

Financial report



Consolidated quarterly statement of the Apator Group for 4 quarters in 2021.

Torun, 26th February 2022

Selected financial data, including basic items of the condensed financial statements (also converted into EUR)

SPECIFICATION	in PLN thousand		in EUR thousand	
	current period	previous period	current period	previous period
Consolidated statement	IV quarter 2021	2020	IV quarter 2021	2020
Revenue from sales and services	940 316	934 850	205 421	208 944
Operating income	94 464	78 591	20 637	17 566
EBITDA	150 238	131 100	32 821	29 302
EBITDA excluding real estate*	116 159	131 100	25 376	29 302
Gross profit	85 004	81 917	18 570	18 309
Net profit	62 680	62 237	13 694	13 911
Net profit without real estate*	35 076	62 237	7 663	13 911
Net profit attributable to shareholders of the Group's parent company	61 547	60 234	13 446	13 463
Net profit attributable to non-controlling interest	1 133	2 003	248	448
Weighted average number of shares	29 178 619	29 204 907	29 178 619	29 204 907
Net profit per one ordinary share [PLN/ share]	2.11	2.06	0.46	0.46
Cash flows from operating activities	30 205	125 021	6 567	27 091
Net cash flow from investment activities	(66 137)	(59 901)	(14 379)	(12 980)
Cash flows from financial activities	43 518	(70 191)	9 462	(15 210)
Total cash flows	7 586	(5 071)	1 650	(1 099)
Consolidated statement	31.12.2021	year 2020	31.12.2021	year 2020
Assets in total	996 762	874 949	216 716	189 597
Fixed assets	532 190	496 611	115 709	107 613
Current assets	464 572	378 338	101 007	81 984
Equity capital with non-controlling interests	550 279	517 241	119 641	112 083
Non-controlling interests	3 929	7 485	854	1 622
Share capital	3 278	3 281	713	711
Long-term liabilities and provisions	72 137	46 553	15 684	10 088
Short-term liabilities and provisions	374 346	311 155	81 390	67 425
Weighted average number of shares	29 178 619	29 204 907	29 178 619	29 204 907
Net book value per ordinary share [PLN/ share].	18.86	17.71	4.10	3.84

*) results cleared of the influence of sale of real estate of Apator Powogaz SA

The above financial figures for the 12 months of 2021 and 2020 have been translated into EUR as follows:

- individual items of the statement of comprehensive income - according to the exchange rate being the arithmetic average of average EUR exchange rates determined by the National Bank of Poland on the last day of each month of the reporting period: from 1 January to 31 December 2021 - 4.5775 EUR/PLN and from 1 January to 31 December 2020 - 4.4742 EUR/PLN;
- individual items of the cash flow statement - according to the average EUR exchange rate set by the National Bank of Poland as at 31 December 2021 - 4.5994, as at 31 December 2020 - 4.6148;
- individual items of the statement of financial position - at the average EUR exchange rate set by the National Bank of Poland as at December 31, 2021 - 4.5994, as at December 31, 2020 - 4.6148;

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		



Table of contents

Selected financial data, including basic items of the condensed financial statements (also converted into EUR)	2
1. Consolidated financial statements	4
2. General information	19
3. Summary of financial results	22
4. Indication of factors that will affect the future results of the Apator Group	31
5. List of major events	35
6. Additional information	37
7. Information about the rules adopted at the preparation of the report, in particular, information on changes in applied accounting principles (policy)	49
8. Attachment: Individual statement of Apator S.A.	54

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

1. Consolidated financial statements

The consolidated and separate financial statements for the four quarters of 2021 have been prepared in accordance with the International Accounting Standards (IAS / IFRS) and related interpretations promulgated in the form of regulations of the European Commission and the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognizing as equivalent the information required by the laws of a non-member state (Journal of Laws 2018, item 757).

