



**CONSOLIDATED
INTERIM REPORT**

**Of the ELEKTROTIM
Capital Group**

for the third quarter of 2023

Containing

**condensed interim separate financial statements of ELEKTROTIM S.A.
for the third quarter of 2023**

Wrocław, November 21st of 2023

TABLE OF CONTENTS:

SELECTED FINANCIAL DATA IN PLN THOUSANDS AND IN THOUSAND EURO	4
Condensed interim consolidated financial statements for the period 01.01 – 30.09.2023	6
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in PLN thousand)	6
CONSOLIDATED STATEMENT OF PROFIT	7
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	7
CONSOLIDATED STATEMENT OF CASH FLOWS	8
STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE PERIOD 01.01.2023 - 30.09.2023	9
STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE PERIOD 01.01.2022 - 30.09.2022	9
1. ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS	10
1.1. General information about the parent company	10
1.2. Basis of preparation, principles of presentation	10
1.3. Adopted accounting policies	12
2. ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS	15
2.1. Information regarding operating segments	15
2.2. Intangible assets	19
2.3. Goodwill	21
2.4. Tangible fixed assets	22
2.5. Financial assets	26
2.6. Financial liabilities	26
2.7. Assets and provisions for deferred income tax	27
2.8. Inventory	28
2.9. Trade receivables and other receivables	28
2.10. Contractual assets and liabilities	30
2.11. Cash and cash equivalents	31
2.12. Non-current assets held for sale	31
2.13. Equity capital	31
2.14. Provisions	32
2.15. Trade payables and other payables	33
2.16. Lease liabilities	33
2.17. Other operating income and expenses	34
2.18. Financial revenues and costs	35
2.19. Profit (loss) on the sale of shares of subordinated entities	35
2.20. Impairment of goodwill of subsidiaries	35
2.21. Information on financial instruments	35
2.22. Data on off-balance sheet items, in particular contingent liabilities	39
2.23. Method of calculating book value per share and diluted book value per share	39
2.24. A method of calculating earnings (loss) per common share and diluted earnings (loss) per common share.	40
2.25. Information about transactions with related entities, if individually or collectively they are significant and were concluded on non-market terms	40
2.26. Information on significant events that occurred in the reporting period and after the balance sheet date	40
Condensed interim separate financial statements for the period 01.01 – 30.09.2023	41
STATEMENT OF FINANCIAL POSITION in PLN thousand	41
REPORT ON THE RESULT	42
STATEMENT OF OTHER COMPREHENSIVE INCOME	42
STATEMENT OF CASH FLOWS	43
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 01.01.2023 - 30.09.2023	44
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 01.01.2022 - 30.09.2022	44
3. ADDITIONAL INFORMATION TO THE SEPARATE FINANCIAL STATEMENTS	44
3.1. Information regarding operating segments	44
3.2. Intangible assets	48
3.3. Goodwill	50
3.4. Property, plant and equipment	51
3.5. Financial assets	54
3.6. Financial liabilities	55
3.7. Assets and provision for deferred tax	56
3.8. Inventory	57
3.9. Trade receivables and other receivables	57
3.10. Contractual assets and liabilities	59
3.11. Cash and cash equivalents	60
3.12. Non-current assets held for sale	60
3.13. Equity	60
3.14. Provisions	61
3.15. Trade payables and other payables	62
3.16. Lease liabilities	63
3.17. Other operating income and expenses	63
3.18. Financial revenues and costs	64
3.19. Profit (loss) on the sale of shares of subordinated entities	64



3.20. Write-down of goodwill of subordinated entities	64
3.21. Information on financial instruments	65
3.22. Data on off-balance sheet items, in particular contingent liabilities	68
3.23. Method of calculating book value per share and diluted book value per share	69
3.24. Method of calculating profit (loss) per ordinary share and diluted profit (loss) per ordinary share.	69
3.25. Information about transactions with related entities, if individually or collectively they are significant and were concluded on non-market terms	69
3.26. Information about significant events that occurred during the reporting period and after the balance sheet date	69
4. OTHER INFORMATION REQUIRED BY LAW	70

SELECTED FINANCIAL DATA IN PLN THOUSANDS AND IN THOUSAND EURO

Condensed interim consolidated financial statements for the period 01.01 – 30.09.2023

	PLN thousand		thousand EUR	
	01.01.- 30.09.2023/ 30.09.2023	01.01.- 30.09.2022/ 31.12.2022	01.01.- 30.09.2023/ 30.09.2023	01.01.- 30.09.2022/ 31.12.2022
I. Net revenues from the sale of products, goods and materials	409 007	271 855	89 356	57 990
II. Operating profit (loss)	37 106	7 927	8 107	1 691
III. Gross profit (loss)	36 174	8 418	7 903	1 796
IV. Net profit (loss)	26 681	6 356	5 829	1 356
V. Net cash flow from operating activities	-36 658	19 906	-8 009	4 246
VI. Net cash flow from investing activities	953	137	208	29
VII. Net cash flow from financing activities	-6 131	-2 119	-1 339	-452
VIII. Net cash flow, total	-41 836	17 924	-9 140	3 823
IX. Total assets	276 035	268 326	59 547	57 214
X. Liabilities and provisions for liabilities	166 884	169 206	36 001	36 079
XI. Long-term liabilities	7 661	7 803	1 653	1 664
XII. Current liabilities	159 223	161 403	34 348	34 415
XIII. Equity capital	109 151	99 120	23 546	21 135
XIV. Share capital	9 983	9 983	2 154	2 129
XV. Number of shares (pcs.)	9 983 009	9 983 009	9 983 009	9 983 009
XVI. Profit (loss) per ordinary share (in PLN/EUR)	2,67	0,64	0,58	0,14
XVII. Diluted profit (loss) per ordinary share (in PLN/EUR)	2,67	0,64	0,58	0,14
XVIII. Book value per share (PLN/EUR)	10,93	9,93	2,36	2,12
XIX. Diluted book value per share (PLN/EUR)	10,93	9,93	2,36	2,12
XX. Dividend declared or paid per share (PLN/EUR)	0,00	0,00	0,00	0,00

EUR exchange rates used for conversions

	30.09.2023	30.09.2022	31.12.2022
Mid-Year rate	4,5773	4,688	4,6883
exchange rate on the last day of the reporting period	4,6356	4,8698	4,6899

Condensed interim separate financial statements for the period 01.01 – 30.09.2023

	PLN thousand		thousand EUR	
	01.01.- 30.09.2023/ 30.09.2023	01.01.- 30.09.2022/ 31.12.2022	01.01.- 30.09.2023/ 30.09.2023	01.01.- 30.09.2022/ 31.12.2022
I. Net revenues from the sale of products, goods and materials	391 457	214 893	85 521	45 839
II. Operating profit (loss)	43 194	8 737	9 437	1 864
III. Gross profit (loss)	42 731	9 599	9 335	2 048
IV. Net profit (loss)	33 225	7 583	7 259	1 618
V. Net cash flow from operating activities	-35 289	20 535	-7 710	4 380
VI. Net cash flow from investing activities	1 634	555	357	118
VII. Net cash flow from financing activities	-7 767	-1 822	-1 697	-389
VIII. Net cash flow, total	-41 422	19 268	-9 049	4 110
IX. Total assets	257 157	240 239	55 474	51 225
X. Liabilities and provisions for liabilities	147 410	148 742	31 800	31 715
XI. Long-term liabilities	6 766	7 515	1 460	1 602
XII. Current liabilities	140 644	141 227	30 340	30 113
XIII. Equity capital	109 747	91 497	23 675	19 509
XIV. Share capital	9 983	9 983	2 154	2 129
XV. Number of shares (pcs.)	9 983 009	9 983 009	9 983 009	9 983 009
XVI. Profit (loss) per ordinary share (in PLN/EUR)	3,33	0,76	0,73	0,16
XVII. Diluted profit (loss) per ordinary share (in PLN/EUR)	3,33	0,76	0,73	0,16
XVIII. Book value per share (PLN/EUR)	10,99	9,17	2,37	1,96
XIX. Diluted book value per share (PLN/EUR)	10,99	9,17	2,37	1,96
XX. Dividend declared or paid per share (PLN/EUR)	1,50		0,33	

EUR exchange rates used for conversions

	30.09.2023	30.09.2022	31.12.2022
Mid-Year rate	4,5773	4,688	4,6883
exchange rate on the last day of the reporting period	4,6356	4,8698	4,6899

Condensed interim consolidated financial statements for the period 01.01 – 30.09.2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in PLN thousand)

Assets	note	30.09.2023	31.12.2022
I. Assets		31 832	28 081
- Intangible assets	2.2	161	142
- Goodwill	2.3	6 394	6 394
- Property, plant and equipment	2.4	16 890	12 432
- Other long-term financial assets		2 526	2 452
- Deferred tax assets	2.7	4 119	4 976
- Other long-term non-financial assets		1 742	1 685
II. Current assets		244 203	240 245
- Inventory	2.8	5 496	3 358
- Trade receivables and other receivables	2.9	93 452	93 506
- Contractual assets	2.10	130 358	57 649
- Other short-term financial assets		0	0
- Cash and cash equivalents	2.11	14 897	56 733
- Other short-term assets		0	0
1. Current assets other than Assets for sale		244 203	211 246
2. Assets held for sale	2.12	0	28 999
Total assets		276 035	268 326

Liabilities	note	30.09.2023	31.12.2022
I. Equity capital		109 151	99 120
- Share capital	2.13	9 983	9 983
- Surplus of the issue price above the nominal value of the shares		43 440	43 440
- Other capitals		-46	-46
- Retained earnings		29 698	22 690
- Net profit (loss)		26 681	21 984
- <i>Equity attributable to the owners of the parent company</i>		109 756	98 051
- <i>Non-controlling interests</i>		-605	1 069
II. Liabilities and provisions for liabilities		166 884	169 206
1. Long-term liabilities		7 661	7 803
- Deferred tax liabilities	2.7	1 708	1 551
- Long-term provisions	2.14	2 553	2 626
- Financial liabilities (credits, loans, debt securities, etc.)		0	0
- Other non-current liabilities		421	0
- Long-term lease liabilities		2 979	3 626
3. Current liabilities		159 223	161 403
- Short-term provisions	2.14	14 518	17 374
- Trade payables and other payables	2.15	114 219	73 457
- Financial liabilities (credits, loans, debt securities, etc.)		13 685	0
- Corporate Income Tax Liabilities		0	3 135
- Short-term leasing liabilities	2.16	2 979	2 606
- Contract obligations		13 822	42 822
Current liabilities other than those related to assets to be sold		159 223	139 394
Liabilities related to assets held for sale		0	22 009
Total liabilities		276 035	268 326

CONSOLIDATED STATEMENT OF PROFIT

(calculation variant in PLN thousand)		note	01.07.- 30.09.2023	01.01.- 30.09.2023	01.07.- 30.09.2022	01.01.- 30.09.2022
-	Sales revenues	2.1	183 222	409 007	142 993	271 855
-	Cost of goods sold	2.1	155 732	346 570	121 471	244 858
I.	Gross profit (loss) on sales		27 490	62 437	21 522	26 997
-	Sales costs		1 812	6 446	2 862	8 755
-	General management costs		3 396	9 980	3 240	9 515
-	Other operating income	2.17	220	1 100	272	1 992
-	Other operating costs	2.17	4 868	7 123	2 687	3 428
-	Gain (loss) on expected credit losses	2.17	-2 844	-2 882	-86	636
II	Profit (loss) from operations		14 790	37 106	12 919	7 927
-	Gain (loss) from losing control		0	0	0	0
-	Financial revenues	2.18	268	1 657	1 199	2 054
-	Financial costs	2.18	960	2 589	649	1 563
-	Impairment of goodwill per unit suborder.		0	0	0	0
III	Gross profit (loss)		14 098	36 174	13 469	8 418
-	Income tax		5 313	10 717	2 265	2 229
-	Net profit (loss) from continuing operations		8 785	25 457	11 204	6 189
-	Profit (loss) from discontinued operations		0	0	0	0
IV	Net profit (loss)		8 785	25 457	11 204	6 189
-	attributable to the shareholders of the parent entity		9 740	26 681	11 082	6 356
-	attributable to non-controlling shareholders		-955	-1 224	122	-167

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

in PLN thousand		01.07.- 30.09.2023	01.01.- 30.09.2023	01.07.- 30.09.2022	01.01.- 30.09.2022
1.	Net profit (loss)	8 785	25 457	11 204	6 189
2.	Other comprehensive income; including:	0	0	0	0
	will not be reclassified to profit or loss (actuarial write-offs)	0	0	0	0
	will be reclassified as a result	0	0	0	0
3.	Total comprehensive income	8 785	25 457	11 204	6 189
	attributable to the shareholders of the parent entity	9 740	26 681	11 082	6 356
	attributable to non-controlling shareholders	-955	-1 224	122	-167

CONSOLIDATED STATEMENT OF CASH FLOWS

(indirect method in PLN thousand)	01.01.- 30.09.2023	01.01.- 30.09.2022
I. Cash flow from operating activities		
1. Profit (loss) gross	36 174	8 418
2. Total adjustments	-60 300	14 787
- Depreciation	3 270	3 608
- (Profits) loss on foreign exchange rates	0	0
- Interest	592	572
- (Profit) loss on investing activities	-58	-66
- Change in provisions	-3 813	-1 948
- Inventory change	-2 139	-4 536
- Change in receivables	-50 716	-20 630
- Change in the balance of short-term liabilities, except for loans and credits	-8 073	40 168
- Other adjustments	637	-2 381
- Cash flow used in the business	-24 126	23 205
- Paid income tax included in operating activities	-12 532	-3 299
3. Net cash flow from operating activities	-36 658	19 906
II. Cash flow from investing activities		
- Proceeds from the disposal of property, plant and equipment, intangible assets other than goodwill, investment properties and other fixed assets	61	74
- interest	1 095	177
- Other proceeds from financial assets	1 397	946
- Purchase of tangible fixed assets, intangible assets other than goodwill, investment properties and other fixed assets	-1 600	-1 060
- Other investment expenses	0	0
1. Net cash flow from investing activities	953	137
III. Cash flow from financing activities		
- Net proceeds from the issue of shares and other capital instruments	0	0
- Credits and loans	0	790
- Other financial receipts (expenditures).	0	87
- Acquisition of own shares (shares).	0	0
- Dividends and other payments to owners	-15 425	0
- Repayment of loans and credits	13 617	942
- Payments of liabilities under financial leasing agreements	-2 635	-3 162
- Interest	-1 688	-776
1. Net cash flow from financing activities	-6 131	-2 119
IV. Total net cash flow	-41 836	17 924
Effects of changes in exchange rates that affect cash		
Balance sheet change in cash, including:	-41 836	17 924
Cash at the beginning of the period	56 733	18 731
Cash at the end of the period	14 897	36 655
with limited use	9 855	5 271

