

ELEKTROTIM S.A.

YOUR SAFETY IS OUR PRIORITY

INVESTORS' CONFERENCE RESULTS FOR 2023



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AGENDA

- Key Events at ELEKTROTIM S.A. and ELEKTROTIM Capital Group in the Market Context
- Financial Results of ELEKTROTIM S.A. and ELEKTROTIM Capital Group
- Q&A



Key Events at ELEKTROTIM S.A. and the Capital Group in the Market Context

CONTRACTS 2023

- Construction of traction substations in Knyszyn, Zduńska Wola, Rusiec, Łask, and Lublinek for **PGE ENERGETYKA KOLEJOWA S.A.** - contracts totaling **105 mPLN net**
- Replacement of electrical disconnectors and busbars at electrolytic bath groups for **KGHM Polska Miedź S.A. Głogów Copper Smelter Branch**, amounting to **45 mPLN net**
- Construction of the 110 kV "Krasnosielc" station with a 110 kV supply line for **PGE Dystrybucja S.A.** for **22 mPLN net**
- Construction of a fiber optic line in Gdynia, Rumia, Łężyce, Wejherowo for the **State Treasury – Cyber Space Center of the Armed Forces** based in Warsaw, amounting to **15 mPLN net**
- Expansion of the 110 kV and 20 kV switchgear stations for **TAURON Dystrybucja S.A.** for **15 mPLN net**
- Construction of fencing and expansion of the alarm system in the ammunition warehouses at the Goławice military complex for the Warsaw Infrastructure Board. Contracts totaling **15.4 mPLN net**
- Expansion of the R-Uczniowska station for **TAURON Dystrybucja S.A.** for **14.7 mPLN net**
- Improvement of road traffic safety on DK35 in Unisław Śląski for **GDDKiA** for **9.8 mPLN net**

CONTRACTS EXECUTED IN 2023 SALES AS OF DECEMBER 31, 2023

- Construction of electronic security on the Polish-Belarusian border for **the BORDER GUARD**. Value: **106.2 mPLN**
- Construction of traction substations in Zduńska Wola, Rusiec, Łask, and Lublinek for **PGE ENERGETYKA KOLEJOWA S.A.** Value: **81 mPLN net**
- Expansion of the production plant for **NESTLE PURINA MANUFACTURING OPERATIONS POLAND SP. Z O.O.** Value: **63 mPLN**
- Design and construction of the PV Jeziórko installation with a total capacity of up to 100 MW and PV Augustynka with a capacity of up to 25 MW for **SOLARTECH SP. Z O.O.** Total value: **53.3 mPLN**
- Construction of the 110 kV cable line RPZ Brzezińska - RPZ Radogoszcz for **PGE DYSTRYBUCJA S.A.** Value: **31.8 mPLN**
- Construction of GPO Dzwola for **ONDE S.A.** Value: **11 mPLN**
- Revitalization of the Market Square in Kąty Wrocławskie for the **MUNICIPALITY OF KĄTY WROCŁAWSKIE**. Value: **9.3 mPLN**
- Reconstruction of the 110/15 kV Drezdenko station (RES connection) for **ENERGA OPERATOR SP. Z O.O.** Value: **6.4 mPLN**
- Design and construction of a sanitary sewage system for the **MUNICIPAL WATER AND SEWAGE COMPANY S.A.** Value: **5.3 mPLN**
- Improvement of transportation mobility for residents – construction of bicycle paths for the **Municipality of Sobótka**. Value: **5.2 mPLN**

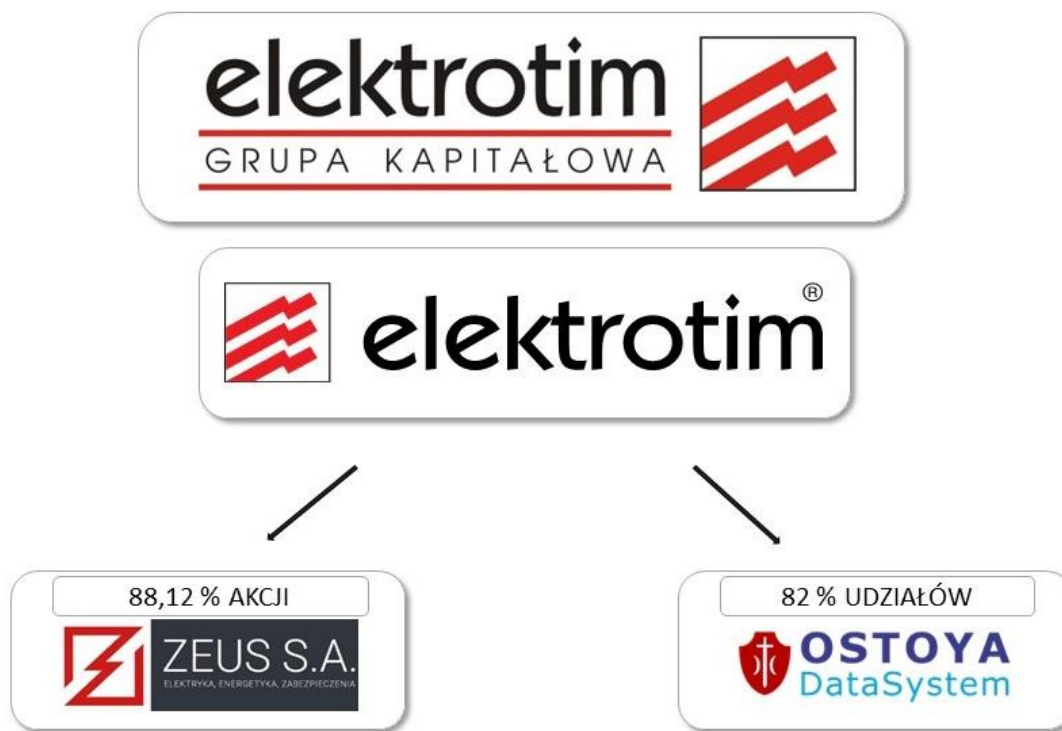
CONTRACTS AFTER THE BALANCE SHEET DATE

Significant contracts signed after the balance sheet date worth over 330 mPLN

- Construction of state border security on the Bug River section in the Nadbużański Border Guard Branch for the **State Treasury - Commander-in-Chief of the Border Guard** for **227 mPLN net**
- Implementation of a navigation aid system at **Szczecin-Goleniów Airport** along with accompanying infrastructure for Szczecin-Goleniów Airport Ltd. for **9.4 mln EUR net**
- Ongoing operation and execution of additional works on lighting networks for **TAURON Nowe Technologie S.A.** Contracts totaling **26 mPLN net**
- Construction of the 110 kV cable line between R-101 GPZ Walecznych and R-107 GPZ Kurkowa in Wrocław for **TAURON Dystrybucja S.A.** O/Wrocław for **24 mPLN net**
- Construction of the antenna field and modernization of the server room in **Gdańsk for the Armed Forces Cyber Space Resources Center** for **15.3 mPLN net**