Interim financial statements (consolidated and parent company) for the fourth quarter ended December 31, 2021 have been prepared in accordance with IAS 34 (Interim Financial Reporting). Interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Group's annual financial statements as of 31st December 2020.

1.1. Consolidated statement of the financial position

SPECIFICATION	as of	
	31.12.2021	31.12.2020
Fixed assets	532 190	496 611
Intangible assets	111 042	103 038
Goodwill of subsidiaries	125 777	125 546
Tangible fixed assets	222 028	187 895
Right to use assets	33 941	38 587
Contractual asset	-	1 625
Investment property	1 733	1 441
Investments in associates consolidated using the equity method	2 242	2 048
Long-term receivables	4 614	5 777
- from other entities	4 614	5 777
Long-term accruals and prepayments	96	78
Assets by virtue of deferred income tax	30 717	30 576
Current assets	464 572	378 338
Stocks	237 847	155 074
Contractual asset	1 625	1 626
Commercial receivables	146 133	147 374
- from related entities	4 657	4 219
- from other entities	141 476	143 155
Receivables from corporate income tax	1 307	4 518
Receivables from other taxes, customs duties and social security	9 053	7 299
Other short-term liabilities	24 811	4 748
- from other entities	24 811	4 748
Other short-term financial assets	473	69
- in other entities	473	69
Cash and cash equivalents	36 837	29 251
Cash and cash equivalents with limited disposability	556	779
Short-term interim settlements	5 907	4 399
Non-current assets classified as held for sale	23	23 201
TOTAL ASSETS	996 762	874 949

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

SPECIFICATION	as of	
	31.12.2021	31.12.2020
Equity capital	550 279	517 241
Equity capital attributable to equity holders of the parent company	546 350	509 756
Share capital	3 278	3 281
Own shares	(3 973)	(3 823)
Other capitals	553 127	521 858
Capital from the revaluation of a defined benefit plan	(85)	(253)
Capital from valuation of hedging transactions and foreign exchange differences from consolidation	1 676	(4 022)
Undistributed financial result	(7 673)	(7 285)
- undistributed result from previous years	(69 220)	(54 383)
- result of the current period	61 547	60 234
- write-offs from the current year's result	-	(13 136)
Non-controlling interest	3 929	7 485
Liabilities	446 483	357 708
Long-term liabilities and provisions	72 137	46 553
Long-term loans and borrowings	38 280	4 183
- from other entities	38 280	4 183
Other long-term liabilities	1 541	1 869
- towards other entities	1 541	1 869
Contractual liabilities	-	976
Long-term liabilities due to the right to use assets under lease (IFRS 16)	19 955	22 690
Deferred income tax provision	4 432	7 484
Long-term liabilities arising from employee benefits	7 227	8 354
Other long-term provisions	702	997
Short-term liabilities and provisions	374 346	311 155
Short-term loans and borrowings	173 148	125 218
- from other entities	173 148	125 218
Commercial liabilities	94 369	74 006
- towards affiliated entities	611	142
- towards other entities	93 758	73 864
Contractual liabilities	976	977
Corporate income tax liabilities	12 741	5 392
Liabilities due to other taxes, customs duties and social security	14 107	15 910
Other short-term liabilities	40 362	46 359
- towards other entities	40 362	46 359
Short-term liabilities due to the right to use assets under lease (IFRS 16)	8 708	10 133
Short-term liabilities arising from employee benefits	17 461	17 195
Other short-term provisions	12 451	15 965
Liabilities related to fixed assets classified as held for sale	23	-
LIABILITIES TOTAL	996 762	874 949

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

Information on changes in contingent liabilities or contingent assets that occurred since the end of the last financial year (off-balance sheet items) of the Apator Group:

