and the company's external capital, divided by the number of shares.

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

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

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 from the income statement for a given period divided by the weighted average number of ordinary shares for a given period. The weighted average number of common shares is calculated as the sum of the number of shares at the end of each month of a given period divided by the number of months in the period. Diluted earnings per ordinary share is the quotient of the net profit from the income statement for a given period divided by the weighted average number of shares for a given period increased by the weighted average potential number of shares that the entity committed to issue.

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

2.25. Information about transactions with related entities, if individually or collectively they are significant and were concluded on non-market terms

Transactions with related entities were concluded on an arm's length basis, taking into account prices and conditions prevailing on the market.

In its purchasing strategy, the Company is guided by the selection of the most favourable market price from those available on the market through constant monitoring of prices from many suppliers and selection from several of the most advantageous offers.

01.01.-30.06.2023	Interdependent entities	Key management	Other related entities
Purchase of goods and services	-	-	6 108
Sale of goods and services	-	-	-
Income from real estate rental			257
Purchasing real estate	-	-	-
Sale of a fixed asset			-
Receivables	-	-	3 479
Obligations	-	-	800

01.01.-31.12.2022	Interdependent entities	Key management	Other related entities
Purchase of goods and services	-	-	14 428
Sale of goods and services	-	-	959
Income from real estate rental			
Purchasing real estate	-	-	-
Sale of a fixed asset			-
Receivables	-	-	1 517



Obligations	-	-	3 255
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2.26. Information about significant events that occurred during the reporting period and after June 30, 2023**Possible impact of the war in Ukraine on the business and financial situation**

The war in Ukraine and the resulting sanctions imposed on Russia do not have a direct impact on the directions of sales of our products and purchases of materials, as we do not conduct direct operations in the territory of Russia and Ukraine. Our distribution channels have never been related to these markets, and our direct supply network has never been and is not dependent on these directions.

We employ several people from Ukraine and even their departure will not affect the Company's employee resources.

The war has a negative impact on financial and raw material markets. Increasing shortages in the supply of raw materials result in higher prices and availability of certain materials. There is also an exchange rate risk as markets react nervously in such uncertain times, which brings with it fluctuations in the rates of major currencies. This situation makes it necessary to secure both raw material prices and currency exchange rates, which in turn requires the involvement of larger working capital resources.

Rising inflation resulting from, among other things, shortages of raw materials and materials is an additional risk factor in business activities. When offering future projects, we take into account the risks of inflation and exchange rate increases, and we also try to avoid tasks with a long time horizon.

Prepared by:

Chief Accountant – Dariusz Połetek	
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ELEKTROTIM S.A. MANAGEMENT BOARD

Chairman of the Board – Artur Więżnowski	
Member of the Board – Dariusz Kozikowski	
Member of the Board – Krzysztof Wójcikowski	