STRUCTURE of the ELEKTROTIM Capital Group as of December 31, 2023



ZEUS S.A. – COMPANY SITUATION

- After the appointment of the new management board (May 2022) and supervisory board (July 2022), **the company initiated the sale process.**
- In July 2023, the key bidder withdrew from the transaction, **and five other entities withdrew from acquiring the company between August and October.**
- **On September 29, 2023, the management board of ZEUS S.A. filed for liquidation bankruptcy.**
- As of December 31, 2023 (and as of December 31, 2022), ZEUS S.A. **was fully consolidated** and presented as "**assets held for sale**" corresponding with the related liabilities position.
- The individual net result of ZEUS S.A. for 2023 was **-23.5 mPLN**.
- On March 27, 2024, the **company was sold** (constitutive entry in the shareholder register on March 28, 2024).
- **In Q1 2024, the transaction will be settled, resulting in a consolidated profit for the ELEKTROTIM Group from the sale of shares amounting to 20.5 mPLN** - the intangible surplus of the sale price over the significantly negative equity of the disposed entity.



CURRENT PLANS AND OPERATIONAL GOALS OF ELEKTROTIM

- Company development in projects related to:

- **Energy transformation**
- **Renewable energy projects**
- **Increasing Poland's security**
- **Municipal projects**

Continuation in areas: **Railway and urban traction power supply and energy storage**

- Stabilization in the **industrial and manufacturing sector**
- Working on the product offering in the **nuclear energy sector**
- Development of management and engineering **competencies**
- Increasing **synergy** between the divisions of the ELEKTROTIM Group



MARKET ENVIRONMENT ASSESSMENT

POSITIVE FACTORS

- Continuation of programs approved by the European Commission under the Cohesion Policy for the 2021-2027 perspective, with an allocation of **340 billion PLN**
- Unblocking of KPO funds for Poland - **268 billion PLN**. Acceleration of plans related to the modernization and expansion of railway infrastructure. Disbursements from the first application amounting to **27 billion PLN in April 2024**.
- Launch of the next edition of the FEnKS program worth **over 24 billion EUR**. Construction of technical and social infrastructure in line with sustainable development goals:
 - Development of renewable energy sources (RES)
 - Development of rail transport
 - Improvement of municipal wastewater management



MARKET ENVIRONMENT ASSESSMENT

POSITIVE FACTORS

- Decreasing inflation rate, leading to a medium-term prospect of interest rate cuts
- Strengthening of the Polish złoty – ELEKTROTIM is not an exporter, but it incurs some costs in foreign currencies, so a stronger złoty reduces cost pressure and increases the profitability of ongoing projects
- Increased spending on defense, state and border security
- Growing awareness of security issues and resilience against acts of sabotage and diversion of critical infrastructure (energy, railways, bridges, communication centers, water intakes, etc.) and the company's competencies and IT products within the group that enable offering ready solutions in this area



MARKET ENVIRONMENT ASSESSMENT

NEGATIVE FACTORS

- Lengthening decision-making processes regarding new investments
- Low construction activity at the beginning of 2024 – a decline in construction and assembly production in Poland in the first months of 2024, with a decrease of 13.3% year-on-year in March compared to a 4.9% drop in February (GUS data)
- According to the Polish Economic Institute, the following months of 2024 may surprise the construction market with a slight slowdown caused by the end of investment cycles in enterprises and the transitional period between budget perspectives for EU cohesion funds
- The expected accumulation of investments in the years 2025 – 2027 may result in a sharp increase in prices of building materials and labor costs, as well as limited availability of materials and skilled workforce

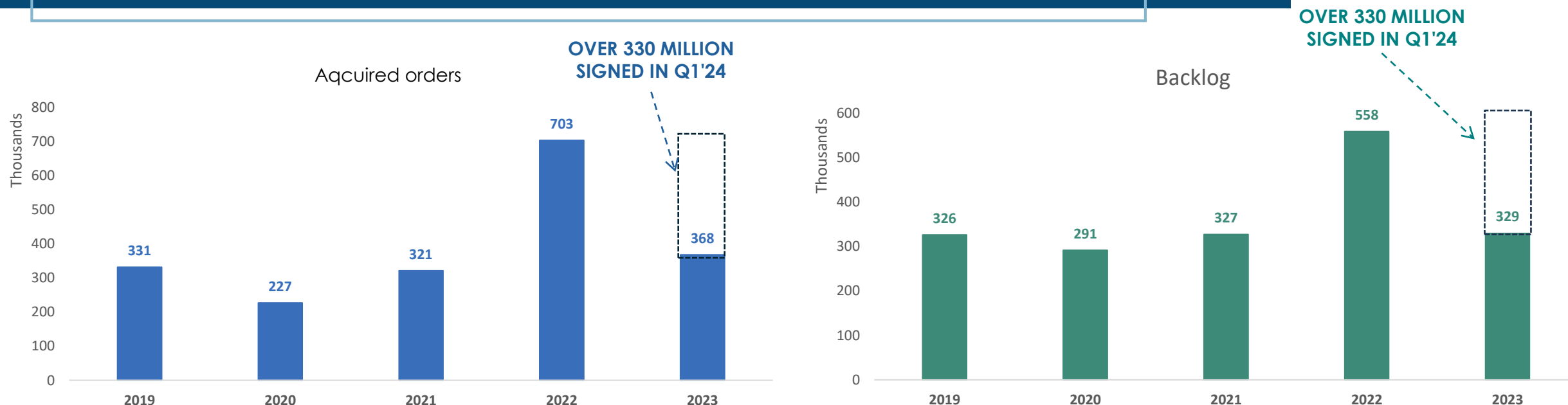




Financial Results of ELEKTROTIM S.A. and the Capital Group

BACKLOG AND ACQUIRED ORDERS OF THE CAPITAL GROUP

as of December 31, 2023, data in thousands PLN



- **Maintaining the level** (excluding the 2022 Border Guard contract and not showing contracts of the subsidiary ZEUS S.A. in the data as of 31.12.2023) of **acquired orders and the backlog**.
- The election cycle in Poland is causing a slowdown in tenders and a lack of decisiveness, which prolongs the process of acquiring new orders (**the situation will not change significantly in the perspective of H1 2024**).
- The value of contracts acquired at the turn of Q4 2023/Q1 2024 and formally signed in the first quarter of 2024 amounted to **over 330 mPLN**.
- **Considering the contracts signed in Q1 2024, at the beginning of the execution season, the backlog amounts to over 600 mPLN**.