SPECIFICATION	as of	
	31.12.2021	31.12.2020
Contingent receivables	3 750	3 700
Contingent receivables from other companies	3 750	3 700
Contingent liabilities	69 001	90 251
Contingent liabilities relating to related parties	29 005	25 577
- due to guarantees and securities granted to related entities	29 005	25 577
Contingent liabilities towards other companies	39 996	64 674
- due to guarantees and sureties granted	39 996	64 674
Other off-balance sheet items	298 397	276 375
Mortgage	45 150	63 065
Bail mortgage	23 250	23 250
Security over assets	229 997	190 060
Total off balance sheet items	371 148	370 326

Besides contingent liabilities resulting from guarantees issued by insurance and banking institutions, Apator Group has the following collaterals established for the repayment of liabilities:

- Resulting from the Multi-product contract concluded between the Group companies and ING Bank Śląski S.A.:
 - Contractual mortgage on property of Apator S.A. in Ostaszewo up to the amount of PLN 35.9 million (included in the table above),
 - Registered pledge on inventories being the property of Apator S.A., Apator Telemetry Sp. z o.o., Apator Powogaz S.A., FAP Pafal S.A., Apator Elkomtech S.A. with the book value not less than PLN 102.5 million (included in the above table),
 - Pledge on machines and equipment and means of transport being the property of Apator S.A., Apator Powogaz S.A., Apator Metrix S.A., Apator Elkomtech S.A. with contractual value of PLN 22.1 million (included in the above table),
 - Registered pledge on receivables under current and future bank account agreements maintained by the bank for the Group companies,
 - Blank promissory notes together with promissory notes declarations submitted by 7 borrowers' companies (joint and several liability of Group's companies),
 - Assignment of rights under the property insurance policy against all risks.
- Other collateral for loans and credits:

Apator S.A.

- ✓ agreement on long-term investment credit in the amount of PLN 13 million concluded with CITI Bank Handlowy S.A.:
 - registered pledge on the acquired shares in the amount of PLN 12.1 million,
 - registered pledge on fixed assets with a total value of PLN 2.8 million (included in the table above),
 - assignment of rights under the property insurance policy against all risks,
 - statement on submission to execution up to the amount of PLN 15.6 million.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

- ✓ Overdraft agreement (limit PLN 10 million) concluded with CITI Bank Handlowy S.A.:
 - registered pledge on fixed assets of Apator S.A. of the value of PLN 8.3 million,
 - assignment of rights under the property insurance policy against all risks.
- ✓ Full factoring agreement (limit PLN 10 million), concluded with ING Commercial Finance Polska S.A.:
 - blank promissory note together with a promissory note declaration.

Apator Metrix group

- ✓ investment credit agreement of Apator Metrix S.A. concluded with Millennium S.A.:
 - mortgage in the amount of PLN 23.3 million (with assignment of rights from insurance contract), established on properties of Apator Metrix S.A,
 - transfer of fixed assets with a value of PLN 2.4 million,
 - assignment of rights under the property insurance policy against all risks,
 - a registered pledge on receivables under a bank account agreement,
 - statement on submission to execution up to the amount of PLN 31.7 million.
- ✓ Agreement on credit on current account of Apator Metra concluded with Raiffeisenbank a.s. (GWi) with Citibank N.A.:
 - Pledge on inventories with the value of PLN 18.2 million being the property of Apator Metrix S.A,
 - guarantee granted by Apator Metrix S.A. in the amount of GBP 4 million, i.e. PLN 22.6 million. from 31st October 2022,
 - statement of Apator Metrix S.A. on submission to execution to the amount of PLN 27.1 million.