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE PERIOD 01.01.2023 - 30.09.2023

in PLN thousand	Share capital	The surplus of the issue price over the nominal value of shares	Other capitals	Retained earnings	Equity of the parent company	Non-controlling shares-lating	Total
Balance at the beginning of the period	9 983	43 440	-46	44 674	98 051	1 069	99 120
Period Profit	0	0	0	26 681	26 681	-1 224	25 457
Other comprehensive income of the period	0	0	0	0	0	0	0
Total income	0	0	0	26 681	26 681	-1 224	25 457
Issue of shares	0	0	0	0	0	0	0
Dividend	0	0	0	-14 976	-14 976	-450	-15 426
Acquisition of non-controlling shares	0	0	0	0	0	0	0
Increase (decrease) other	0	0	0	0	0	0	0
Increase (decrease) of capital	0	0	0	11 705	11 705	-1 674	10 031
Balance at the end of the period	9 983	43 440	-46	56 379	109 756	-605	109 151

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE PERIOD 01.01.2022 - 30.09.2022

in PLN thousand	Share capital	The surplus of the issue price over the nominal value of shares	Other capitals	Retained earnings	Equity of the parent company	Non-controlling shares-lating	Total
Balance at the beginning of the period	9 983	44 181	71	21 949	76 184	1 761	77 945
Period Profit	0	0	0	6 356	6 356	-167	6 189
Other comprehensive income of the period	0	0	0	0	0	0	0
Total income	0	0	0	6 356	6 356	-167	6 189
Issue of shares	0	0	0	0	0	0	0
Dividend	0	0	0	0	0	0	0
Acquisition of non-controlling shares	0	0	0	0	0	0	0
Increase (decrease) other	0	-741		741	0	0	0
Increase (decrease) of capital	0	-741	0	7 097	6 356	-167	6 189
Balance at the end of the period	9 983	43 440	71	29 046	82 540	1 594	84 134

1. ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.1. General information about the parent company

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

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

Legal form: Joint Stock Company

Address of the registered office of the unit: ul. Stargardzka 8, 54-156 Wrocław

Headquarters: Poland

Country of registration: Poland

Primary place of business: Poland

Primary activity: PKD 4321Z execution of electrical installations of buildings and structures

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

These condensed interim consolidated financial statements for the three quarters of 2023 (together with comparative data) were approved for publication by the Management Board of the parent company on 21.11.2023.

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

1.2. Basis of preparation, principles of presentation

1.2.1. Basis for the preparation of the consolidated financial statements for the third quarter of 2023

The interim condensed financial statements of the ELEKTROTIM Capital Group covers the period of 3 months ended September 30, 2023. It has been prepared according to the IAS 34 Interim Financial Reporting in accordance with the relevant accounting standards applicable to interim financial reporting adopted by the European Union, published and in force at the time of preparation of the interim condensed financial statements.

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

The interim condensed financial statements were prepared with the assumption that the Group will continue to operate as a going concern in the foreseeable future. As at the date of approval of these interim condensed financial statements of the ELEKTROTIM Capital Group for publication, there are no circumstances indicating a threat to the Group's continued operation, with the exception of ZEUS S.A., whose Management Board filed for bankruptcy on 29.09.2023.

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

In the event of retrospective introduction of changes in accounting policies, presentation or correction of errors, the Group 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 comparative period. In such a situation, the presentation of notes to the third statement of financial position is not required.

1.2.3. Changes in accounting policies

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

There were no corrections to the errors of previous periods.

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

For the first time, the Group applied the following standards and amendments to the standards:

- Amendments to IAS 1 „Presentation of Financial Statements” and Practical Position 2: Disclosure of Accounting Policies,
- Amendments to IAS 8 „Accounting Policies, Changes in Estimates and Correction of Errors”,
- Amendments to IAS 12 „Income Tax”: Deferred tax on assets and liabilities arising from a single transactions,
- 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 amendments to the standards did not have a material impact on the Group's accounting policy applied so far.

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

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

- IFRS 14 „Regulatory Accruals” – in accordance with the decision of the European Commission, the process of approving the standard in the preliminary version will not be initiated before the publication of the standard in the final version (effective for annual periods beginning on, or after January 1, 2016),
- Amendments to IFRS 10 „Consolidated Financial Statements” and IAS 28 „Investments in Associates and Joint Ventures” - Transactions involving the sale or contribution of assets between an investor and its associate or joint venture – the work leading to the approval of these amendments has been postponed by the EU indefinitely - the effective date has been postponed by the IASB indefinitely,
- Amendments to IAS 1 „Presentation of Financial Statements” – Classification of liabilities as short-term or non-current, Classification of liabilities as short-term or non-current – deferral of the effective date and long-term liabilities under agreements containing covenants (effective for annual periods beginning on, or after January 1, 2024),
- Amendments to IFRS 16 „Leases” - Lease Liability under Sale and Leaseback (effective for annual periods beginning on, or after January 1, 2024),
- Amendments to IAS 12 „Income Tax” - International Tax Reform - Pillar II Model Principles (applicable to annual periods beginning on, or after January 1, 2023),
- Amendments to IAS 7 „Cash Flow Statement” and IFRS 7 „Financial Instruments Disclosure” - Supplier Financing Agreements (effective for annual periods beginning on, or after January 1, 2024),
- Amendments to IAS 21 „Effects of Changes in Foreign Exchange Rates” – No Currency Conversion (effective for annual periods beginning on, or after January 1, 2025).

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

The Group did not decide to introduce interpretation standards or changes that did not enter into force.

1.2.4. Continuation of the business

These condensed financial statements have been prepared on the assumption that the Group will continue to operate as a going concern in the foreseeable future. As at the date of approval of these interim condensed financial statements of the ELEKTROTIM Capital Group for publication, there are no circumstances indicating a threat to the Group's continuing operations, with the exception of the continuing operations of ZEUS S.A., whose Management Board filed a bankruptcy petition on September 29, 2023. The situation of the subsidiary is described in more detail in section 4.14 of this report.

1.2.5. Companies included in the consolidated financial statements

ELEKTROTIM S.A. prepares consolidated financial statements for the third quarter of 2023, which include the following entities:

- ELEKTROTIM S.A. (parent company),
- ZEUS S.A. (subsidiary since 18.07.2012), 29.09.2023 The Management Board of the subsidiary filed for bankruptcy, the situation is described in more detail in point 4.14 of this report,
- OSTOYA-DataSystem Sp. z o.o. (subsidiary since 11.01.2017).

The above-mentioned entities are based in Poland.

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

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

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

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

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

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

On 12.12.2022, 100% of the shares of the subsidiary PROCOM SYSTEM S.A. were sold, which resulted in a change in the composition of the Group.

1.3. Adopted accounting policies

1.3.1. Consolidation rules

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

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

The acquisition method is used for the acquisition of shares in business entities. Entities acquired or disposed of during the year are recognised in the consolidated financial statements from the date of acquisition or until the date of sale, respectively.

Non-controlling interests are recognised in a separate item of equity and represent the part of the total income and net assets of subsidiaries attributable to entities other than Group companies. The Group allocates the comprehensive income of its subsidiaries to the shareholders of the Parent Company and non-controlling entities based on their share in ownership.

Subsidiaries are included in the consolidation using the full method. Balances of internal settlements between the Group's entities, transactions within the Group and any resulting unrealised profits or losses, as well as the Group's revenues and costs are eliminated during the preparation of the consolidated financial statements. Unrealised losses are excluded from the consolidated financial statements on the same basis as unrealised profits, until there is evidence of impairment.

Goodwill

Goodwill disclosed in the balance sheet includes in full the goodwill of subsidiaries in the amount of the excess of the purchase price of the shares of that entity and non-controlling interests (measured in proportion to the share in net assets) over the fair value of the net assets acquired.

Detailed information on goodwill is disclosed in Note 2.3 to the consolidated financial statements.

Goodwill is not depreciated, instead an impairment test is performed annually in accordance with IAS 36 (see section on impairment of non-financial non-current assets).

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

Functional currency

The functional currency of the Group and the presentation currency of these consolidated financial statements is the Polish zloty.

Presentation currency

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

As a rule, transactions denominated in currencies other than Polish zloty are converted into Polish zlotys using the exchange rate applicable on the day 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 as of that date. Then, when income earned in a currency or an expense or an asset purchased is recognised 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 denominated in currencies other than the Polish zloty are converted into Polish zlotys using the closing rate applicable at the end of the reporting period, i.e. the average exchange rate set for a given currency by the National Bank of Poland.

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

Non-monetary items recorded at fair value, expressed in a foreign currency, are measured at the exchange rate as at the fair value measurement date, i.e. the average exchange rate set for a given currency by the National Bank of Poland.

Foreign exchange differences arising from the settlement of transactions or the translation of monetary items other than derivatives are recognised in finance income or costs, respectively, in the net amount, with the exception of foreign exchange differences capitalised in the value of assets in cases specified in accounting principles (presented in the section on borrowing costs).

1.3.3. Operating segments

According to IFRS 8, the results of operating segments result from internal reports periodically reviewed by the Management Board of the parent company. The Management Board of the parent company analyses the results of the operating segments at the level of operating profit (loss).

The measurement of the results of the operating segments used in management calculations is consistent with the accounting principles used in the preparation of the consolidated financial statements. Revenues from sales disclosed in the consolidated statement of profit and loss do not differ from revenues presented within operating segments.

In order to present the information in a way that allows for a proper assessment of the type and financial effects of the Group's business activities, 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:

- * the type of products and services
- * type of production processes
- * the type or groups of customers for the products and services in question
- * methods used in the distribution of products or the provision of services

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

1.3.4. Accounting policies

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

1.3.5. Subjective assessments and uncertainty of estimates

Uncertainty of estimates

Key assumptions about the future and other key uncertainties at the end of the reporting period that pose a material risk of a significant adjustment to the carrying amounts of assets and liabilities in the following financial year:

Construction Service Contracts

In the case of contracts performed by the company, the Group applies the provisions of IFRS 15 „Revenues from contracts with customers” and discloses sales revenues in the profit and loss account on the basis of the measurement of the degree of progress of their performance (determined in the proportion of contract costs incurred for work performed until the end of the period in relation to the estimated total costs of the contract). In their case, there is a risk that the Group has incorrectly estimated the production costs, there will be changes in manufacturing costs during the product manufacturing process, there will be errors in the management of the task or errors in technical and technological solutions, the performance of the task will occur with a delay. These risks may result in lower revenues and/or higher costs, and consequently a decrease in the Group's financial result.

Deferred tax asset

The Group recognises a deferred tax asset based on the assumption that in the future a tax profit will be generated that will allow it to be used. A deterioration in the tax results obtained in the future could render this assumption unjustified.

Impairment losses on goodwill (value of shares in subsidiaries)

At the end of each reporting period, the Management Board assesses whether there are indications of impairment of goodwill (value of shares in subsidiaries). In the event of impairment of impairment triggers, the Management Board recognises impairment losses on these assets to the level of recoverable amount.

The recoverable amount was defined as one of two values, whichever is higher: fair value less disposal costs or the value in use of the asset. The value in use was estimated using the DCF method. The DCF method is based on discounted cash flows generated by subsidiaries with assumed operational schedules and sales proceeds. The discount factor takes into account the weighted cost of external and equity capital (WACC). The recoverable amount of the shares and the amount of impairment losses on the shares is estimated as at 30.09.2023 and may change depending on the revenues generated and the production costs incurred, project implementation schedules and calculation of the discount rate in the future. Actual results may differ from those estimates that have been calculated based on data available at the date of their preparation. This is also related to the uncertainty regarding the proper estimation of market conditions in the coming years.

Depreciation rates

The amount of depreciation rates is determined on the basis of the expected economic useful life of property, plant and equipment and intangible assets.

In the 12-month period ended September 30, 2023, the Group verified the originally adopted useful lives of fixed assets and intangible assets and concluded that there was no need to change the estimated useful life.

Provisions

Provisions for employee benefits – retirement severance payments – are estimated using actuarial methods. The amount of provisions for employee benefits disclosed in the consolidated financial statements is based on an estimate made by an independent actuary. The level of provisions is influenced by assumptions regarding the discount rate and the wage growth rate.

Income tax

The 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 that enable them to verify the tax bases (in most cases over the previous 5 financial years). As a consequence, the determination of tax liabilities, assets and deferred tax liabilities may require significant judgment, including on transactions that have already occurred, and the amounts presented and disclosed in the financial statements may change in the future as a result of inspections by tax authorities.

As a consequence, the determination of tax liabilities, assets and deferred tax liabilities may require significant judgment, including on transactions that have already occurred, and the amounts presented and disclosed in the financial statements may change in the future as a result of inspections by tax authorities.

Lease period

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

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

When assessing whether or not the Group will exercise the extension option, the Group takes into account all material facts and circumstances that constitute an economic incentive for the Group to exercise or not to exercise the option.

The lease liability presented in the statement of financial position reflects the best estimate of the lease term, but 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 right-of-use assets.

2. ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.1. Information regarding operating segments

Products and services from which reportable segments derive their revenues

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

The reporting segments identified in the ELEKTROTIM Group are an aggregation of the Group's organizational structure, the operating part of which has been divided into separately managed economic organisms (plants) grouped into divisions. The criterion for distinguishing individual plants and divisions were product groups and territorial distribution.

In order to present the information in a way that allows for a proper assessment of the type and financial effects of the Group's business activities, 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:

- 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 Installations Segment

a) Construction and detailed 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.

b) Electrical installations, including:

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

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. .

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.

e) Service of electrical installations and devices, including:

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

Products offered by the Grid Segment:

a) Electrical networks, including:

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

b) Telecommunication networks, including:

- teletechnical sewage systems,
- copper telecommunication lines,
- fiber-optic telecommunication lines
- radio beacons (NDB, DVOR/DME),
- radar systems,
- antenna systems,
- other navigation and radio communication systems

a) Elements of road infrastructure, including:

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

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.

c) Systems:

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

d) High-voltage grids, including:

- HV overhead power lines
- HV wired power lines
- power protection automation (EAZ)
- Telemechanics
- superior systems
- HV/MV stations

Products offered by the Automation Segment

- a) **Automation systems for power generation**
- automation system for a power unit
 - automation system for water and wastewater treatment installations
 - automation system for fuel feeding, ash removal and slag removal systems
 - 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.
- 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.
- c) **Power Automation Systems**
- CERTAN PQ-100 - power quality indicator meter
 - Interference recorder
 - power system supervision and energy balancing system
 - system for recording disturbances and analysing the quality of electricity
 - network and equipment operation system
 - maintenance services
- 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.
- e) **Other automation systems**
- BMS
 - fire detection and temperature monitoring system – PROList

Segment revenues and results

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

Business Segments	01.01- 30.09.2023	01.01- 30.09.2023	01.01- 30.09.2023	01.01- 30.09.2022	01.01- 30.09.2022	01.01- 30.09.2022
	Installation Segment	Grid Segment	Automation Segment	Installation Segment	Grid Segment	Automation Segment
Sales revenue from external customers	134 062	274 898	0	133 124	102 469	36 262
Revenues within and from other segments	13 170	542	0	10 504	1 151	0
Cost of producing products sold	128 700	231 531	0	130 701	94 069	31 743
Gross profit (loss) from sales	18 532	43 909	0	12 927	9 551	4 519

Segment assets

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

Geographic information

The Group operates only in one geographical area – Poland.