ELEKTROTIM S.A. SUMMARY OF 2023

532 mPLN Sales Revenue

78.9 mPLN Gross Profit on Sales

14.8% Record Gross Profit Margin

40.7 mPLN Net Profit

170 contracts in various stages of completion as of 31.12.2023

BORDER GUARD CONTRACT

from 2023

SETTLEMENT STATUS

Settlement of the Border Guard Contract (net)	Contract value	2022	2023	TOTAL 2022-2023	Remaining for future periods
Sales (invoiced)	278 699	170 961	106 172	277 133	1 566

- **Invoices issued total** a net value **of 277.1 mPLN** out of 278.8 mPLN of the contract value. Out of this, (considering accrual accounting for work in progress), **over 70% of the value (nearly 200 mPLN) was included in the 2022 results.**
- In 2023, the received **advance payment was fully settled.**
- **5% of the contract value remains** outstanding until final acceptance.

INCOME STATEMENT OF ELEKTROTIM S.A.

2023, data in thousands PLN

Position description	Y 2022	Y 2023	Change	Change in %
Sales	428 243	532 246	104 003	24%
Gross profit	52 775	78 890	26 115	49%
<i>Gross profit margin</i>	<i>12,3%</i>	<i>14,8%</i>	<i>2,5pp</i>	
EBIT	29 519	53 893	24 374	83%
<i>EBIT margin</i>	<i>6,9%</i>	<i>10,1%</i>	<i>3,2pp</i>	
EBITDA	33 065	57 537	24 472	74%
Gross net	30 517	52 511	21 994	72%
Net profit	23 085	40 737	17 652	76%
<i>Net profit margin</i>	<i>5,4%</i>	<i>7,7%</i>	<i>2,3pp</i>	

Dynamic growth at all levels of the income statement, driven by the scale of operations (leveraging operational and financial effects)

Record EBIT growth and noticeable increase in operating profitability

Net profit 76% higher than in 2022, despite including 5.1 mPLN write-offs related to ZEUS SA at the individual level.

CONSOLIDATED INCOME STATEMENT OF THE CAPITAL GROUP

2023, data in thousands PLN

Position description	Y 2022	Y 2023	Change	Change in %
Sales	505 599	546 947	41 348	8%
Gross profit	67 484	76 117	8 633	13%
Gross profit margin	13,3%	13,9%	0,6pp	
Selling costs	11 823	8 616	-3 207	-27%
Administrative expenses	16 269	16 705	436	3%
Operating balance	-6 201	-16 571	-10 370	167%
EBIT	33 191	34 225	1 034	3%
EBIT margin	6,6%	6,3%	-0,3pp	
EBITDA	38 120	38 674	554	1%
Saldo finansowe	-2 777	-1 961	816	-29%
Gross net	30 414	32 264	1 850	6%
Net profit	22 439	19 635	-2 804	-12%
Net profit margin	4,4%	3,6%	-0,8pp	
Net profit attributable to shareholders of the parent company	21 984	22 373	389	2%

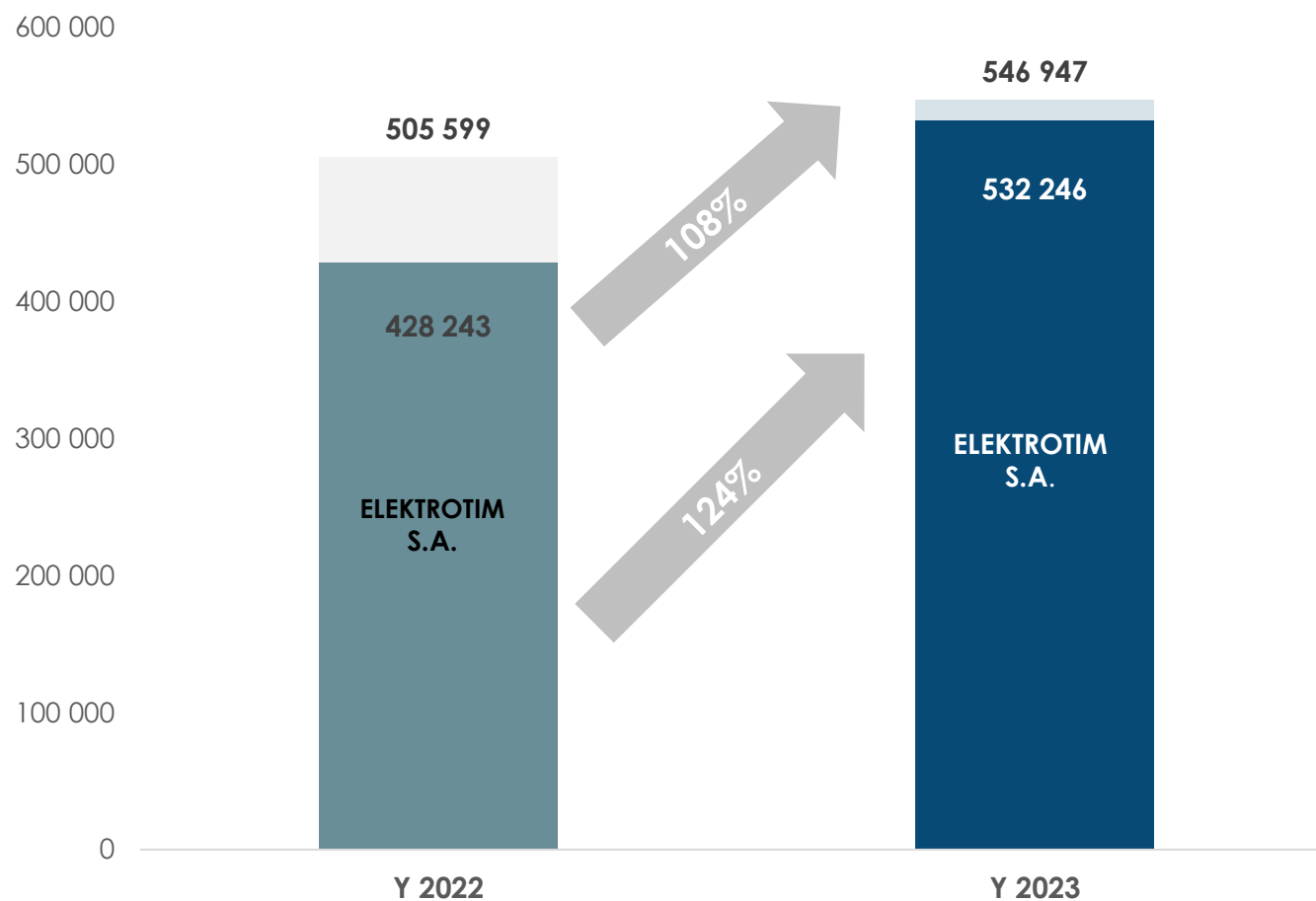
Revenue growth along with gross profit on sales compared to 2022