Apator Group Powogaz

- ✓ Contract on investment credit of Apator Powogaz S.A. for construction of manufacturing plant concluded with PKO BP:
 - registered pledge on 3.6 million bearer shares of Apator S.A. being in possession of Apator Mining Sp. z o.o. up to the highest security amount of PLN 61.5 million with blocking of shares of total value not less than 120% of the value of the future property (pledge will be kept till the day of establishing the contractual mortgage on acquired land and constructed property),
 - blank promissory note together with a promissory note declaration.
- ✓ Agreement on credit on current account of Apator Powogaz S.A. concluded with mBank S.A.
 - blank promissory note together with a promissory note declaration.
- ✓ Agreement on credit on current account of Apator Metra concluded with Raiffeisenbank a.s.
 - Mortgage in the amount of CZK 50 million (with assignment of rights from the insurance contract), established on the real estate Apator Metra.
- ✓ Preliminary agreement concerning the construction of the company's new headquarters, concluded with

Jakon	Invest	2
-------	--------	---

 Sp. z o.o.
 - statement on submission to execution up to the amount of PLN 51.3 million.
- ✓ Factoring agreement “confirming” type concluded with Santander Factoring Sp. z o.o:

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

- statement on submission to execution up to the amount of PLN 22.5 million.

- Agreement on the general limit of contract guarantees in TU Euler Hermes S.A. (Group limit PLN 25 million):

- Apator SA submitted 10 blank promissory notes together with the promissory note declaration,
- Apator Rector Sp. z o.o. submitted 3 blank promissory notes with the promissory note declaration,
- Apator Elkomtech SA submitted 3 blank promissory notes together with the promissory note declaration,
- Apator Powogaz SA submitted 3 blank promissory notes together with the promissory note declaration,
- Apator Metrix SA submitted 3 blank promissory notes together with the promissory note declaration,
- Apator Telemetry Sp. z o.o. submitted 3 pcs of blank promissory notes together with promissory note declaration.

- Other:

In addition to the notes issued in connection with the Credit Agreements and the General Limit Agreement, as of December 31, 2021 the Group companies were the issuers of 65 blank promissory notes related to the concluded agreements, lease agreements, insurance guarantee agreements, factoring agreements and agreements with contractors (due performance of contract).

Moreover, at 31st December 2021 Apator S.A. was the party of the following guarantees and sureties:

- guarantee of return of advance payment by Apator Metrix S.A. in the amount of EUR 1.2 million (PLN 5.7 million) towards Flonidan A/S with the period of validity till 30th June 2022,
- surety of three lease contracts for Apator Rector Sp. z o.o. for the total amount of PLN 0.7 million, with a maximum term of December 14, 2024.

Additionally, at 31st December 2021 Apator S.A. was the beneficiary of payment guarantee for the amount of

PLN 0.25 million, issued by Bank Millennium S.A., with the term to 31 August 2022. Apator Powogaz S.A. was the beneficiary of the guarantee of due performance of the contract for the amount of PLN 3.5 million issued by Santander Bank Polska S.A. with the term to 28th February 2022.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

1.2. Consolidated statement of comprehensive income

SPECIFICATION	for period			
	01.10.2021	01.10.2020	01.01.2021	01.01.2020
	31.12.2021	31.12.2020*	31.12.2021	31.12.2020*
Revenue from sales and services	238 264	228 780	940 316	934 850
- to related entities	8 071	4 745	20 478	17 239
- other entities	230 193	224 035	919 838	917 611
Cost of sales of goods and services	(190 482)	(175 440)	(726 014)	(705 240)
- to related entities	(5 532)	(3 042)	(13 015)	(10 895)
- other entities	(184 950)	(172 398)	(712 999)	(694 345)
Gross sales profit	47 782	53 340	214 302	229 610
Sales costs	(10 976)	(7 941)	(36 530)	(32 238)
General administrative costs	(33 707)	(31 483)	(128 534)	(126 134)
Sales profit	3 099	13 916	49 238	71 238
Other operating income	1 121	4 008	43 590	6 001
- including result on (impairment) / reversal of receivables	(320)	(1 894)	2 201	(2 568)
Result on sale and liquidation of property, plant and equipment and intangible assets	48	137	36 850	1 476
Result on revaluation of non-financial fixed assets	-	-	-	2 363
Result on valuation of property	257	(81)	257	(81)
Result on revaluation of non-financial current assets	(320)	(1 897)	2 201	(2 571)
Result on other operating activities	1 136	5 849	4 282	4 814
Share in profits of companies consolidated using the equity method	675	493	1 636	1 352
Operating income	4 895	18 417	94 464	78 591
Financial costs:	(3 560)	(1 133)	(9 460)	3 326
- including result on impairment of receivables	-	-	(24)	(37)
Interest on loans and borrowings	(869)	(253)	(1 904)	(1 548)
Net profit (loss) on other interest	(257)	(221)	(837)	(1 004)
Results on shares	1	(537)	1	(537)
Result on bills of exchange	-	12	-	-
Result on exchange rate differences	(283)	167	(3 409)	3 388
Result on foreign exchange transactions	(2 140)	(173)	(2 972)	3 195
Result on revaluation of financial current assets	38	97	336	324
Other financial costs	(50)	(225)	(675)	(492)
Profit before tax	1 335	17 284	85 004	81 917
Current income tax	(2 374)	(3 607)	(25 140)	(15 479)
Deferred income tax	(512)	(768)	2 816	(4 201)
Net profit (loss)	(1 551)	12 909	62 680	62 237