2.2. Intangible assets

Intangible assets

	30.09.2023	31.12.2022
Completed development work	0	0
acquired concessions, patents, licences and similar values	161	142
Other intangible assets	0	0
Intangible assets, total	161	142

Changes in intangible assets (by type) for the third quarter 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	244	5 327	5 580
increase (due to)	0	0	149	149
-purchase	0	0	149	149
- 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	244	5 476	5 729
accumulated depreciation (remission) at the beginning of the period	9	206	5 222	5 437
Depreciation for the period (due to)	0	7	124	131
- planned write-offs	0	7	124	131
- acquisition of subsidiaries	0	0	0	0
-reduction	0	0	0	0
accumulated depreciation (remission) at the end of the period	9	213	5 346	5 568

impairment losses at the beginning of the period				0
-increase	0	0	0	0
-reduction	0	0	0	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	31	130	161

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	18	109	5 040	5 167
increase (due to)	0	44	29	73
-purchase	0	44	29	73
- acquisition of subsidiaries	0	0	0	0
reduction (due to)	0	50	0	50
-sale	0	0	0	0
-liquidation	0	50	0	50
gross value of intangible assets at the end of the period	18	103	5 069	5 190
accumulated depreciation (remission) at the beginning of the period	18	109	4 744	4 871
Depreciation for the period (due to)	0	-44	220	176
- planned write-offs	0	6	220	226
- acquisition of subsidiaries	0	0	0	0
-reduction	0	-50	0	-50
accumulated depreciation (remission) at the end of the period	18	65	4 964	5 047
impairment losses at the beginning of the period				0
-Increase	0	0	0	0
-reduction	0	0	0	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	38	105	143

Intangible assets (ownership structure)

	30.09.2023	31.12.2022
own	161	142
used under a rental, lease or other agreement, including a lease agreement, including:	0	0
Total intangible assets	161	142

2.3. Goodwill

	30.09.2023	31.12.2022
- subsidiaries	3 998	6 310
- PWS (Power Stations Division, Distribution Division)	2 396	2 396
-	0	0
Goodwill of subordinated entities, total	6 394	8 706
Write-offs on the sale of a subsidiary	0	2 312
carrying amount, total	6 394	6 394

Change in goodwill of subsidiaries

	30.09.2023	31.12.2022
Balance at the beginning of the period	6 394	8 706
increase (due to)	0	0
- acquisition of subsidiaries	0	0
reductions on the sale of a subsidiary	0	2 312
Balance at the end of the period	6 394	6 394

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 carried out on the financial assets of cash-generating centres (High Voltage Plant and Airport Services Plant) and subsidiaries.

The impairment test of assets did not show the necessity to recognise an impairment loss on goodwill. This test was performed under the assumption of a 5-year cash flow forecast period and a discount rate of 11%, a growth rate after a forecast period of 3%.

Impairment tests were performed by an external company.

In connection with the sale on 12.12.2022 of the subsidiary PROCOM SYSTEM S.A., the goodwill attributable to the company decreased by PLN 2,312 thousand in 2022.

In the first three quarters of 2023, no impairment loss of goodwill was recognised.

2.4. Tangible fixed assets

	30.09.2023	31.12.2022
a) fixed assets, including:	16 327	12 134
- land	2 532	869
- buildings, premises and civil engineering facilities	6 460	5 153
- Technical equipment and machinery	2 205	1 828
- means of transport	4 894	4 114
- other fixed assets	236	170
b) Fixed assets under construction	563	298
	0	0
Tangible fixed assets, total	16 890	12 432

Balance sheet fixed assets (ownership structure)

	30.09.2023	31.12.2022
own	9 342	5 594
used under a rental, lease or other agreement, including a lease agreement, including:	7 548	6 838
Balance sheet fixed assets, total	16 890	12 432

Changes in fixed assets (by type) for the third quarters of 2023

	land	buildings, premises and civil engineering facilities	Technical equipment and machinery	means of transport	other fixed assets	Fixed assets, total
gross value of fixed assets at the beginning of the period	2 532	11 588	9 398	12 844	2 113	38 475
increase (due to)	0	916	503	1 342	135	2 896
-purchase	0	916	503	1 342	105	2 866
-acquisition of a subsidiary	0	0	0	0	0	0
	0	0	0	0	30	30
reduction (due to)	0	98	30	529	35	692
Sale and liquidation	0	98	30	529	35	692
	0	0	0	0	0	0
gross value of fixed assets at the end of the period	2 532	12 406	9 871	13 657	2 213	40 679
accumulated depreciation (remission) at the beginning of the period	0	5 259	7 294	8 163	1 932	22 648



depreciation for the period (due to)	0	687	372	600	45	1 704
- planned write-offs	0	687	380	1 046	80	2 193
- acquisition of a subsidiary	0	0	0	0	0	0
- sale and liquidation	0	0	8	446	35	489
	0	0	0	0	0	0
accumulated depreciation (remission) at the end of the period	0	5 946	7 666	8 763	1 977	24 352
impairment losses at the beginning of the period	0	0	0	0	0	0
-Increase	0	0	0	0	0	0
-reduction	0	0	0	0	0	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	2 532	6 460	2 205	4 894	236	16 327

Changes in fixed assets (by type) for 2022

	Land	buildings, premises and civil engineering facilities	Technical equipment and machinery	means of transport	other fixed assets	Fixed assets, total
gross value of fixed assets at the beginning of the period	869	9 103	7 709	11 688	1 966	31 335
increase (due to)	0	322	1 292	1 858	149	3 621
-purchase	0	322	1 292	1 858	149	3 621
-acquisition of a subsidiary	0	0	0	0	0	0
	0	0	0	0	0	0
reduction (due to)	0	0	18	1 269	13	1 300
sale and liquidation	0	0	18	1 269	13	1 300
	0	0	0	0	0	0
gross value of fixed assets at the end of the period	869	9 425	8 983	12 277	2 102	33 656
accumulated depreciation (remission) at the beginning of the period	0	2 842	6 595	8 066	1 843	19 346
depreciation for the period (due to)	0	1 430	560	97	89	2 176
- planned write-offs	0	1 430	574	1 321	102	3 427
- acquisition of a subsidiary	0	0	0	0	0	0
- sale and liquidation	0	0	14	1 224	13	1 251
	0	0	0	0	0	0
accumulated depreciation (remission) at the end of the period	0	4 272	7 155	8 163	1 932	21 522
impairment losses at the beginning of the period	0	0	0	0	0	0
-Increase	0	0	0	0	0	0
-reduction	0	0	0	0	0	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	1 828	4 114	170	12 134

Leasing

The value of assets from. rights of usufruct were presented in the consolidated statement of financial position, including fixed assets owned by the Group.

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 use (by type groups) for the third quarters of 2023

	Land	buildings, premises and civil engineering facilities	Technical equipment and machinery	means of transport	other fixed assets	Fixed assets, total
gross value at the beginning of the period	0	6 090	890	5 639	11	12 630
increase (due to)	0	892	0	1 002	0	1 894
- concluding a lease agreement	0	0	0	1 002	0	1 002
- changes resulting from modification of contracts	0	892	0	0	0	892
	0	0	0	0	0	0
reduction (due to)	0	0	0	375	0	375
Termination of the lease agreement	0	0	0	0	0	0
profile changes/purchased	0	0	0	375	0	375
value at the end of the period	0	6 982	890	6 266	11	14 149
accumulated depreciation (remission) at the beginning of the period	0	3 547	29	1 793	0	5 369
depreciation for the period (due to)	0	521	54	487	0	1 062
- planned write-offs	0	521	54	731	0	1 306
- profile changes/purchased	0	0	0	0	0	0
- depreciation of a terminated lease/return	0	0	0	244	0	244
	0	0	0	0	0	0
accumulated depreciation (remission) at the end of the period	0	4 068	83	2 280	0	6 431
impairment losses at the beginning of the period	0	0	0	0	0	0
-Increase	0	98	19	83	0	200
-reduction	0	0	0	0	30	30
impairment losses at the end of the period	0	98	19	83	-30	170
net value at the end of the period	0	2 816	788	3 903	41	7 548

Changes in assets from. rights of use (by generic groups) for 2022

	Land	buildings, premises and civil engineering structures and water	Technical Equipment and machinery	means of transport	other fixed assets	Fixed assets, total
gross value at the beginning of the period	0	6 332	35	4 677	0	11 044
increase (due to)	0	191	643	1 759	0	2 593
- concluding a lease agreement	0	0	643	1 759	0	2 402
- changes resulting from modification of contracts	0	191	0	0	0	191
	0	0	0	0	0	0
reduction (due to)	0	0	35	1 364	0	1 399
Termination of the lease agreement	0	0	0	575	0	575
profile changes/purchased	0	0	35	789	0	824
value at the end of the period	0	6 523	643	5 072	0	12 238
accumulated depreciation (remission) at the beginning of the period	0	2 217	26	1 919	0	4 162
depreciation for the period (due to)	0	1 361	3	-126	0	1 238
- planned write-offs	0	1 361	31	902	0	2 294
profile changes/purchased	0	0	-28	-516	0	-544
-- Depreciation of Terminated Lease/Return	0	0	0	512	0	512
-	0	0	0	0	0	0
accumulated depreciation (remission) at the end of the period	0	3 578	29	1 793	0	5 400
impairment losses at the beginning of the period	0	0	0	0	0	0
-increase	0	0	0	0	0	0
-reduction	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	3 279	0	6 838

2.5. Financial assets

Other long-term financial assets

	30.09.2023	31.12.2022
other long-term financial assets, including long-term deposits	2 468	2 394
long-term financial assets, total	2 468	2 394

Change in long-term financial assets (by type)

	30.09.2023	31.12.2022
Balance at the beginning of the period	2 492	3 340
Loans granted	0	0
Other long-term financial assets	0	0
increase (due to)	2 492	3 340
Loans granted	0	0
Other long-term financial assets	0	0
reduction (due to)	24	946
Loans granted	0	0
Other long-term financial assets	24	946
Balance at the end of the period	2 468	2 394
Loans granted	0	0
Other long-term financial assets	0	0
other long-term financial assets, including long-term deposits	2 468	2 394

2.6. Financial liabilities

Long-term financial liabilities

	30.09.2023	31.12.2022
- credits and loans	0	0
Long-term liabilities, total	0	0

Short-term financial liabilities

	30.09.2023	31.12.2022
Financial liabilities (loans, credits, debt securities, etc.)	13 685	0
- credits and loans	13 685	0

2.7. Assets and provisions for deferred income tax

Change in deferred tax assets

	30.09.2023	31.12.2022
Deferred tax assets at the beginning of the period, including:	6 109	4 072
transferred to the financial result	6 109	4 072
Increase	4 173	4 969
Referred to the financial result for the period in connection with negative temporary differences (due to)	4 173	4 969
- write-downs of receivables	998	878
- write-downs of inventories	583	591
- unpaid wages	0	0
- provision for employee benefits	864	1 685
- provision for warranty repairs	566	588
-other	1 162	1 227
- IAS / IFRS	0	0
Recognised in the financial result of the period in connection with the tax loss (due to)	0	0
Reductions	6 163	4 065
Recognised in the period's profit or loss due to negative temporary differences (due to)	6 163	4 065
- reversal of temporary differences	0	14
Deferred tax assets at the end of the period, total, including:	4 119	4 976
Recognised in profit or loss	4 119	4 976
- write-downs of receivables	1 000	880
- write-downs of inventories	583	591
- unpaid wages	0	0
- provision for employee benefits	795	1 693
- provision for warranty repairs	571	595
-other	1 170	1 217
- IAS / IFRS	0	0
- recognised in the financial result of the period in connection with a tax loss (due to)	0	0
recognised in equity	0	0
recognised on goodwill	0	0

Change in deferred tax liabilities

	30.09.2023	31.12.2022
Deferred tax liabilities at the beginning of the period, including:	1 715	799
Recognised in profit or loss	1 715	799
Increase	1 526	1 547
Recognised in the period's profit or loss due to temporary gains (due to)	1 526	1 547
- valuation of receivables	0	0
- valuation of long-term contracts	646	799
- fixed assets and WNiP	852	709
-other	28	39
Reductions	1 533	795

Recognised in the period's profit or loss due to positive temporary differences (due to)	1 533	795
	0	0
Total deferred tax liabilities at the end of the period	1 708	1 551
Recognised in profit or loss	1 708	1 551
- valuation of receivables	0	0
- valuation of long-term contracts	646	799
- fixed assets and WNiP	864	712
-other	198	40
Related to equity	0	0
Recognised goodwill	0	0

2.8. Inventory

	30.09.2023	31.12.2022
Materials	2 280	1 494
semi-finished products and work in progress	3 216	1 864
finished products	0	0
Goods	0	0
the remaining	0	0
Inventory, total	5 496	3 358
Write-downs on inventories	3 069	3 110
Inventory, total gross	8 565	6 468

Change in inventory write-downs

	30.09.2023	31.12.2022
As at the beginning of the period	3 110	659
	0	0
increase	0	2 471
use	0	0
termination	41	20
State of inventory write-downs at the end of the period, including:	3 069	3 110
Materials	3 069	3 110
Goods	0	0

In the first three quarters of 2023, the Group did not update the value of inventories. Write-offs in the total amount of PLN 41 thousand were reversed.