Operating result at a similar level to 2022 (includes an operating loss of 22 mPLN for Zeus S.A. due to the revaluation of assets and liabilities in connection with bankruptcy proceedings)

Comparable net profit attributable to shareholders of the parent company, thanks to the high profit of ELEKTROTIM S.A. balancing the accrual losses of ZEUS S.A.

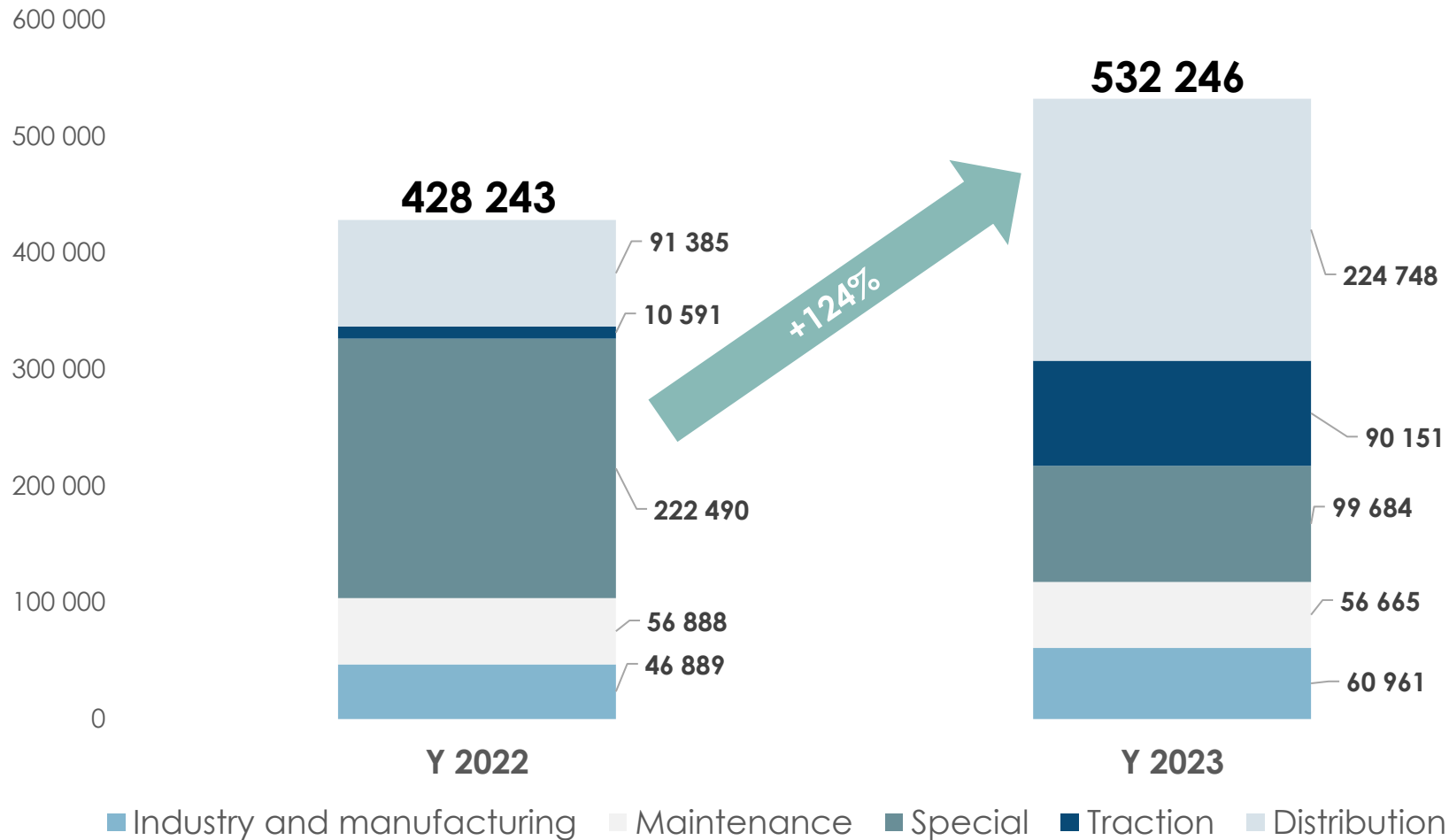
CONSOLIDATED REVENUES OF THE CAPITAL GROUP