* - transformed (paragraph 1.8)

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

SPECIFICATION	for period			
	01.10.2021	01.10.2020	01.01.2021	01.01.2020
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Other comprehensive income				
Other comprehensive income net	1 361	3 492	5 866	(2 644)
Items that may be reclassified to profit or loss in the future				
Foreign exchange rate differences on translation of foreign operations	434	4 921	2 954	5 434
Result on hedge accounting with tax effect	759	(1 446)	2 744	(8 095)
Actuarial gains and losses with tax effect	168	17	168	17
Total comprehensive income	(190)	16 401	68 546	59 593
Net profit (loss), of which attributable to:	(1 551)	12 909	62 680	62 237
shareholders of parent company	(1 639)	12 323	61 547	60 234
non-controlling interests	88	586	1 133	2 003
Total comprehensive income, including accrued income:	(190)	16 401	68 546	59 593
shareholders of parent company	(278)	15 815	67 413	57 590
non-controlling interests	88	586	1 133	2 003

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

1.3. The consolidated statement of changes in equity

SPECIFICATION	CAPITAL FOR THE SHAREHOLDERS OF PARENT ENTITY							Non-controlling interest	TOTAL EQUITY CAPITAL
	Capital stock	Own shares	Other capitals	Capital from the revaluation of a defined benefit plan	Capital from valuation of hedging transactions and foreign exchange differences from consolidation	Undistributed financial result	TOTAL		
Balance as at 01.01.2021	3 281	(3 823)	521 858	(253)	(4 022)	(7 285)	509 756	7 485	517 241
Changes in equity during the period from 01.01.2021 to 31.12.2021									
Comprehensive income									
Net profit for the period from 01.01.2021 to 31.12.2021	-	-	-	-	-	61 547	61 547	1 133	62 680
Distribution of result to supplementary capital	-	-	31 926	-	-	(31 926)	-	-	-
Other comprehensive income									
Items that may be reclassified to profit or loss in the future									
Result on hedge accounting with tax effect	-	-	-	-	2 744	-	2 744	-	2 744
Net exchange differences translated from financial statement to currency presented	-	-	-	-	2 954	-	2 954	-	2 954
Items that will not be reclassified to profit or loss in the future									
Revaluation gains including with tax effect	-	-	-	168	-	-	168	-	168
Total comprehensive income recognised in the period from 01.01.2021 to 31.12.2021	-	-	31 926	168	5 698	29 621	67 413	1 133	68 546
Transactions with owners recorded directly in shareholder equity									
Dividends	-	-	-	-	-	(35 019)	(35 019)	(573)	(35 592)
Settlement of the advance dividend from the previous year	-	-	-	-	-	13 136	13 136	-	13 136
Purchase of treasury shares	-	(810)	-	-	-	-	(810)	-	(810)