2.9. Trade receivables and other receivables

Trade receivables and other receivables

	30.09.2023	31.12.2022
- receivables from other entities	92 036	91 928
- active accruals and deferred expenses	1 416	1 578
Trade receivables and other net receivables, total	93 452	93 506

Short-term receivables

	30.09.2023	31.12.2022
Receivables from other entities	92 036	91 928
Goods and services, with a repayment period:	74 502	84 826
- up to 12 months	73 100	83 591
- over 12 months	1 402	1 235
Other receivables	73	0
Other receivables, including:	17 461	7 102
- taxes, customs, social security and health insurance and other benefits	8 962	5 765
- surplus of the Company Social Benefits Fund	0	0
- other	8 499	1 337
- pursued in court	0	0
net current receivables, total	92 036	91 928
impairment losses on receivables	10 083	5 471
Gross current receivables, total	102 119	97 399

Gross short-term receivables (currency structure)

	30.09.2023	31.12.2022
a) in Polish currency	102 119	97 262
b) in foreign currencies (by currency and after conversion into PLN)	0	137
PLN	0	137
EUR	0	29
PLN	0	0
USD	0	0
Short-term receivables, total	102 119	97 399

Change in impairment losses on current receivables

	30.09.2023	31.12.2022
Balance at the beginning of the period	7 201	6 245
Increases (due to)	2 884	304
- write-offs for overdue and non-performing receivables	2 884	304
- updating the value of receivables	0	0
Reductions (due to)	2	1 078
- liquidation of write-offs after repayment of receivables	2	964
- writing off bad debts	0	114
Impairment losses on current receivables at the end of the period	10 083	5 471

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

	30.09.2023	31.12.2022
Up to 1 month	36 874	48 297
Over 1 month to 3 months	26 411	25 002
Over 3 months to 6 months	734	31

Over 6 months to 1 year	133	221
Over 1 year	6 972	1 632
Overdue receivables	13 127	14 687
Trade receivables (gross), total	84 251	89 870
Impairment losses on trade receivables	9 749	5 044
Trade receivables (net), total	74 502	84 826

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

	30.09.2023	31.12.2022
up to 1 month	5 233	8 459
over 1 month to 3 months	45	96
over 3 months to 6 months	668	3
over 6 months to 1 year	1 056	0
more than 1 year	6 125	6 129
Trade receivables, past due, total (gross)	13 127	14 687
impairment losses on trade receivables, overdue	5 444	4 642
Trade receivables, past due, total (net)	7 683	10 045

2.10. Contractual assets and liabilities

Settlement of assets due to contracts during the implementation of IFRS 15

	30.09.2023	31.12.2022
Services in progress - valuation of the transaction amount assigned to liabilities that has not been met as at 31.12.2022.	65 392	14 214
Services in progress - valuation of the transaction amount assigned to liabilities, which has not been met as at 30.09.2023.	130 358	57 649
Impact on revenue for the current reporting period	64 966	43 435
Capitalized costs for contracts in progress at the end 31.12.2022	60 592	24 553
Capitalized costs for contracts in progress at the end 30.09.2023	125 843	53 446
Impact on manufacturing cost for the current reporting period	65 251	28 893
Impact on profit or loss per balance	-285	14 542

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

Additional information on contracts under IFRS 15

	30.09.2023	31.12.2022
Estimated amount of receivables from. contracts in progress	130 358	57 649
Estimated amount of liabilities from contracts in progress	125 843	53 446
The amount of retained deposits and guarantee collateral from. Work done	3 229	2 625
Amount of advances received for the provision of supplies and services	13 822	42 822

**Contractual liabilities**

	30.09.2023	31.12.2022
- advances received for deliveries	13 822	42 822
Total contractual liabilities	13 822	42 822

2.11. Cash and cash equivalents

	30.09.2023	31.12.2022
g) cash and other financial assets	14 897	56 733
- cash on hand and in accounts	14 897	56 733
- Other cash	0	0
- Other financial assets	0	0
Total short-term financial assets	14 897	56 733

2.12. Non-current assets held for sale

	30.09.2023	31.12.2022
a) Initial value at the beginning of the period	28 999	0
reclassification to assets to be disposed of	0	28 999
sale	0	0
reduction	28 999	
Assets held for sale at the end of the period	0	28 999

As of 30.09.2023 The Group does not show any assets held for sale. The situation of the ZEUS S.A. subsidiary disclosed in this item in previous periods in connection with the ongoing process of reviewing strategic options, is described in section 4.14 of this report.

Consequently, the assets and liabilities of the subsidiary were discontinued as non-current assets held for sale and liabilities for non-current assets held for sale, respectively. Thus, as at 30.09.2023, the company is consolidated using the full method.

2.13. Equity capital**Core capital**

Share capital (structure)	30.09.2023	30.09.2023	30.09.2023	30.09.2023	30.09.2023	30.09.2023	30.09.2023
a) nominal value per share in PLN	1	1	1	1	1	1	1
b) Series/Issue	A	B	C	C	C	C	D
c) Type of share	bearer						
d) Type of preference of shares	common						
e) type of restriction of rights to shares							
f) number of shares in thousands	5 206	794	91	74	111	24	3683
g) value of the series/issue at nominal value in PLN thousand	5 206	794	91	74	111	24	3683
h) Method of capital coverage	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) Dividend entitlement (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 thousand shares							
Total share capital in PLN thousand							9 983

**Retained earnings and net profit**

	30.09.2023	31.12.2022
- Other reserve capitals	49 258	40 856
- Profit (loss) from previous years	-19 560	-18 166
- Net profit (loss)	26 681	21 984
Retained earnings, total	56 379	44 674

2.14. Provisions**Change in other long-term provisions (by title)**

	30.09.2023	31.12.2022
a) Balance at the beginning of the period	2 838	2 440
provisions for warranty repairs	2 412	2 179
provision for employee benefits	424	261
provisions for contractual penalties	0	0
other	2	0
b) increase (due to)	456	315
provisions for warranty repairs	456	215
provision for employee benefits	0	100
provisions for contractual penalties	0	0
other	0	0
c) Usage (due to)	0	0
provisions for warranty repairs	0	0
provision for employee benefits	0	0
provisions for contractual penalties	0	0
other	0	0
d) Termination (due to)	741	129
provisions for warranty repairs	676	129
provision for employee benefits	63	0
provisions for contractual penalties	0	0
other	2	0
e) Balance at the end of the period	2 553	2 626
provisions for warranty repairs	2 192	2 265
provision for employee benefits	361	361
provisions for contractual penalties	0	0
Other	0	0

Change in other short-term provisions (by title)

	30.09.2023	31.12.2022
a) Balance at the beginning of the period	18 156	7 376
provisions for warranty repairs	1 348	899
provision for employee benefits	9 455	2 601
provisions for contractual penalties	7 274	3 876
other	79	0
b) increase (due to)	6 029	14 244
provisions for warranty repairs	251	985
provision for employee benefits	4 262	8 382

	provisions for contractual penalties	1 515	4 876
	Other	1	1
c)	Usage (due to)	641	22
	provisions for warranty repairs	28	22
	provision for employee benefits	612	0
	provisions for contractual penalties	0	0
	other	1	0
d)	Termination (due to)	9 026	4 224
	provisions for warranty repairs	323	902
	provision for employee benefits	8 553	1 844
	provisions for contractual penalties	150	1 478
	other	0	0
e)	Balance at the end of the period	14 518	17 374
	provisions for warranty repairs	1 248	960
	provision for employee benefits	4 552	9 139
	provisions for contractual penalties	8 639	7 274
	other	79	1

2.15. Trade payables and other payables

	30.09.2023	31.12.2022
- Trade payables	106 475	66 981
- taxes, duties, insurance and other benefits	3 897	3 863
- remuneration	3 721	2 250
- other	126	363
- accrued and accrued expenses	0	0
Trade payables and other payables, total	114 219	73 457

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

	30.09.2023	31.12.2022
a) liabilities before maturity	78 683	58 407
b) overdue liabilities	27 792	8 574
up to 1 month	14 751	3 558
over 1 month to 3 months	927	4 963
over 3 months to 6 months	2 113	5
over 6 months to 1 year	4 152	32
more than 1 year	5 849	16
Total trade payables (gross)	106 475	66 981

2.16. Lease liabilities

	30.09.2023	31.12.2022
a) Current liabilities	2 979	2 596
b) Long-term liabilities	2 979	3 626
Liabilities from. leases, rentals and other similar agreements, total	5 958	6 222

Additional information on leases (IFRS 16)

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

	30.09.2023	31.12.2022
lease interest	644	593
cost of short-term leases and leases of low-value assets	464	178
value of lease payments	2 270	2 772
Total	3 378	3 543

2.17. Other operating income and expenses

Other operating income

	01.01.-30.09.2023	01.01.-30.09.2022
- Gain on disposal of non-financial non-current assets	59	39
- Grants	0	0
- Other operating income	1 041	1 953
Other operating income, total	1 100	1 992

Other operating expenses

	01.01.-30.09.2023	01.01.-30.09.2022
- Loss on disposal of non-financial non-current assets	0	10
- Revaluation of non-financial assets	376	2 459
- Other operating expenses	6 747	959
Other operating expenses, total	7 123	3 428

Other operational costs

	01.01.-30.09.2023	01.01.-30.09.2022
a) Provisions created (for)	5 314	94
Other , including anticipated losses on contracts	5 314	94
b) others, including:	1 433	865
costs of resold services	62	69
damage due to traffic incidents	14	201
court costs	95	191
donations	5	15
contractual penalties and compensation	1 002	258
other costs	255	131
Other operating expenses, total	6 747	959

Profit (loss) on expected credit losses

	01.01.-30.09.2023	01.01.-30.09.2022
- Reinstatement of write-offs on receivables	2	885
- Creation of an impairment loss on receivables	-2 884	-249
Result on expected credit losses, total	-2 882	636

2.18. Financial revenues and costs

Financial revenues

	01.01.-30.09.2023	01.01.-30.09.2022
- Dividends and profit shares	0	0
- Interest	1 401	375
- Profit on disposal of investments	0	0
- Updating the value of the investment	0	51
- Other	256	1 628
Operating revenues, total	1 657	2 054

Financial costs

	01.01.-30.09.2023	01.01.-30.09.2022
- Interest	2 623	1 044
- Updating the value of the investment	0	14
- Other	-34	505
Financial costs, total	2 589	1 563

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

In 2022, the subsidiary PROCOM SYSTEM S.A. was sold at the consolidated level, taking into account the write-down of the reported goodwill, a loss of PLN 2,602 thousand was recorded.

In the third quarter of 2023, no company from the Capital Group was sold.

2.20. Impairment of goodwill of subsidiaries

As at December 31, 2022, the Management Board of ELEKTROTIM S.A. tested the cash-generating units to which goodwill was assigned for impairment 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 no impairment of the facility or the related value and no impairment loss was made.

However, as a result of the sale of the subsidiary PROCOM SYSTEM S.A. the goodwill assigned to it was settled in 2022 in the amount of PLN 2,312 thousand. PLN with the result from the sale of the investment.

No goodwill write-off was made in the third quarter of 2023.

2.21. Information on financial instruments

In the period covered by the consolidated financial statements, the Group 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 over a period not longer than 3 months (excluding hedging instruments). Margin deposits for periods longer than 12 months have also been established.

	30.09.2023	31.12.2022
a) deposits over 12 months	2 468	2 394
(b) loans granted to	0	0

Interest income

	30.09.2023	31.12.2022
a) on loans granted	0	0

Loan and lease liabilities:

	30.09.2023	31.12.2022
(a) long-term loans	0	0
(b) short-term loans	13 685	0

As of September 30, 2023, there are no loans.

Derivatives

The Group uses derivative transactions as collateral for existing foreign currency payments. As of September 30, 2023, there are no forward transactions.

Reclassifications of financial assets

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

Financial risk management goals

The risk to which the Group is exposed includes market risk (including currency risk, fair value interest rate risk and price risk), as well as credit risk, liquidity risk and cash flow interest risk. The Group strives to minimise the impact of various types of risk by applying ongoing monitoring and diversification of financial instruments.

Market risk

The operations of the ELEKTROTIM Group are associated with exposure to financial risk resulting from changes in interest rates and changes in exchange rates

Currency risk management

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

Sensitivity to currency risk

Most transactions are carried out in PLN. The Group is primarily exposed to the risk associated with the EUR and USD currencies.

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

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

Interest rate risk management

The Group is exposed to interest rate risk because its entities borrow funds with variable interest rates. The Group manages this risk by maintaining appropriate monitoring of its debt.

Interest rate risk management focuses on minimizing fluctuations in interest flows on assets and financial liabilities with variable interest rates.

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

- Loan
- Credits
- other debt instruments.

Due to the limited share of financial instruments with variable interest rates, the Group does not analyse sensitivity to changes in interest rates.

Credit risk management

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

The Group has built a model for estimating expected losses from the portfolio of receivables and assets under the agreement.

Credit risk is the risk of the Group incurring financial losses as a result of the failure of a customer or counterparty party to a financial instrument to fulfil its contractual obligations.

The Group'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 risk	30.09.2023	31.12.2022
Loans		
Receivables from trade and services and other receivables	93 452	93 506
Derivative financial instruments	0	0
Debt securities		
Investment fund units		
Other classes of other financial assets		
Cash and cash equivalents	14 897	56 733
Contingent liabilities	609	294

Credit risk is mainly related to the Group's receivables from customers and financial investments. The Group's main recipients 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 (Parent Company).

In order to mitigate the credit risk of receivables, the Group applies the principle of concluding transactions only with counterparties with proven creditworthiness and pursues a restrictive policy with respect to granting credit limits.

The Group continuously monitors arrears of customers and creditors in making payments, analysing credit risk. In the opinion of the Management Board of the Parent Company, the above financial assets, which are not overdue and covered by an impairment loss as at individual balance sheet dates, can be considered as 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 September 30, 2023.

	Write-offs on receivables	Receivables	Write-offs in %
(a) non-expired	329	66 510	0,49%
b) overdue up to 1 month	51	5 463	0,93%
c) overdue over 1 month to 3 months	1 554	2 007	77,43%
d) overdue over 3 months to 6 months	1 064	1 064	100,00%
e) overdue over 6 months to 1 year	106	1 076	9,85%
f) overdue over 1 year	6 646	8 132	81,73%
Total	9 750	84 252	11,57%
(g) impairment losses on receivables due to supplies and services	9 750	9 750	100,00%
Total	0	74 502	

With respect to trade receivables, the Group is not exposed to credit risk in connection with a single significant counterparty or a group of counterparties with similar characteristics. Based on historical defaults, outstanding receivables not included in the write-off do not show a significant deterioration in quality.

Credit risk of cash and cash equivalents, marketable securities and derivative financial instruments is considered immaterial due to the high reliability of the entities being parties to the transaction. Cash and cash equivalents are invested in financial institutions with high financial credibility, which primarily include banks.

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

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

The parent company did not negotiate and make arrangements resulting from a significant increase in credit risk or changes in payment dates, or otherwise it would have modified the expected cash flows from its receivables and assets under the agreement

Liquidity risk management

The Group is exposed to liquidity risk, i.e. the ability to pay its financial liabilities on time. The Group manages liquidity risk by monitoring payment terms and cash requirements for short-term payments (current transactions monitored on a weekly basis) and long-term cash demand based on cash flow forecasts updated on a two-month basis. The demand for cash is compared with the available sources of obtaining funds (in particular through the assessment of the ability to obtain financing in the form of available credit limits) and is confronted with liquid investments and the state of free financial resources.

The Group manages liquidity risk by using banking services and available credit lines, monitoring constantly forecast and actual cash flows and adjusting maturity profiles of financial assets and liabilities.