2023, data in thousands PLN



INDIVIDUAL REVENUES OF ELEKTROTIM S.A. BY DIVISIONS

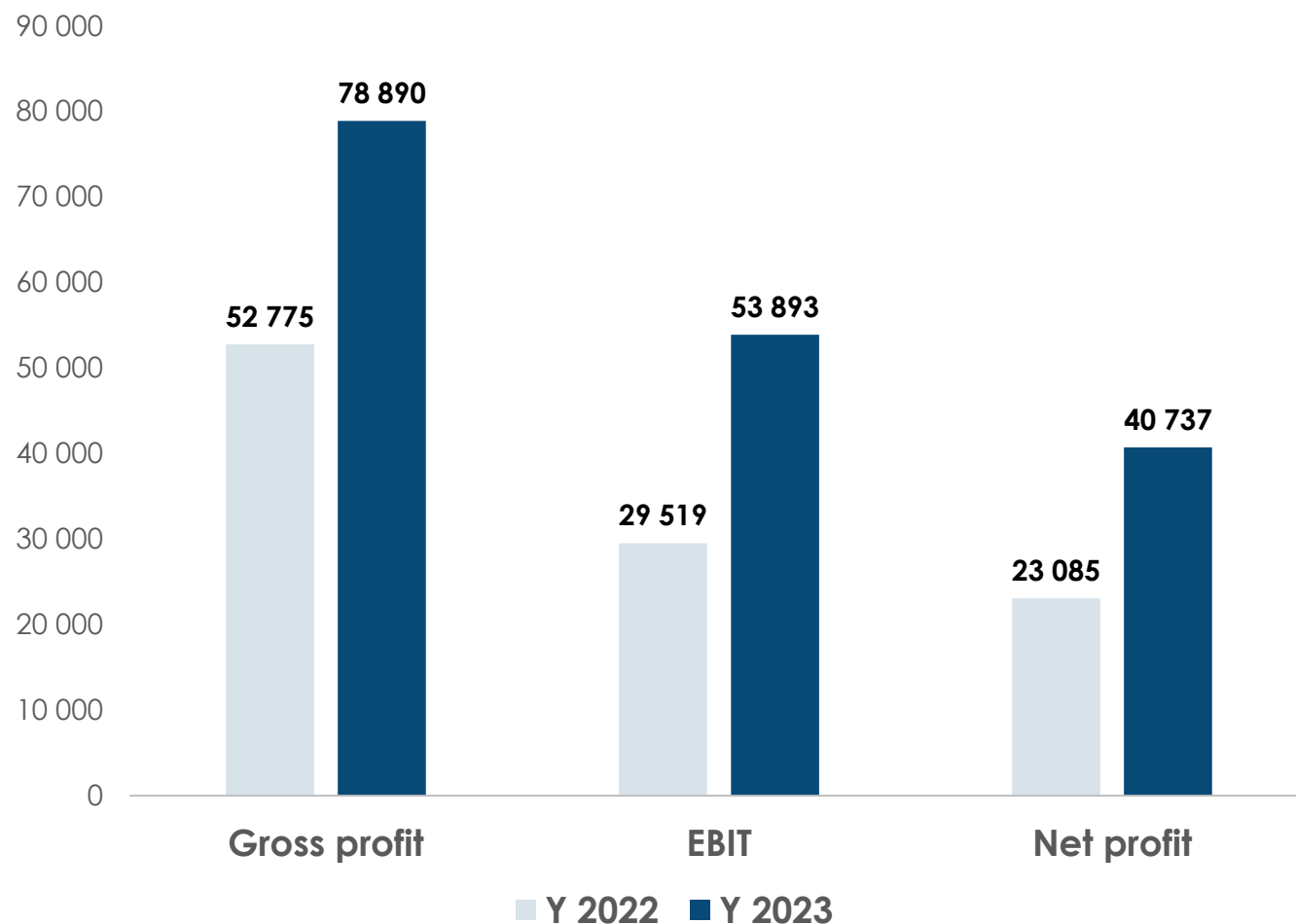
2023, data in thousands PLN



SELECTED ITEMS OF PROFIT AND LOSS STATEMENT

ELEKTROTIM S.A.

2023, data in PLN thousands



SELECTED DATA OF THE ELEKTROTIM CAPITAL GROUP DIVIDED INTO COMPANIES

2023, data in PLN thousands (without consolidation adjustments)

	Sales	EBIT	Gross net	Net profit
ELEKTROTIM S.A.	532 246	53 893	52 511	40 737
ZEUS S.A.	14 063	-22 091	-22 533	-23 502
OSTOYA-DataSystem Sp z.o.o.	3 267	444	344	300



SINGLE ENTITY BALANCE SHEET OF ELEKTROTIM S.A. - ASSETS

2023, data in PLN thousands

Postion description	31.12.2022	31.12.2023	Change	Change in %
Non-current assets including:	28 057	32 799	4 742	17%
Intangible assets	104	158	54	51%
Goodwill	2 396	2 396	- 0	0%
Tangible fixed assets	12 088	12 793	705	6%
Long-term investments	7 096	6 862	- 234	-3%
Deferred income tax assets	4 900	9 456	4 556	93%
Other non-financial long-term assets	1 474	1 134	- 340	-23%
Current assets including:	212 181	223 329	11 148	5%
Inventories	3 357	2 876	- 481	-14%
Short-term receivables	94 654	167 157	72 503	77%
Assets from contracts	57 645	21 305	- 36 340	-63%
Cash and cash equivalents	54 652	31 991	- 22 661	-41%
Total assets	240 239	256 128	15 889	7%

Deferred income tax assets - impact of created reserves for warranty repairs, contract valuation, and employee benefits.

Increase in receivables due to increased sales volume in December 2023, resulting in a decrease in the value of work in progress.