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

SPECIFICATION	CAPITAL FOR THE SHAREHOLDERS OF PARENT ENTITY							Non-controlling interest	TOTAL EQUITY CAPITAL
	Capital stock	Own shares	Other capitals	Capital from the revaluation of a defined benefit plan	Capital from valuation of hedging transactions and foreign exchange differences from consolidation	Undistributed financial result	TOTAL		
Purchase of additional shares of subsidiary	-	-	-	-	-	(8 119)	(8 119)	(4 116)	(12 235)
Redemption of own shares	(3)	660	(657)	-	-	-	-	-	-
Other changes in capital	-	-	-	-	-	(7)	(7)	-	(7)
Total transactions with owners in the period from 01.01.2021 to 31.12.2021	(3)	(150)	(657)	-	-	(30 009)	(30 819)	(4 689)	(35 508)
Balance as at 31.12.2021	3 278	(3 973)	553 127	(85)	1 676	(7 673)	546 350	3 929	550 279

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

SPECIFICATION	CAPITAL FOR THE SHAREHOLDERS OF PARENT ENTITY							Non-controlling interest	TOTAL EQUITY CAPITAL
	Capital stock	Own shares	Other capitals	Capital from the revaluation of a defined benefit plan	Capital from valuation of hedging transactions and foreign exchange differences from consolidation	Undistributed financial result	TOTAL		
Balance as at 01.01.2020	3 286	(4 576)	487 573	(270)	(1 361)	1 537	486 189	6 700	492 889
Changes in equity during the period from 01.01.2020 to 31.12.2020									
Comprehensive income									
Net profit for the period from 01.01.2020 to 31.12.2020	-	-	-	-	-	60 234	60 234	2 003	62 237
Distribution of result to supplementary capital	-	-	35 512	-	-	(35 512)	-	-	-
Other comprehensive income									
Items that may be reclassified to profit or loss in the future									
Result on hedge accounting with tax effect	-	-	-	-	(8 095)	-	(8 095)	-	(8 095)
Net exchange differences translated from financial statement to currency presented	-	-	-	-	5 434	-	5 434	-	5 434
Items that will not be reclassified to profit or loss in the future									
Revaluation gains with tax effect	-	-	-	17	-	-	17	-	17
Total comprehensive income recognised in the period from 01.01.2020 to 31.12.2020	-	-	35 512	17	(2 661)	24 722	57 590	2 003	59 593
Transactions with owners recorded directly in shareholder equity									
Dividends	-	-	-	-	-	(18 984)	(18 984)	(573)	(19 557)
Settlement of the advance dividend from the previous year	-	-	-	-	-	(13 136)	(13 136)	(573)	(13 709)
Purchase of treasury shares	-	(479)	-	-	-	-	(479)	-	(479)
Redemption of own shares	(5)	1 232	(1 227)	-	-	-	-	-	-
Other changes in capital	-	-	-	-	-	(1 424)	(1 424)	(72)	(1 496)

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

SPECIFICATION	CAPITAL FOR THE SHAREHOLDERS OF PARENT ENTITY							Non-controlling interest	TOTAL EQUITY CAPITAL
	Capital stock	Own shares	Other capitals	Capital from the revaluation of a defined benefit plan	Capital from valuation of hedging transactions and foreign exchange differences from consolidation	Undistributed financial result	TOTAL		
Total transactions with owners in the period from 01.01.2020 to 31.12.2020	(5)	753	(1 227)	-	-	(33 544)	(34 023)	(1 218)	(35 241)
Balance as at 31.12.2020	3 281	(3 823)	521 858	(253)	(4 022)	(7 285)	509 756	7 485	517 241