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

	30.09.2023	31.12.2022
a) liabilities before their due date	78 683	58 407
b) overdue liabilities	27 792	8 574
up to 1 month	14 751	3 558
over 1 month to 3 months	927	4 963
over 3 months to 6 months	2 113	5
over 6 months to 1 year	4 152	32
more than 1 year	5 849	16
Trade payables, total (gross)	106 475	66 981

Capital risk management

The Group manages capital to ensure that its subsidiaries are able to continue to operate while maximising shareholder profitability by optimising the debt-to-equity ratio. In 2023, taking into account the dynamically changing market conditions, the Management Board of the parent company developed and implemented the „Strategy of ELEKTROTIM S.A. for the years 2023-2025”. The Strategy for 2023-2025 was focused on at least maintaining such a large volume of turnover and on long-term, stable and sustainable development ensuring the growth of the value of the Company and the Group.

In their operations, the companies of the ELEKTROTIM Capital Group use financial products such as working capital loans, bid bond collateral, and good performance security.

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

Contingent liabilities understood as a possible liability, resulting from past events, the existence of which will only be confirmed by the occurrence or absence of one or more future events, not subject to the entity's total control.

Warranty lines owned by the company and their use.

As of September 30, 2023, the parent company has: total limits for deposit guarantees, performance guarantees, guarantee and warranty periods and advance payments in the amount of PLN 220,400 thousand and EUR 6,000 thousand. Utilization as of September 30, 2023. amounts to PLN 89,198 thousand and EUR 2,810 thousand.

The Management Board of ELEKTROTIM S.A. has concluded an agreement with two shareholders of ZEUS S.A. 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 buy.

At the request of Elektrotim, the bank issued a contract performance guarantee of up to PLN 609 thousand for a subsidiary whose beneficiary is a commercial law company.

The minority (non-controlling) capital in relation to the above agreement is irrelevant.

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

Book value per share is the quotient of book value, i.e. the difference between the total assets and the company's borrowed capital, divided by the number of shares.

Diluted book value per share is calculated by dividing the book value divided by the number of common shares plus the potential number of shares an entity has committed to issue.

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

2.24. A method of calculating earnings (loss) per common share and diluted earnings (loss) per common share.

Earnings per common share is calculated by dividing the net profit from the income statement for the period divided by the weighted average number of common shares for the 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 share of common stock is calculated by dividing the period's net earnings divided by the weighted average number of shares for the period plus the weighted average potential number of shares that an entity has committed to issue.

Detailed values of the ratio 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 market conditions.

In its purchasing strategy, the Group 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.

2.26. Information on significant events that occurred in the reporting period and after the balance sheet date

Significant events that occurred during the reporting period and after the balance sheet date and may affect the results of subsequent quarters are described in more detail in sections 4.14 and 4.15 of the report.

Condensed interim separate financial statements for the period 01.01 – 30.09.2023

STATEMENT OF FINANCIAL POSITION in PLN thousand

Assets		note	30.09.2023	31.12.2022
I.	Assets		27 909	28 058
-	Intangible assets	3.2	130	104
-	Goodwill	3.3	2 396	2 396
-	Property, plant and equipment	3.4	12 640	12 088
	Investment Properties		4 058	4 058
	Investments in subsidiaries		644	644
-	Other non-current financial assets	3.5	2 370	2 394
-	Deferred tax assets	3.7	4 079	4 900
-	Other non-current non-financial assets		1 592	1 474
II.	Current assets		229 248	212 181
-	Stocks	3.8	5 496	3 358
-	Trade receivables and other receivables	3.9	83 686	94 654
-	Contractual assets	3.10	126 836	57 645
-	Other short-term financial assets		0	0
-	Cash and cash equivalents	3.11	13 230	54 652
1.	Current assets other than Assets for sale		229 248	210 309
2.	Non-current assets held for sale	3,12	0	1 872
	Total assets		257 157	240 239

Liabilities		note	30.09.2023	31.12.2022
And.	Equity		109 747	91 497
-	Capital	3.13	9 983	9 983
-	Surplus of the issue price above the nominal value of the shares		44 522	44 522
-	Other capitals		-10	-10
-	Retained earnings	3.13	22 027	13 916
-	Net profit (loss)		33 225	23 086
II.	Liabilities and provisions for liabilities		147 410	148 742
1.	Long-term liabilities		6 766	7 515
-	Deferred tax liabilities	3.7	1 514	1 532
-	Long-term provisions	3.14	2 363	2 459
-	Financial liabilities (loans, loans, debt securities, etc.)		0	0
-	Long-term lease liabilities	3,16	2 889	3 524
3.	Current liabilities		140 644	141 227
-	Short-term provisions	3.14	13 630	16 786
-	Trade payables and other payables	3.15	96 702	76 166
-	Financial liabilities (loans, loans, debt securities, etc.)		13 617	0
-	Corporate Income Tax Liabilities		0	2 977
-	Current lease liabilities	3.16	2 873	2 518
-	Contractual liabilities	3.10	13 822	42 780
	Current liabilities other than those related to assets to be sold		140 644	141 227
	Liabilities related to non-current assets held for sale		0	0
	Total liabilities		257 157	240 239

**REPORT ON THE RESULT**

(calculation variant in PLN thousand)	note	01.07.- 30.09.2023	01.01.- 30.09.2023	01.07.- 30.09.2022	01.01.- 30.09.2022
- Sales revenues	3.1	177 985	391 457	122 632	214 893
- Cost of goods sold		150 783	330 080	105 102	194 665
I Gross profit (loss) on sales		27 202	61 377	17 530	20 228
- Cost of sales		1 624	5 704	1 877	5 522
- General and administrative expenses		2 203	6 361	1 612	4 890
- Other operating income	3.17	247	852	309	1 456
- Other operating expenses	3.17	1 171	3 059	2 631	3 243
- Profit (loss) on expected credit losses	3.17	-3 337	-3 911	-99	708
II Operating profit (loss)		19 114	43 194	11 620	8 737
- Financial income	3.18	260	3 385	1 158	1 941
- Financial costs	3.18	922	3 848	487	1 079
- Write-off of goodwill subordinate.		0	0	0	0
III Gross profit (loss)		18 452	42 731	12 291	9 599
- Income tax		4 241	9 506	2 429	2 016
- Net profit (loss) from continuing operations		14 211	33 225	9 862	7 583
- Profit (loss) from discontinued operations		0	0	0	0
IV Net profit (loss)		14 211	33 225	9 862	7 583

STATEMENT OF OTHER COMPREHENSIVE INCOME

in PLN thousand	01.07.- 30.09.2023	01.01.- 30.09.2023	01.07.- 30.09.2022	01.01.- 30.09.2022
1. Net profit (loss)	14 211	33 225	9 862	7 583
2. Other comprehensive income; including:	0	0	0	0
will not be reclassified to profit or loss (actuarial write-offs)	0	0	0	0
will be reclassified as a result	0	0	0	0
3. Total comprehensive income	14 211	33 225	9 862	7 583

STATEMENT OF CASH FLOWS

(indirect method in PLN thousand)	01.01.- 30.09.2023	01.01.-30.09.2022
I. Cash flow from operating activities		
1. Gross profit (loss)	42 731	9 599
2. Total Adjustments	-65 488	14 176
- Depreciation	2 669	2 627
- (Profits) foreign exchange losses	0	0
- Interest	-1 726	352
- (Profit) loss on investing activities	1 813	24
- Change in provisions	-3 269	-1 196
- Inventory change	-2 139	-4 398
- Change in receivables	-57 519	-23 225
- Change in current liabilities, except for borrowings and loans	-7 014	42 008
- Other corrections	1 697	-2 016
- Cash flow used in the business	-22 757	23 775
- Income tax paid included in operating activities	-12 532	-3 240
3. Net cash flow from operating activities	-35 289	20 535
II. Cash flow from investing activities		
- Proceeds from disposal of property, plant and equipment, intangible assets other than goodwill, investment property and other non-current assets	62	35
- interest	1 095	163
- Other proceeds from financial assets	2 074	946
- Purchase of property, plant and equipment, intangible assets other than goodwill, investment property and other non-current assets	-1 597	-589
- Other capital expenditures	0	0
1. Net cash flow from investing activities	1 634	555
III. Cash flow from financing activities		
- Net proceeds from the issuance of shares and other equity instruments	0	0
- Loans and advances	0	0
- Other financial receipts (expenses)	-2 500	0
- Purchase of own shares	0	0
- Dividends and other distributions to owners	-14 975	0
- Loan repayments	13 617	942
- Payments of liabilities under finance lease agreements	-2 489	-2 249
- Interest	-1 420	-515
1. Net cash flow from financing activities	-7 767	-1 822
IV. Total net cash flow	-41 422	19 268
Effects of changes in exchange rates that affect cash		
Balance sheet change in cash, including:	-41 422	19 268
Cash at the beginning of the period	54 652	14 625
Cash and cash at the end of the period	13 230	33 893
with limited use	9 844	4 896

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 01.01.2023 - 30.09.2023

in PLN thousand	Capital	Surplus of the issue price above the nominal value of the shares	Other capitals	Retained earnings	Total
Balance at the beginning of the period	9 983	44 522	-10	37 002	91 497
Period Profit				33 225	33 225
Other comprehensive income of the period				0	0
Comprehensive income	0	0	0	33 225	33 225
Dividend				-14 975	-14 975
Increase (decrease) of capital	0	0	0	18 250	18 250
Balance at the end of the period	9 983	44 522	-10	55 252	109 747

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 01.01.2022 - 30.09.2022

in PLN thousand	Capital	Surplus of the issue price above the nominal value of the shares	Other capitals	Retained earnings	Total
Balance at the beginning of the period	9 983	44 522	107	13 916	68 528
Period Profit				7 583	7 583
Other comprehensive income of the period				0	0
Comprehensive income	0	0	0	7 583	7 583
Increase (decrease) of capital	0	0	0	7 583	7 583
Balance at the end of the period	9 983	44 522	107	21 499	76 111

3. ADDITIONAL INFORMATION TO THE SEPARATE FINANCIAL STATEMENTS

3.1. Information regarding operating segments

Products and services from which reportable segments derive their revenues

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

The Company's reportable segments are an aggregation of the Company's organizational structure, the operating part of which has been divided into separately managed economic organisms (plants) grouped into divisions. The criterion for the separation of individual plants and divisions were product companies and territorial distribution.

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

- Installations segment
- Grid Segment
- Automation Segment

Together, these segments meet the following rules:

- the merger was carried out in accordance with the overarching principle of IFRS 8 „Present information in a manner that enables users of financial statements to assess the type and financial impact of the economic activities in which the entity is engaged and the economic environment in which it operates”.
- the segments have similar economic characteristics
- Segments are similar in:
 - * the type of products and services
 - * type of production processes
 - * the type or companies of customers for the products and services in question
 - * methods used in the distribution of products or the provision of services

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

Products offered by the Installations Segment

a) Construction and detailed designs , including:

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

b) Electrical installations, including:

- transformer stations,
- Electrical power and light installations in facilities:
 - industrial
 - housing
 - public utilities
 - warehouses
 - sports
 - military.

c) Electrical switchgears including:

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

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.



e) Servicing of electrical installations and equipment, including:

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

Products offered by the Grid Segment:

a) Electrical networks, including:

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

b) Telecommunication networks, including:

- Teletechnical sewage systems,
- Copper telecommunication lines,
- Fiber Optic Telecommunication Lines
- beacons (NDB, DVOR/DME),
- radar systems,
- antenna systems,
- other navigation and radio communication systems

c) Elements of road infrastructure, including:

- thin- and thick-layer horizontal markings of roads and streets,
- Vertical markings
- Traffic Organization: Temporary and Targeted
- road safety equipment
- traffic organization projects.

d) 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.

e) Systems:

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

f) High-voltage networks, including:

- HV overhead power lines
- HV wire power lines
- power protection automation (EAZ)
- Telemechanics
- superior systems
- HV/MV stations

**Products offered by the Automation Segment****a) Automation systems for power generation**

- automation system for a power unit
- automation system for water and wastewater treatment installations
- automation system for fuel feeding, ash removal and slag removal systems
- 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.

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.

c) Power Automation Systems

- CERTAN PQ-100 - power quality indicator meter
- Interference recorder
- power system supervision and energy balancing system
- system for recording disturbances and analysing the quality of electricity
- network and equipment operation system
- maintenance services.

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.

e) Other automation systems

- BMS
- fire detection and temperature monitoring system – PROList

Segment revenues and results

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

Business Segments	01.01- 30.09.2023	01.01- 30.09.2023	01.01- 30.09.2023	01.01- 30.09.2022	01.01- 30.09.2022	01.01- 30.09.2022
	Installation Segment	Network Segment	Automation Segment	Installation Segment	Network Segment	Automation Segment
Revenue from sales from external customers	116 524	274 898	0	112 424	102 469	0
Revenues within and from other segments	10 547	542	0	6 913	1 151	0
Cost of production of products sold	109 587	231 531	0	108 660	94 069	0
Gross profit (loss) on sales	17 484	43 909	0	10 677	9 551	0

Segment assets

The Company does not analyse the assets and liabilities of the segment in the statements used by the Management Board of the parent company for operational and analytical purposes, as they are not allocated to the assets and liabilities segment.

Geographic information

The company operates only in one geographical area – Poland.

3.2. Intangible assets

Intangible assets

	30.09.2023	31.12.2022
Completed development work	0	
acquired concessions, patents, licences and similar values	130	104
Other intangible assets	0	
Intangible assets, total	130	104

Changes in intangible assets (by type) for the third quarter 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
increase (due to)	0	0	149	149
-purchase			149	149
- acquisition of subsidiaries				0
reduction (due to)	0	0	0	0
-sale				0
-liquidation				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	124	124
- planned write-offs			124	124
- acquisition of subsidiaries				0
- reduction				0
accumulated depreciation (remission) at the end of the period	9	0	4 913	4 922

impairment losses at the beginning of the period				0
-increase				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	130	130

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
increase (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
-increase				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)

	30.09.2023	31.12.2022
own	130	104
used under a rental, lease or other agreement, including a leasing agreement	0	0
Intangible assets, total	130	104

3.3. Goodwill

	30.09.2023	31.12.2022
- PWS (Power Stations Division, Distribution Division)	2 396	2 396
Total goodwill of subordinated entities,	2 396	2 396
Impairment losses	0	0
Carrying amount, total	2 396	2 396

Change in goodwill of subsidiaries

	30.09.2023	31.12.2022
Balance at the beginning of the period	2 396	2 396
Balance 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. Network 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 Plant, 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 Plant, which is part of the Network Division, was assigned to the newly established cash-generating centre, i.e. the Power Stations Plant within the Network Division.

From 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 of PLN 1,707,000 was made in 2013. In order to conduct the test, the following assumptions were made: period of projected 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 3,954. thousand PLN 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 Plant and Airport Services Plant).

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

Impairment tests were performed by an external company.