SINGLE ENTITY BALANCE SHEET OF ELEKTROTIM S.A. - LIABILITIES

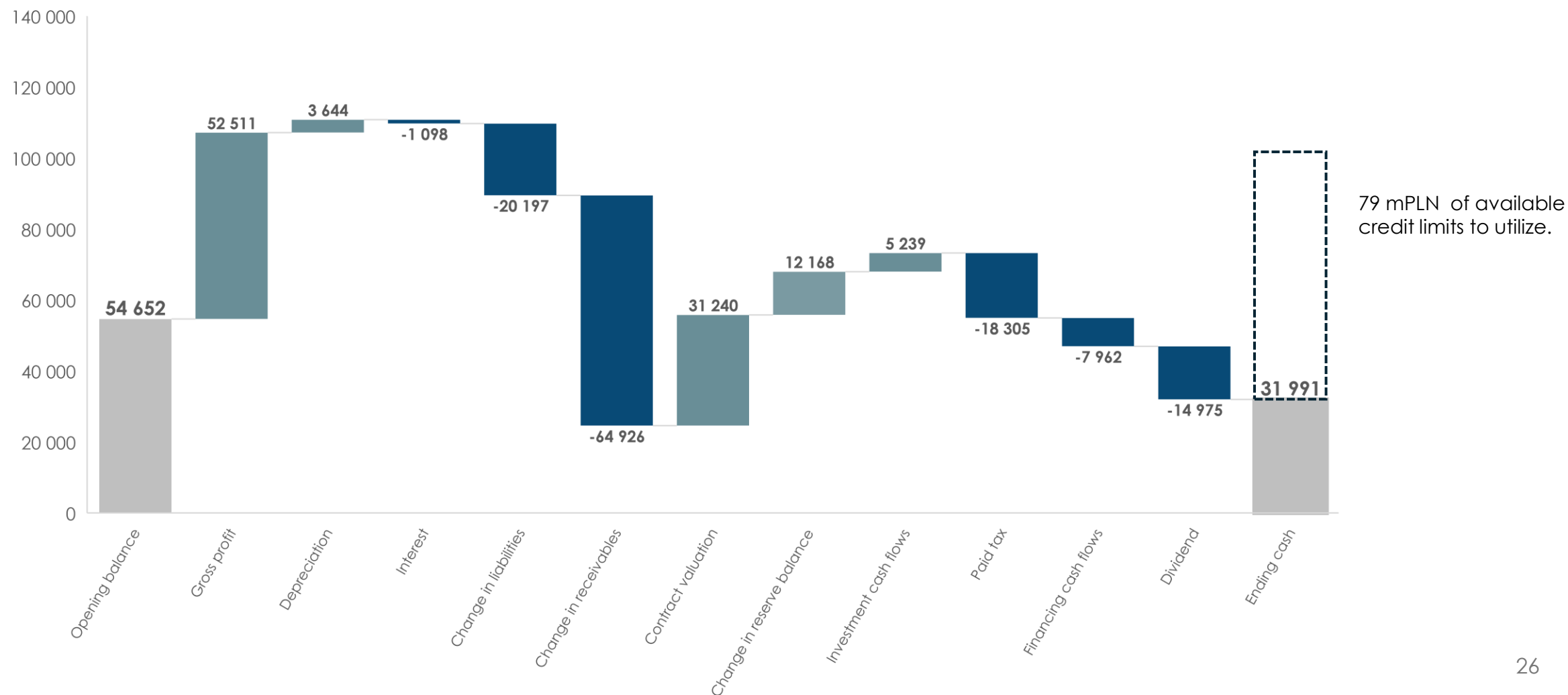
2023, data in PLN thousands

Postion description	31.12.2022	31.12.2023	Change	Change in %
Equity	91 497	117 117	25 620	28%
Liabilities and provisions for liabilities	148 740	139 011	- 9 729	-7%
Long-term liabilities	7 515	16 320	8 805	117%
Deferred income tax reserve	1 532	843	- 689	-45%
Long-term reserves	2 459	12 704	10 245	417%
Long-term lease obligations	3 524	2 773	- 751	-21%
Short-term liabilities	141 227	122 691	- 18 536	-13%
Short-term reserves	16 786	19 539	2 753	16%
Liabilities for deliveries and services and other liabilities	76 166	93 634	17 468	23%
Loans and borrowings	-	61	61	
Corporate income tax liabilities	2 977	1 689	- 1 288	-43%
Short-term lease liabilities	2 518	3 047	529	21%
Liabilities from contracts	42 780	4 721	- 38 059	-89%
Total liabilities	240 239	256 128	15 889	7%

Increase in reserves due to the creation of reserves for warranty repairs for the contract with the Border Guard.

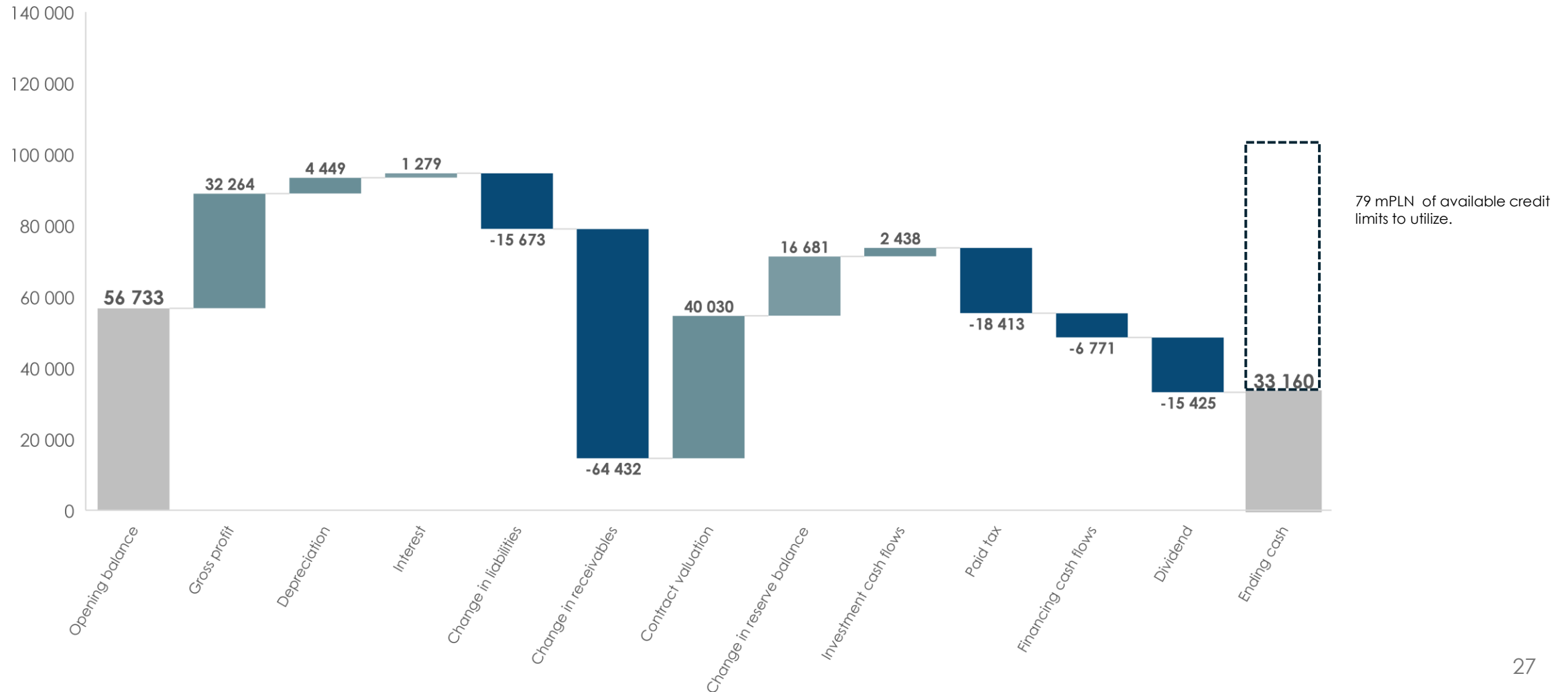
Decrease in short-term liabilities resulting from the settlement of advances from contractors and changes in liabilities for deliveries and services related to increased business activity.