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

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

**3.4. Property, plant and equipment**

	30.09.2023	31.12.2022
a) fixed assets, including:	12 077	11 801
- land	869	869
- buildings, premises and civil engineering facilities	4 929	5 153
- technical equipment and machinery	1 898	1 750
- means of transport	4 207	3 886
- other fixed assets	174	143
b) fixed assets under construction	563	287
Property, plant and equipment, total	12 640	12 088

Balance sheet fixed assets (ownership structure)

	30.09.2023	31.12.2022
own	6 037	5 392
used under a rental, lease or other agreement, including a leasing agreement, including:	6 603	6 696
Balance sheet fixed assets, total	12 640	12 088

Changes in fixed assets (by type) for the third quarters of 2023

	Land	buildings, premises and civil engineering facilities	Technical equipment and machinery	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
increase (due to)	0	916	503	1 303	102	2 824
- purchase		916	503	1 303	102	2 824
- acquisition of a subsidiary						0
reduction (due to)	0	0	6	446	27	479
sale and liquidation			6	446	27	479
gross value of fixed assets at the end of the period	869	10 341	9 240	12 837	1 981	35 268
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	1 140	349	536	44	2 069
- planned write-offs		1 140	352	982	71	2 545
- acquisition of a subsidiary						0
- sale and liquidation			3	446	27	476
accumulated depreciation (depreciation) at the end of the period	0	5 412	7 342	8 630	1 807	23 191



impairment losses at the beginning of the period						0
- increase						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	4 929	1 898	4 207	174	12 077

In the first 3 quarters of 2023, there were no material acquisitions and disposals of property, plant and equipment, and no material liabilities were incurred.

Changes in fixed assets (by type) for 2022

	Land	buildings, premises and civil engineering facilities	Technical equipment and machinery	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
increase (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
						0
reduction (due to)	0	0	8	939	0	947
sale and liquidation			8	939		947
						0
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
						0
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
- increase						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 third quarter of 2023

	Land	buildings, premises and civil engineering facilities	Technical equipment and machinery	means of transport	other fixed assets	Fixed assets, total
gross value at the beginning of the period		6 523	643	4 915		12 081
increase (due to)	0	892	0	963	0	1 855
- Concluding a lease agreement				963		963
- Changes resulting from modification of contracts		892				892
reduction (due to)	0	0	0	375	0	375
Termination of the lease agreement						0
profile changes/purchased				375		375
value at the end of the period	0	7 415	643	5 503	0	13 561
accumulated depreciation (remission) at the beginning of the period		3 578	29	1 778		5 385
depreciation for the period (due to)	0	1 079	54	440	0	1 573
- planned write-offs		1 079	54	684		1 817
- profile changes/redeemed						0
- depreciation of a terminated lease/return				244		244
accumulated depreciation (remission) at the end of the period	0	4 657	83	2 218	0	6 958
impairment losses at the beginning of the period						0
- increase						0
- reduction						0
impairment losses at the end of the period	0	0	0	0	0	0
net value at the end of the period	0	2 758	560	3 285	0	6 603

Changes in assets from. rights of use (by generic groups) for 2022

	Land	buildings, premises and civil engineering structures and water	Technical Equipment and machinery	means of transport	other fixed assets	Fixed assets, total
gross value at the beginning of the period		6 332	35	4 497		10 864
increase (due to)	0	191	643	1 602	0	2 436

- Concluding a lease agreement	0	0	643	1 602		2 245
- Changes resulting from modification of 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 lease agreement	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 an End of 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
- increase	0	0	0	0	0	0
- reduction	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

3.5. Financial assets

Other non-current financial assets

	30.09.2023	31.12.2022
a) in related entities		
Shares or stocks	644	644
b) other units	2 370	2 394
other long-term financial assets, including long-term deposits	2 370	2 394
Long-term financial assets, total	3 014	3 038

Change in non-current financial assets (by type)

	30.09.2023	31.12.2022
balance 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
increase (due to)	0	0
shares or stocks	0	0
loans granted	0	0
other long-term financial assets	0	0
reduction (due to)	24	13 382
shares or stocks	0	12 436
(a) sale	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	24	946
balance at the end of the period	3 014	3 038
Shares or stocks	644	644
loans granted		0
other long-term financial assets, including long-term deposits	2 370	2 394

Other short-term financial assets

	30.09.2023	31.12.2022
- Value of loans granted (gross)	2 500	0
- Expected credit loss allowance	-2 500	0
- Loan value (net)	0	0
Other short-term financial assets, total	0	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.

3.6. Financial liabilities

Long-term financial liabilities

	30.09.2023	31.12.2022
- Loans and credits	0	0
Total long-term liabilities	0	0

Short-term financial liabilities

	30.09.2023	31.12.2022
Financial liabilities (loans, credits, debt securities, etc.)	13 617	0
- Loans and credits	13 617	0

3.7. Assets and provision for deferred tax

Change in deferred tax assets

	30.09.2023	31.12.2022
Deferred tax assets at the beginning of the period, including:	4 900	4 051
recognised in the financial result	4 900	4 051
Increase	4 079	4 900
Recognised in the period's profit or loss due to negative temporary differences (due to)	4 079	4 900
- write-downs of receivables	992	878
- inventory impairment losses	583	591
- unpaid wages	0	0
- provision for employee benefits	788	1 640
- provision for warranty repairs	554	580
- other	1 162	1 211
- IAS / IFRS	0	0
Recognised in the financial result of the period in connection with the tax loss (due to)	0	0
Reductions	4 900	4 051
Recognised in the period's profit or loss due to negative temporary differences (due to)	4 900	4 051
- reversal of temporary differences	0	0
Total deferred tax assets at the end of the period, including:	4 079	4 900
Recognised in profit or loss	4 079	4 900
- write-downs of receivables	992	878
- inventory impairment losses	583	591
- unpaid wages	0	0
- provision for employee benefits	788	1 640
- provision for warranty repairs	554	580
- other	1 162	1 211
- IAS / IFRS	0	0
- recognised in the financial result of the period in connection with a tax loss (due to)	0	0
recognised in equity	0	0
recognised on goodwill	0	0

Change in deferred tax liabilities

	30.09.2023	31.12.2022
The balance of the deferred tax liability at the beginning of the period, including:	1 532	795
Recognised in profit or loss	1 532	795
Increase	1 514	1 532
Recognized in the financial result for the period due to positive temporary differences (due to)	1 514	1 532
- valuation of receivables	0	0
- valuation of long-term contracts	646	799
- fixed assets and WNiP	852	699

-other	16	34
Reduction	1 532	795
Recognised in the period's profit or loss due to positive temporary differences (due to)	1 532	795
	0	0
Total deferred tax liabilities at the end of the period	1 514	1 532
Recognised in profit or loss	1 514	1 532
- valuation of receivables	0	0
- valuation of long-term contracts	646	799
- fixed assets and WNiP	852	699
- other	16	34
Related to equity	0	0
Recognised goodwill	0	0

3.8. Inventory

	30.09.2023	31.12.2022
materials	2 280	1 494
semi-finished and work-in-progress products	3 216	1 864
finished products	0	0
goods	0	0
other	0	0
Inventory, Total	5 496	3 358
Inventory impairment losses	3 069	3 110
Inventory, total gross	8 565	6 468

Change in inventory impairment losses

	30.09.2023	31.12.2022
Balance at the beginning of the period	3 110	659
increase	0	2 471
use	0	0
termination	41	20
Impairment losses on inventories at the end of the period, including:	3 069	3 110
materials	3 069	3 110
goods	0	0

In 2023, the Company did not update the value of inventories. Impairment losses in the total amount of PLN 41 thousand were reversed.

3.9. Trade receivables and other receivables

Trade receivables and other receivables

	30.09.2023	31.12.2022
- from related parties	0	1 517
- receivables from other entities	82 568	91 690
- active accruals and deferred expenses	1 118	1 447
Trade receivables and other net receivables, total	83 686	94 654

Short-term receivables

	30.09.2023	31.12.2022
Receivables from related parties	0	1 517
- Trade receivables	0	0
- other receivables	0	1 517
Receivables from other entities	82 568	91 690
For supplies and services, repayment period:	70 342	84 652
- up to 12 months	68 940	83 417
- over 12 months	1 402	1 235
Other receivables	0	0
Other receivables, including:	12 226	7 038
- taxes, customs, social security and health insurance and other benefits	8 962	5 765
- other	3 264	1 273
Net current receivables, total	82 568	93 207
impairment losses on receivables	6 625	5 214
Gross current receivables, total	89 193	98 421

Gross current receivables (currency structure)

	30.09.2023	31.12.2022
a) in Polish currency	89 193	98 421
b) in foreign currencies (by currency and after conversion into PLN)	0	0
PLN	0	0
EUR	0	0
PLN	0	0
USD	0	0
Current receivables, total	89 193	98 421

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

	30.09.2023	31.12.2022
Balance at the beginning of the period	5 214	6 179
Increases (due to)	1 413	70
- write-offs for overdue and non-performing receivables	1 413	70
Reductions (due to)	2	1 035
- liquidation of write-offs after repayment of receivables	2	941
- writing off bad debts	0	94
Status of write-offs revaluating short-term receivables at the end of the period	6 625	5 214

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

	30.09.2023	31.12.2022
Up to 1 month	36 423	48 211
Over 1 month to 3 months	24 625	25 002
Over 3 months to 6 months	83	31
Over 6 months to 1 year	126	221
Over 1 year	1 731	1 632
Overdue receivables	13 041	14 576
Trade receivables (gross), total	76 029	89 673
Write-offs on trade receivables	5 687	5 021
Trade receivables (net), total	70 342	84 652

Trade receivables, overdue (gross) - broken down by receivables not paid in the period

	30.09.2023	31.12.2022
up to 1 month	5 233	8 459
over 1 month to 3 months	45	8
over 3 months to 6 months	668	3
over 6 months to 1 year	992	0
more than 1 year	6 103	6 106
Trade receivables, past due (gross), total	13 041	14 576
impairment losses on trade receivables, overdue	5 358	4 619
Trade receivables, past due, (net), total	7 683	9 957

3.10. Contractual assets and liabilities
Settlement of assets due to contracts during the implementation of IFRS 15

	30.09.2023	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 September 30, 2023.	126 836	57 645
Impact on revenue for the current reporting period	69 191	44 093
Activated costs related to contracts in progress at the end of December 31, 2022.	53 442	16 625
Activated costs related to contracts in progress at the end of September 30, 2023.	122 353	53 442
Impact on manufacturing cost for the current reporting period	68 911	36 817
Impact on profit or loss per balance	280	7 276

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

Additional information on contracts under IFRS 15

	30.09.2023	31.12.2022
Estimated amount of receivables due to contracts in progress	126 836	57 645
Estimated amount of liabilities related to contracts in progress	122 353	53 442
The amount of deposits and guarantees retained for the work performed	3 229	2 625
Amount of advances received for the provision of supplies and services	13 822	42 780

Contractual liabilities

	30.09.2023	31.12.2022
- advances received for deliveries	13 822	42 780
Contractual liabilities, total	13 822	42 780

3.11. Cash and cash equivalents

	30.09.2023	31.12.2022
g) cash and other monetary assets	13 230	54 652
- cash on hand and in accounts	13 230	54 652
- other monetary assets	0	0
Short-term financial assets, total	13 230	54 652

3.12. Non-current assets held for sale

	30.09.2023	31.12.2022
a) Initial value at the beginning of the period	1 872	0
reclassification to assets to be disposed of	0	1 872
sale	0	0
Impairment loss on shares	1 872	0
Non-current assets held for sale at the end of the period	0	1 872

As at September 30, 2023, the Company does not disclose any assets held for sale. The situation of the subsidiary ZEUS S.A., disclosed in this item in previous periods in connection with the ongoing process of reviewing strategic options, is described in point 4.14 of this report.

As of June 30, 2023, there was an impairment of the shares of ZEUS S.A. therefore, an appropriate write-off was made in the amount of PLN 1,872 thousand. As of September 30, 2023, the value of shares in ZEUS S.A. is PLN 0.00.

3.13. Equity

Share capital

Share capital (structure)	30.09.2023	30.09.2023	30.09.2023	30.09.2023	30.09.2023	30.09.2023	30.09.2023
a) nominal value per share in PLN	1	1	1	1	1	1	1
b) Series/Issue	A	B	C	C	C	C	D
c) Type of share	bearer						
d) Type of preference of shares	common						
e) type of restriction of rights to shares							
f) number of shares in thousands	5 206	794	91	74	111	24	3683



g)	value of the series/issue at nominal value in PLN thousand	5 206	794	91	74	111	24	3683
h)	Method of capital coverage	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)	Dividend entitlement (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 thousand shares							
Total share capital in PLN thousand								9 983

Retained earnings and net profit

	30.09.2023	31.12.2022
- Other reserve capitals	40 336	32 225
- Profit (loss) from previous years	-18 309	-18 309
- Net profit (loss)	33 225	23 086
Retained earnings, total	55 252	37 002

3.14. Provisions**Change in other long-term provisions (by title)**

	30.09.2023	31.12.2022
a) balance at the beginning of the period	2 459	2 381
provisions for warranty repairs	2 098	2 120
provision for employee benefits	361	261
provisions for contractual penalties	0	
other	0	
b) increase (due to)	433	207
provisions for warranty repairs	433	107
provision for employee benefits	0	100
provisions for contractual penalties	0	
other	0	
c) Usage (due to)	0	0
provisions for warranty repairs	0	
provision for employee benefits	0	
provisions for contractual penalties	0	
other	0	
d) Termination (due to)	529	129
provisions for warranty repairs	529	129
provision for employee benefits	0	0
provisions for contractual penalties	0	0
other	0	
e) Balance at the end of the period	2 363	2 459
provisions for warranty repairs	2 002	2 098
provision for employee benefits	361	361
provisions for contractual penalties	0	0
other	0	0

Change in other short-term provisions (by title)

	30.09.2023	31.12.2022
a) balance at the beginning of the period	16 786	7 266
provisions for warranty repairs	955	879
provision for employee benefits	8 557	2 511
provisions for contractual penalties	7 274	3 876
other	0	0
b) increase (due to)	5 491	13 713
provisions for warranty repairs	221	954
provision for employee benefits	3 755	7 883
provisions for contractual penalties	1 515	4 876
other	0	0
c) Usage (due to)	0	0
provisions for warranty repairs	0	
provision for employee benefits	0	
provisions for contractual penalties	0	
other	0	
d) Termination (due to)	8 647	4 193
provisions for warranty repairs	260	878
provision for employee benefits	8 237	1 837
provisions for contractual penalties	150	1 478
other	0	0
e) Balance at the end of the period	13 630	16 786
provisions for warranty repairs	916	955
provision for employee benefits	4 075	8 557
provisions for contractual penalties	8 639	7 274
other	0	0

3.15. Trade payables and other payables

	30.09.2023	31.12.2022
- With regard to related parties	495	3 255
- Trade payables	92 895	66 961
- taxes, duties, insurance and other benefits	1 602	3 346
- remuneration	1 593	2 248
- other	117	356
- passive short-term accruals	0	0
Trade payables and other payables, total	96 702	76 166

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

	30.09.2023	31.12.2022
a) liabilities before their due date	79 261	61 644
b) overdue liabilities	14 129	8 572
up to 1 month	14 102	3 557
over 1 month to 3 months	25	4 962
over 3 months to 6 months	0	5
over 6 months to 1 year	0	32
more than 1 year	2	16
Trade payables (gross), total	93 390	70 216

3.16. Lease liabilities

	30.09.2023	31.12.2022
a) Short-term liabilities	2 873	2 518
b) Long-term liabilities	2 889	3 524
Liabilities from. leases, rentals and other similar agreements in total	5 762	6 042

Additional information on leases (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.

	30.09.2023	31.12.2022
Lease interest	601	585
cost of short-term leases and leases of low-value assets	221	178
value of lease payments	2 134	2 716
Total	2 956	3 479

3.17. Other operating income and expenses

Other operating income

	01.01.-30.09.2023	01.01.-30.09.2022
- Profit from the disposal of non-financial fixed assets	60	0
- Grants	0	0
- Other operating income	792	1 456
Other operating income, total	852	1 456

Other operating expenses

	01.01.-30.09.2023	01.01.-30.09.2022
- Loss on disposal of non-financial non-current assets	0	10
- Revaluation of non-financial assets	111	2 459
- Other operating expenses	2 948	774
Other operating expenses, total	3 059	3 243

Other operational costs

	01.01.-30.09.2023	01.01.-30.09.2022
a) Provisions created (for)	1 515	44
other , including anticipated losses on contracts	1 515	44
b) others, including:	1 433	730
costs of resold services	62	57
damage due to traffic incidents	14	171
court costs	95	145
donations	5	3
contractual penalties and compensation	1 002	253
other costs	255	101
Other operating expenses, total	2 948	774

Profit (loss) on expected credit losses

	01.01.-30.09.2023	01.01.-30.09.2022
- Reinstatement of write-offs on receivables	2	788
- Creation of an impairment loss on receivables	-1 413	-80
- Write-off of the loan value	-2 500	0
Result on expected credit losses, total	-3 911	708

3.18. Financial revenues and costs

Financial income

	01.01.-30.09.2023	01.01.-30.09.2022
- Dividends and profit shares	2 050	0
- Interest	1 096	359
- Profit on disposal of investments	0	0
- Updating the value of the investment	0	0
- Other	239	1 582
Operating income, total	3 385	1 941

Financial costs

	01.01.-30.09.2023	01.01.-30.09.2022
- Interest	2 050	809
- Loss on disposal of investments	0	0
- Updating the value of the investment	1 872	14
- Other	-74	256
Financial costs, total	3 848	1 079

3.19. 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.

In the first three quarters of 2023, no sale of the subsidiary was made.

3.20. Write-down of goodwill of subordinated entities

As at December 31, 2022, the Management Board of ELEKTROTIM S.A. tested the cash-generating units to which goodwill was assigned for impairment 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 Plant 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. As of September 30, 2023, the value of shares in ZEUS S.A. is PLN 0.00.

3.21. Information on 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.

	30.09.2023	31.12.2022
a) deposits over 12 months	2 370	2 394
(b) loans granted to	0	0

As of September 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.

Analysing the terms and probability of repayment of the loan, an impairment loss was made on the value of the loan granted in the amount of PLN 2,500 thousand.

Interest income

	30.09.2023	31.12.2022
a) on loans granted	0	0

Loan and lease liabilities:

	30.09.2023	31.12.2022
(a) long-term loans	0	0
(b) short-term loans	13 617	0

As of September 30, 2023, loans are 0.

Derivatives

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

As of September 30, 2023, there were no forward transactions.

Reclassifications of financial assets

In the period covered by the separate financial statements, 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.

Currency risk management

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 September 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:

- Loan
- Credits
- Other debt instruments

Due to the limited share of financial instruments with variable interest rates, Elektrotim does not analyze sensitivity to changes in rates.

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 Parent Company and Group companies 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 Elektrotim incurring financial losses 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 risk	30.09.2023	31.12.2022
Loan	0	0
Trade receivables and other receivables	83 686	94 654
Derivative financial instruments	0	0
Debt securities		
Investment fund units		
Other classes of other financial assets		
Cash and cash equivalents	13 230	54 652
Contingent liabilities	609	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, analyzing 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. However, the above assessment should be defined in the context of uncertainty and unknown effects of the current pandemic caused by the SARS-CoV-2 virus.

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 30.09.2023

	Write-offs on receivables	Receivables	Write-offs in %
(a) non-expired	329	62 988	0,52%
b) overdue up to 1 month	51	5 233	0,97%
c) overdue over 1 month to 3 months	0	45	0,00%
d) overdue over 3 months to 6 months	668	668	100,00%
e) overdue over 6 months to 1 year	22	992	2,22%
f) overdue over 1 year	4 617	6 103	75,65%
Total	5 687	76 029	7,48%
(g) impairment losses on trade receivables	5 687	5 687	100,00%
Total	0	70 342	

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.

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

	30.09.2023	31.12.2022
a) liabilities before their due date	79 261	61 644
b) overdue liabilities	14 129	8 572
up to 1 month	14 102	3 557
over 1 month to 3 months	25	4 962
over 3 months to 6 months	0	5
over 6 months to 1 year	0	32
more than 1 year	2	16
Trade payables (gross), total	93 390	70 216

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 Management Board of the Parent Company 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 their business activities, companies from the ELEKTROTIM Capital Company use financial products such as working capital credit, bid security, and performance bond.

3.22. 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.

The warranty lines held by the company and their use.

As of September 30, 2023, the company has total limits for deposit guarantees, performance guarantees, guarantee and warranty periods and advance payments in the amount of PLN 220,400 thousand and EUR 6,000 thousand. Utilization as of September 30, 2023 amounts to PLN 89,198 thousand and EUR 2,810 thousand.

Management Board of ELEKTROTIM S.A. concluded with two shareholders of ZEUS S.A. agreement 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 609,000 for a subsidiary whose beneficiary is a commercial law company.

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

The book value per share is the quotient of the book value, i.e. the 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.

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

Earnings per ordinary share is the quotient of the net profit 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.

3.25. 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.-30.09.2023	Interdependent entities	Key Leadership	Other related entities
Purchase of goods and services	-	-	6 894
Sale of goods and services	-	-	-
Rental income from real estate			373
Purchase of real estate	-	-	10
Sale of a fixed asset			-
Receivables	-	-	-
Liabilities	-	-	495

01.01.-31.12.2022	Interdependent entities	Key Leadership	Other related entities
Purchase of goods and services	-	-	14 428
Sale of goods and services	-	-	959
Rental income from real estate			
Purchase of real estate	-	-	
Sale of a fixed asset			-
Receivables	-	-	1 517
Liabilities	-	-	3 255

3.26. Information about significant events that occurred during the reporting period and after the balance sheet date

Significant events that occurred during the reporting period and after the balance sheet date and may affect the results of subsequent quarters are described in more detail in sections 4.14 and 4.15 of the report.

4. OTHER INFORMATION REQUIRED BY LAW

4.1. The amount and type of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their type, value or frequency

In the period from July 1, 2023 to September 30, 2023 at ELEKTROTIM S.A. and in the Capital Group, there were no unusual items due to their type, value or frequency affecting assets, liabilities, equity, net result or cash flows, with the exception of the submission by the President of the Management Board of the subsidiary ZEUS S.A., described in more detail in point 4.14 application for declaring bankruptcy.

4.2. Explanations regarding the seasonality or cyclicity of the issuer's activities in the presented period

The Company's results and the consolidated results of the ELEKTROTIM Capital Group are characterized by seasonality. A repeating trend was observed - in the first quarter, losses or small profits and low sales profitability were recorded, which gradually increased in the following quarters, reaching the highest values in the third and fourth quarters. This is mainly related to the seasonality of construction works and the impact of weather conditions. Additionally, seasonality is subject to modifications depending on the nature of the contracts performed.

4.3. Information about significant settlements related to court cases.

There were no significant settlements for court cases.

4.4. Information about changes in the economic situation and business conditions that have a material impact on the fair value of the entity's financial assets and financial liabilities, regardless of whether these assets and liabilities are recognized at fair value or at adjusted purchase price (amortized cost).

There were no changes that would materially affect the fair value of the entity's financial assets and financial liabilities.

4.5. Information on non-repayment of a credit or loan or violation of material provisions of the credit or loan agreement for which no corrective actions were taken by the end of the reporting period;

In the third quarter of 2023, there was no default on the loan or breach of material provisions of the loan agreements.

4.6. Information on dividends paid (or declared), in total and per share, divided into ordinary and preference shares;

On June 20, 2023, the Ordinary General Meeting of the Company allocated the amount of PLN 14,974,513.50, i.e. PLN 1.50 per 1 share of ELEKTROTIM S.A., for the payment of dividend to shareholders, which constituted approximately 65% of the net profit of ELEKTROTIM S.A. for 2022.

The dividend was paid on July 28, 2023, and Shareholders who held the Company's shares on July 7, 2023 were entitled to receive it.

4.7. Other information that may significantly affect the assessment of the property, financial situation and financial result of the issuer

Positive and negative factors that may significantly affect the assessment of the property, financial situation and result are described in detail in point 4.15.

4.8. A concise description of the issuer's significant achievements or failures in the period covered by the report, along with a list of the most important events relating to the issuer and factors and events, including those of an unusual nature, having a significant impact on the condensed financial statements

In 2023, the Capital Group consists of three entities: ELEKTROTIM S.A., ZEUS S.A. and OSTOYA-DataSystem Sp. z o. o. The group entered 2023 without PROCOM SYSTEM S.A., whose shares were sold by ELEKTROTIM S.A. in December 2022. Comparable data (for 2022) presented in this report include data from PROCOM SYSTEM S.A. Due to the sale of shares, data for 2023 do not include data from PROCOM SYSTEM S.A.

In March 2023, the Company adopted a new Strategy for 2023-2025. The adopted Strategy assumes an even increase in revenues for each of the ELEKTROTIM implementation divisions:



In the third quarter of 2023, the Company concluded an agreement with Bank Millennium S.A. revolving credit agreement. The subject of the agreement is a PLN loan in the amount of PLN 10 million, which will be used to finance the Company's current operations.

As of September 30, 2023, the Company has credit limits in all financial institutions in the total amount of PLN 79 million, including unused credit limits in the amount of PLN 65 million.

The company concluded two agreements with the Capital Infrastructure Authority in Warsaw for the total amount of PLN 18.9 million gross. The proceedings concerned the performance of works in the Goławice military complex (replacement of the internal and external fences of the ring road, expansion of the alarm system).

A subsidiary of the Capital Group, i.e. ZEUS S.A. filed for bankruptcy on September 28, 2023. The basis for the decision of the Management Board of ZEUS S.A. was based on the difficult liquidity situation. ELEKTROTIM S.A. made further write-offs updating the value of the subsidiary in the books, respectively at the end of 2021 in the amount of PLN 2,165,000 and at the end of 2022 in the amount of PLN 4,026,000. As at June 30, 2023, the last write-down of the value of the subsidiary ZEUS S.A. was made. in the amount of PLN 1,872,000. From that moment on, the value of ZEUS S.A. shares in the books of ELEKTROTIM S.A. is PLN 0.00 (in words: zero zlotys).

4.9. The position of the management board regarding the possibility of achieving previously published forecast 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 the forecast of the separate and 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 the presentation of forecasts with acceptable accuracy.

4.10. Identification of shareholders holding directly or indirectly through subsidiaries at least 5% of the total number of votes at the issuer's general meeting as at the date of submission of the quarterly report, along 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 meeting and indication of changes in the ownership structure of significant blocks of shares of the issuer in the period since the submission of the previous quarterly report;

Shares of ELEKTROTIM S.A. are not privileged as to voting rights - each share entitles to one vote.

List of shareholders of the Parent Company, i.e. ELEKTROTIM S.A. holding at least 5% of the total number of votes at the general meeting in accordance with the information available to the Company as at the date of publication of this quarterly report.

	Shareholder	Number of shares	Share capital	Number of votes at the GM	Share in the total number of votes at the GM
1	Krzysztof Folta with his wife 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 according to the shares in the Company's share capital amounting to PLN 9,983,009.00.

In the period since the submission of the previous periodic report (report for the first half of 2023), there have been no changes in the ownership structure of significant blocks of the issuer's shares.

4.11. A summary of the ownership of the issuer's shares or rights to them by the issuer's managing and supervising persons as of the date of submission of the quarterly report, together with an indication of changes in ownership in the period since the submission of the previous quarterly report, separately for each person;

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

Persons managing ELEKTROTIM S.A.

	Name and function	Number of shares	Share capital	Number of votes at the GM	Share in the total number of votes at the GM
1.	Dariusz Kozikowski Member of the Management Board	4,980	0.05%	4,980	0.05%

Persons supervising ELEKTROTIM S.A.

	Name and function	Number of shares	Share capital	Number of votes at the GM	Share in the total number of votes at the GM
1.	Jan Walulik Member of the Supervisory Board	410,000	4.11%	410,000	4.11%

In the period since the submission of the previous periodic report (report for the first half of 2023), there have been no changes in the ownership of the Issuer's shares by managing and supervising persons.

4.12. Indication of significant proceedings pending before a court, a body competent for arbitration proceedings or a public administration body

During the period covered by this quarterly report, no proceedings were initiated for the Issuer or the entire Capital Group before a court, a body competent for arbitration proceedings or a public administration body regarding liabilities or receivables whose value constitutes at least 10% of the Company's equity.

4.13. Information about the granting of credit or loan guarantees by the issuer or its subsidiary or granting guarantees - jointly to one entity or a subsidiary of this entity, if the total value of the existing sureties or guarantees is equivalent to at least 10% of the issuer's equity.

In the third quarter, neither the Company nor its subsidiary granted a surety for a credit or loan or a guarantee constituting at least 10% of the issuer's equity.

In connection with the review of strategic options, including the preparation of ZEUS S.A. for the sale transaction, in order to ensure the possibility of uninterrupted continuation of operations in the key period of negotiations with potential buyers, in June 2023, ELEKTROTIM S.A. granted a loan to this Company in the amount of PLN 2,500 thousand. Due to the difficult situation of the subsidiary ZEUS S.A. in the report of ELEKTROTIM S.A. 100% of the value of shares and 100% of the value of the loan granted to the subsidiary were written off.

4.14. Other information that, in the opinion of the issuer, is important for the assessment of its personnel, property and financial situation, financial result and their changes, as well as information that is important for assessing the ability of the issuer to fulfil its obligations;

Situation of the subsidiary ZEUS S.A.