SINGLE ENTITY CASH FLOW STATEMENT OF ELEKTROTIM S.A. 2023, data in PLN thousands

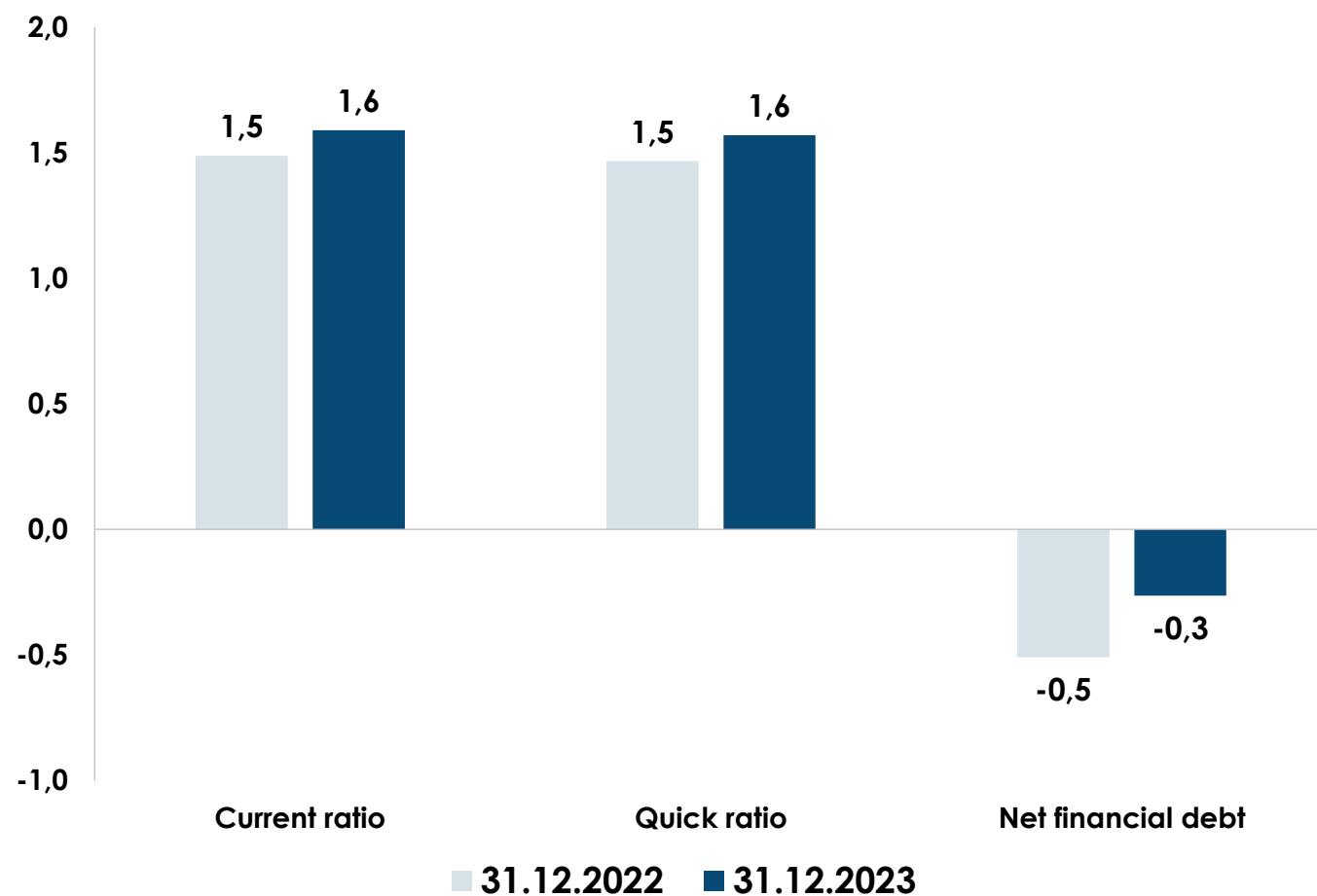


CONSOLIDATED CASH FLOW OF THE ELEKTROTIM GROUP

2023, data in PLN thousands



LIQUIDITY RATIOS OF THE ELEKTROTIM GROUP



DIVIDEND POLICY

Dividend from the profit of 2022:

A dividend totaling 14,974.5 thousand PLN, i.e., **1.50 PLN per share**, was paid on July 28, 2023. This was the first dividend since 2017.

Dividend from the profit of 2023 – proposal to the General Meeting of Shareholders of ELEKTROTIM S.A.:

On April 23, 2024, the Supervisory Board positively assessed the Management Board's proposal regarding the **distribution of profit for the year 2023**.

- 61% of the net profit for the year 2023, amounting to 24,957.5 thousand PLN, was allocated for dividend payment, i.e., **2.50 PLN per share of ELEKTROTIM S.A.**
- 39% of the net profit for the year 2023, amounting to 15,779.2 thousand PLN, was allocated for the increase of reserve capital.

The proposal for dividend payment will be submitted to the General Meeting of Shareholders of ELEKTROTIM S.A.

The Dividend Policy for the years 2023-2025 envisages the payment of dividends to shareholders in the range of 50% - 75% of net profit.



SOURCES OF FINANCING FOR THE ELEKTROTIM GROUP

GUARANTEE LIMITS as of December 31, 2023 – OVER 220 mPLN



insurance - 222,400 thousand PLN Utilization 84,639 thousand PLN
Insurance - 6,000 thousand EUR Utilization 2,810 thousand EUR
Bank - 42,000 thousand PLN Utilization 13,917 thousand PLN