On September 29, 2023, the President of the Management Board of ZEUS S.A., a subsidiary of ELEKTROTIM S.A., submitted to the District Court Gdańsk-Północ in Gdańsk an application to declare the Company's liquidation bankruptcy due to the permanent loss of financial liquidity and thus the ability to settle liabilities. On October 2, 2023, the court registered the application under reference number GD1G/GU/1156/2023.

The Management Board of ELEKTROTIM S.A. in 2022 and 2023, he was actively searching for a buyer for shares in ZEUS S.A., therefore in the consolidated report of the ELEKTROTIM Capital Group, the assets and liabilities of ZEUS were presented as a group intended for sale. Zeus was subject to a due diligence process, and the documentation from this process was located in the Virtual Data Room („VDR”), to which access was provided to entities interested in purchasing it. During 2023, ELEKTROTIM was in the advanced phase of negotiations with potential buyers, but no transaction took place.

Starting from December 31, 2022, due to the launched and actively conducted process of selling shares in ZEUS S.A., the group of assets and liabilities of this subsidiary was presented in the consolidated financial statements of the ELEKTROTIM Capital Group as a group intended for sale. Such presentation was continued in the interim consolidated financial statements prepared as at and for the periods ending March 31, 2023 and June 30, 2023.

The fact that the application was submitted and - partly after the balance sheet date - that potential contractors withdrew from purchasing shares in ZEUS S.A. resulted in changes in the recognition of assets and liabilities of this company in the Group's consolidated balance sheet and a number of write-offs at the level of the separate report:

- As of June 30, the company reported ZEUS S.A. as an asset held for sale; due to the situation in the company and the withdrawal of key potential buyers from the share purchase transaction, while maintaining formal control over ZEUS S.A., ZEUS S.A. was consolidated using the full method as at September 30, 2023. Therefore, individual items of assets and liabilities of this company were disclosed in the items of the consolidated statements of the ELEKTROTIM Group appropriate to their economic content;
- ZEUS S.A. many balance sheet items, according to the current judgment and state of knowledge, were shown at fair liquidation value, which had an impact on the result shown for three quarters by this company as well as on the consolidated report;
- in the consolidated report, the share of minority shareholders in the results of ZEUS S.A. is significant. and reversal of write-offs reported in ELEKTROTIM S.A. at the individual level in connection with the situation in this subsidiary;
- at the individual level of ELEKTROTIM S.A. a write-off was made for the part of the loan not written off at the end of the second quarter (PLN 1.9 million, in the third quarter), an advance payment collected for the execution of a contract in Opole (PLN 641,000 net) and one payment for the lease of real estate in Pruszcz Gdański (PLN 50,000), and an inventory of the stage of advancement of the contract gives the opportunity to settle part of the advance payment and recover the amount due for the property - in such a case, part of the write-offs will be reversed.

Recognized exposure of the separate result of ELEKTROTIM S.A. on the situation at ZEUS S.A. (impact on the result of PLN 2.7 million) along with exposure to off-balance sheet liabilities up to PLN 0.6 million (the amount not written off due to the lack of grounds for drawing funds from issued guarantees) in the opinion of the Management Board of ELEKTROTIM S.A. exhausts the potential costs of bankruptcy of ZEUS S.A. for ELEKTROTIM S.A. Therefore, the financial consequences should not exceed PLN 3 million (the value of ZEUS SA shares was written down to zero as of June 30, 2023) and do not involve additional expenses charged to ELEKTROTIM S.A.'s cash.

ACQUIRED ORDERS / ORDER BOOK

Changes in the amounts given below result from the fact that ELEKTROTIM SA is bidding in two new, large tenders related to the expansion of the perimeter barrier on the Polish-Belarusian border, and the total potential value of these contracts is higher than the contract obtained by the Company in 2022. Therefore, especially in the Special Division, as well as in the Divisions closely cooperating with it, resources had to be secured for the possible implementation of such large contracts.

Moreover, with intensive implementation and sale of contracts from the portfolio in the third quarter of 2023 (and after the balance sheet date, in the fourth quarter), ELEKTROTIM S.A. notes that due to the current political crisis, in areas other than defence, we have a reduced number of tender procedures, increased competitiveness in those tenders that are conducted and a lower level of decision-making of some management boards of state-controlled companies. This means that, apart from possible border contracts, the reconstruction of the portfolio will be slower and depends on the return of decision-making and an increase in funds at the disposal of potential investors (such as funds from the KPO). This time is estimated by the Company at approximately 3 - 4 months (i.e. until the end of the first quarter of 2024), with visible results in spring 2024. A faster reconstruction of the order portfolio will occur if contracts are signed for the expansion of the perimeter barrier.

ELEKTROTIM S.A. company in the period from October 1, 2022 to September 30, 2023, it obtained orders with a total value of PLN 384,965 thousand net, compared to PLN 582,521 thousand net in the period from October 1, 2021 to September 30, 2022 (this value included the contract with the Border Guard for the perimeter barrier worth approx. PLN 270 million net, obtained in March 2022), which means a decrease in the total value of contracts obtained by 34%.

ELEKTROTIM S.A., as of September 30, 2023, had an order portfolio of approximately PLN 473,457 thousand net compared to PLN 609,915 thousand net as of September 30, 2022, which means a decrease in the order portfolio by 22%.

In the period from October 1, 2022 to September 30, 2023, the ELEKTROTIM Group obtained orders worth PLN 385,085 thousand net, compared to PLN 656,744 thousand net in the period from October 1, 2021 to September 30, 2022, in comparable amounts, without taking into account orders obtained by subsidiaries (i.e. PROCOM SYSTEM S.A. in the amount of PLN 40,935 thousand and ZEUS S.A. in the amount of PLN 29,884 thousand), a decrease in the orders of the ELEKTROTIM Group was recorded by 35%.

As of September 30, 2023, the ELEKTROTIM Group has an order portfolio of approximately PLN 473,800 thousand net compared to PLN 702,175 thousand net as of September 30, 2022 (including 612,690 excluding the subsidiaries PROCOM SYSTEM S.A. and ZEUS S.A.). In comparable terms, excluding the values of the mentioned subsidiaries, the portfolio in 2023 of the companies remaining in the Group is 23% lower than at the end of September 2022.

4.15. Indication of factors that, in the issuer's opinion, will affect its results in at least the next quarter.

According to the Management Board of ELEKTROTIM S.A. the results forecasted by the Issuer and the companies forming the ELEKTROTIM Capital Group will or may be influenced by the following factors:

- signing new agreements with the ministries of force, in particular with the Border Guard (expansion of the perimeter barrier on the border with Belarus);
- obtaining new orders in the areas of business activity of ELEKTROTIM SA, including cooperation with local governments (also in connection with the possible availability of funds from KPO), railway and city traction as well as in the distribution department
- final settlement of the 2022 contract with the Border Guard for the construction of a perimeter barrier on the Polish-Belarusian border;
- implementation of the contract concluded on November 16, 2023 with KHGM Polska Miedź S.A. – Głogów Copper Smelter Branch worth approx. PLN 50 million;
- implementation of the contract with the State Treasury - Cyberspace Resource Center of the Armed Forces in Warsaw, the subject of which is the construction of fiber optic lines between the complexes in Gdynia, Rumia, Łężyce, Wejherowo, Rzucewo, along with obtaining the necessary consents, arrangements, decisions and permits;
- continuation of the implementation and sale of works related to key contracts with PKP Energetyka
- implementation of renewable energy contracts in the Tarnobrzeg area;
- completion and sale of works under the contract with Nestle Purina Manufacturing Operations Poland sp. z o.o.
- efficient implementation of the remaining approximately 200 active projects in which ELEKTROTIM is involved;
- resolution of tender proceedings in which ELEKTROTIM S.A. participates.
- declaration of bankruptcy of ZEUS S.A./appointment of a receiver or temporary supervisor on behalf of the court, which will mean loss of control over ZEUS S.A. by ELEKTROTIM S.A..

The company has the opportunity to implement another large stage of the construction of an electronic barrier on the Polish-Belarusian border, on the section of the Bug River in the Bug River Border Guard Unit. The offer was submitted as part of a consortium with a company from the Capital Group, i.e. OSTOYA-DataSystem Sp. z o. o. The offer was selected on November 14, 2023 as the most advantageous in the procedure conducted pursuant to the Public Procurement Law. The gross value of the offer is PLN 279,210,000.00.

The key factor in the coming quarters is to complete the portfolio of orders for 2024 and subsequent years - in this respect, the changes taking place in the markets where ELEKTROTIM operates, the inflow of funds from the European Union and the increased decision-making of investors in the key markets where the ELEKTROTIM Group operates will have a decisive impact:

POSITIVE FACTORS OF CHANGE:

1. Increased demand in the special segment, reported by the ministries of force and the arms sector. In the draft budget for 2024, PLN 158.9 billion was planned for defence (including funds from the Armed Forces Support Fund). The Ministry of National Defence has planned to spend PLN 4.8 billion on construction investments and PLN 656 million on investments implemented under the NATO Investment Program. Development plans will also cover military aviation infrastructure. One of the important planned military projects is to increase the operational capabilities of the airport's air part for the needs of military operations at Wrocław Airport. An additional apron, an additional taxiway, a rapid exit road and a new de-icing area for aircraft will be built at the Port. Investments are also planned in the construction of new factories of military equipment, ammunition and drones.
2. Maintaining demand in the conventional energy segment, due to the restructuring of fuel and energy supply sources, and the transformation of the generation segment creates a unique opportunity for the company for an innovative transformation. The PEP 2040 energy strategy envisages investments of approximately PLN 500 billion for new transmission networks by 2040, of which PLN 60 billion is foreseen by 2030 in the development plan.

Planned investment expenses of Energy Groups:

PGE assumes over PLN 125 billion of capital expenditure in 2024-2030. Development directions: offshore and onshore wind energy, photovoltaics, network infrastructure, low-emission heating and energy services.

PGE Dystrybucja (a PGE Group company) is successively implementing the Medium Voltage (MV) Network Cabling Program, which assumes the transfer of at least 30% of current lines underground by 2028.

TAURON Group plans to increase investment expenditure on power networks to PLN 3 billion in 2024 - for the modernization of 1,220 km of power lines, expansion of 345 transformer stations, and installation of 600,000 smart meters.

The Enea Group intends to allocate over PLN 68 billion for investments in the 2023-2042 period, of which approximately PLN 14 billion for renewable energy projects. Among them: offshore wind farms, onshore photovoltaic and wind farms, as well as energy storage facilities. Distribution area - PLN 42.5 billion. Construction and further modernization of gas and steam units - PLN 5.8 billion. Investments in renewable energy sources and energy storage - PLN 13.8 billion, other activities of the ENEA Group (including the heat segment) - PLN 6.2 billion.

By 2030, the ORLEN Group's capital expenditure will amount to a total of approximately PLN 320 billion, of which approximately 40%, i.e. PLN 120 billion, will be allocated to green investments, including wind energy at sea and on land, photovoltaics, biogas and biomethane, biofuels, electromobility and green hydrogen..

3. Increased interest of foreign investors in the construction of new production plants in Poland, e.g.: Bosch heat pump factory (Dobromierz, Lower Silesian Voivodeship) - investment value is approx. PLN 1.2 billion, Izero electric car factory (Lower Silesian Voivodeship), Giga PV photovoltaic cell factory (Silesian Voivodeship); Semiconductor Integration and Testing Plant in Miękinia near Wrocław, in which Intel Corporation will invest approximately PLN 20 billion, Mercedes Benz electric delivery vehicle factory (Lower Silesian Economic Activity Zone S3 in Jawor) worth approximately PLN 6 billion.



4. Local governments continue to use funds from the Safe Road Infrastructure Program for 2021-2024. The cost of all tasks from the Program is approximately PLN 2.5 billion. PLN 1 billion has been allocated for the implementation of remaining PBID tasks in 2022-2024.
5. A new subsidy program for municipalities, „Illuminate Poland”, with a budget of PLN 1 billion has also appeared on the local government market. Local governments have the opportunity to co-finance investments related to improving energy efficiency on roads, consisting in replacing light sources with LEDs and installing lighting control systems.
6. GDDKiA maintains the investment level for 2023 at PLN 14.8 billion, while in 2024 it plans to spend PLN 19.5 billion (PLN 18.1 billion under the Government National Road Construction Program and PLN 1.4 billion under Construction Program of 100 Bypasses). For 2025, GDDKiA assumes that these expenses will amount to almost PLN 23 billion and PLN 2.1 billion, respectively, for these programs. The total value of the Government Program for the Construction of National Roads until 2030 is approximately PLN 192 billion.
7. Prices of construction materials and subcontractor services have remained relatively stable for several months.
8. In September 2023, the seasonally adjusted business climate index in the construction industry increased to -10.8 points. m/m, in October 2023 it was -9.5 points, which is the best result in 24 months./SPECTIS/
9. On September 5, 2023, the President of the Republic of Poland signed an amendment to the Act on environmental impact assessment, which is a step towards streamlining procedures related to investments considered strategic. The new regulations also expand the category of projects treated as strategic, including: expansion of tram lines, metro, construction of public airports. The new regulations are aimed at adapting Polish law to EU directives and accelerating processes related to the preparation and implementation of investments, especially those key to the country's development.
10. The change of government gives hope for a quick release of funds from the KPO and elimination of the risk of possible delays in the transfer of EU funds to Poland under the next perspective
11. In the case of entry of ELEKTROTIM S.A. to the sWIG80 index, the Group's recognition will increase, both among investors and potential customers.

NEGATIVE FACTORS OF THE CHANGES:

1. Still high, although gradually decreasing inflation. In October 2023, it decreased to 6.5% (in September this year to 8.2% from 10.1% in August 2023). Bankier.pl analysts forecast that CPI inflation in Poland will probably not drop significantly by the end of the year. According to the PMR Agency, the average annual forecast for 2023 is 11.5%. Moreover, with the inflow of EU funds to Poland and the increase in demand for construction services, significant increases in the prices of construction materials and services may return.
2. In the railway sector, due to the lack of EU funds, there is a lack of new high-value contracts; selected investments are being pre-financed by PFR (Polish Development Fund), but this is not on a large scale compared to expectations;
3. Rising employment costs, employee market and problems with recruiting qualified staff with appropriate skills and ethical qualifications;
4. Post-election cycle that may result in suspension or slowdown of tenders as well as revision of strategic assumptions and personnel changes among decision-makers in the public sector and among companies controlled by the State Treasury.
5. Significant EU funds are still blocked and unavailable to Poland.
6. The prolonged state of war beyond Poland's eastern border.
7. Risk of unfavourable macroeconomic trends, including global recession
8. Risk of making write-downs on receivables.
9. Risk of making provisions for possible contractual penalties.

Wrocław, November 21, 2023

Prepared by:

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

President of the Management Board – Artur Wieznowski	
Member of the Management Board – Dariusz Kozikowski	
Member of the Management Board – Krzysztof Wójcikowski	