LEASING as of December 31, 2023 – OVER 5.8 mPLN



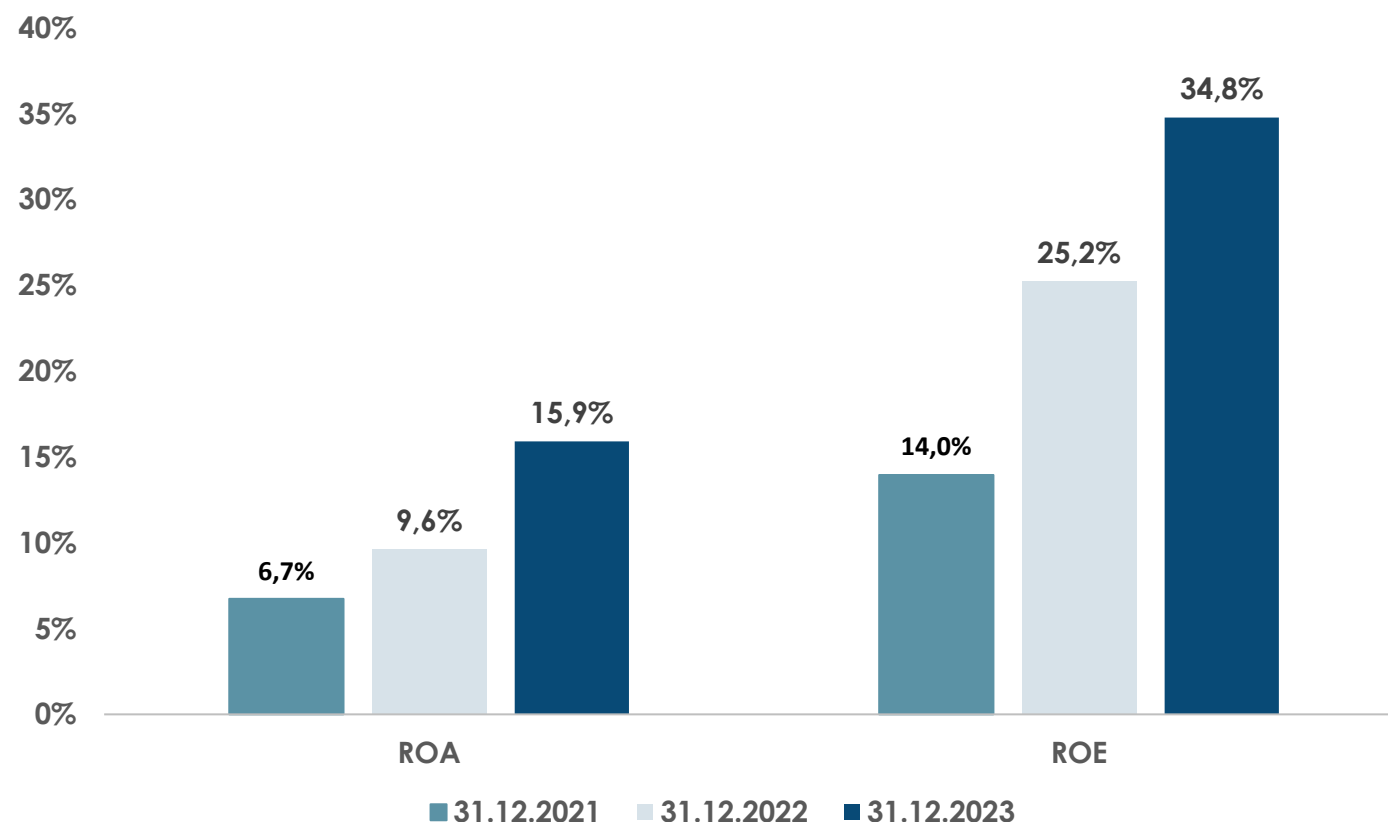
LOANS as of December 31, 2023 - 79 mPLN + Factoring 20 mPLN AVAILABLE LIMITS

1st quarter of 2024 – AGREEMENT with PKO BP



The company has signed an agreement with PKO BP for a multi-product line, including
+10 mPLN credit limit and +15 mPLN guarantee line

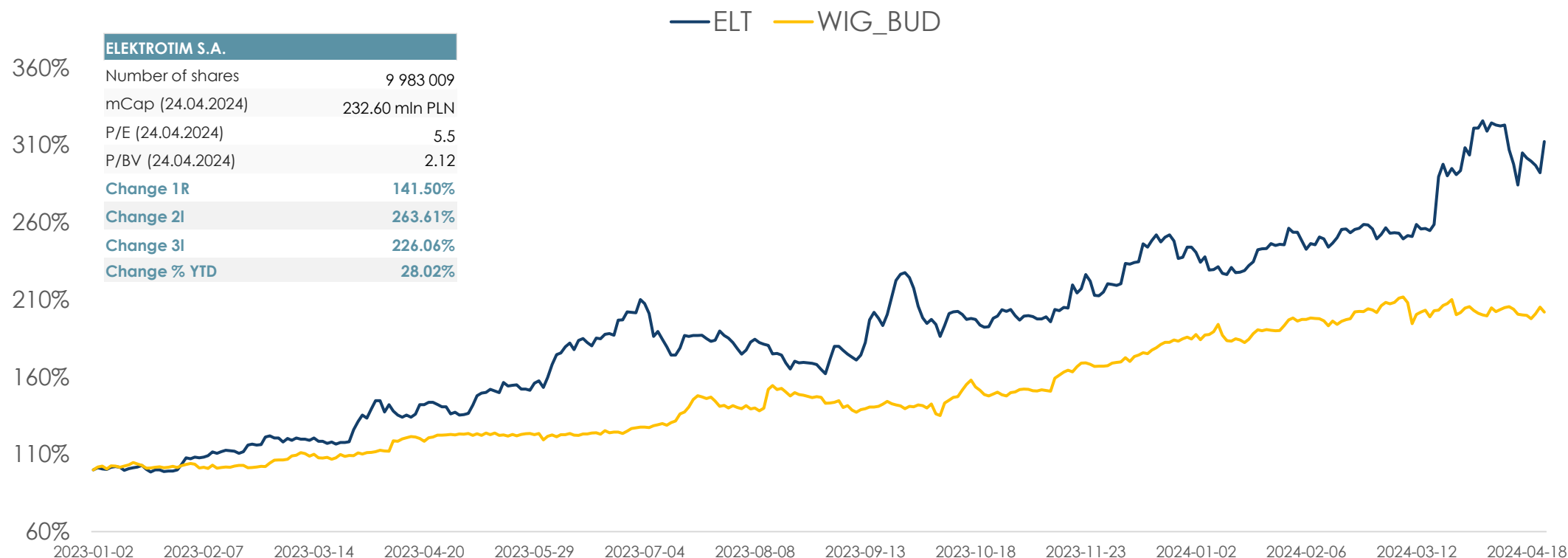
SELECTED FINANCIAL INDICATORS OF ELEKTROTIM S.A.



Record-breaking 35% Return on Equity (ROE) – a result of financial and operational leverage.

Significant improvement in working capital utilization.

CHANGE IN THE STOCK PRICE OF ELEKTROTIM S.A. vs. WIG_BUD for the period from January 01, 2023, to April 24, 2024.



Since the beginning of the year, **the P/E ratio has increased by +28.47%** to the level of 5.50 as of April 24, 2024.

The stock price of ELT has increased by +28.02% since the beginning of the year compared to +9.46% for the WIG_Budownictwo index. The 2-year return rate for ELT shares is +263.61%.

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Thank you