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

1.4. Consolidated cash flow statement

SPECIFICATION	Period	
	01.01.2021	01.01.2020
	31.12.2021	31.12.2020
Cash flow from operating activities		
Profit before tax	85 004	81 917
Adjustments	29 355	51 209
Depreciation of intangible assets	14 804	14 559
Depreciation of property, plant and equipment	40 970	37 950
Write-downs for loss of property, plant and equipment and intangible assets	-	(2 363)
Profit on sale of property, plant and equipment and intangible assets	(37 017)	(2 025)
Loss on sale of available-for-sale financial assets	-	537
(Gains) losses on fair value measurement of investment property	(257)	81
Losses on change in fair value of derivatives	3 678	177
Cost of interest	2 352	2 191
Shares in profits of associated companies	(1 636)	(1 352)
Interest revenue	(137)	(146)
Other adjustments	6 598	1 600
Cash flows from operating activities before changes in working capital	114 359	133 126
Change in inventories	(82 772)	(3 376)
Change in the state of a depreciated contractual asset	1 625	11 945
Change in receivables	2 122	19 072
Change in liabilities	19 527	(21 440)
Changes in provisions	(6 487)	851
Change in cash and cash equivalents with restricted use	223	(347)
Changes in prepayments and accruals	(1 593)	764
Other adjustments	2 412	-
Cash generated in the course of operating activity	49 416	140 595
Tax return	343	-
Income tax paid	(19 554)	(15 574)
Net cash flows from operating activities	30 205	125 021
Cash flows from investing activities		
Expenses related to acquisition of intangible assets	(25 604)	(22 147)
Expenses related to acquisition of fixed assets	(68 888)	(51 029)
Proceeds from the sale of fixed assets	35 192	14 444
Investments in subsidiaries	(7 127)	(2 705)
Proceeds from the sale of subsidiaries	-	1
Dividends received	1 109	1 237
Other inflows (expenses)	(819)	298
Net cash provided by investing activities	(66 137)	(59 901)
Cash flows from financing activities		
Purchase of own shares	(810)	(479)
Inflows from loans and borrowings taken out	130 422	24 293
Repayment of loans and credits	(49 589)	(50 373)
Interest	(1 925)	(1 750)
Dividends paid	(22 347)	(33 048)
Repayment of liabilities under financial lease	(11 657)	(8 215)
Other expenses	(576)	(619)

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

SPECIFICATION	Period	
	01.01.2021	01.01.2020
	31.12.2021	31.12.2020
Net cash from financial operations	43 518	(70 191)
Net increase (decrease) in cash and cash equivalents	7 586	(5 071)
Opening balance of cash and cash equivalents	29 251	34 322
Closing balance of cash and cash equivalents	36 837	29 251

1.5. Consolidated financial statements by operating segments

The activity of the Apator Group is concentrated in three basic segments:

- Electricity
- Gas
- Water and heating

Activities conducted outside these segments are presented as “unallocated”.

SPECIFICATION	Electricity	Gas	Water and heating	Unallocated	Total
<i>Financial results of operating segments for the period from 01.01.2021 to 31.12.2021</i>					
Sales revenue	375 199	269 678	295 439	-	940 316
Cost of goods sold	312 581	215 425	198 008	-	726 014
Gross sales profit	62 618	54 253	97 431	-	214 302
Sales costs	14 049	8 988	13 184	309	36 530
General administrative costs	52 157	26 561	46 102	3 714	128 534
Sales profit	(3 588)	18 704	38 145	(4 023)	49 238
Other operating income	5 141	2 235	36 214	-	43 590
Share in profits of associated companies	-	-	1 636	-	1 636
Operating income	1 553	20 939	75 995	(4 023)	94 464
Other financial costs	(2 546)	(1 536)	(5 379)	-	(9 460)
GROSS PROFIT	(993)	19 403	70 616	(4 023)	85 004
Depreciation	27 113	17 281	11 380	-	55 774
EBITDA	28 666	38 220	87 375	(4 023)	150 238
<i>Financial results of operating segments for the period from 01.01.2020 to 31.12.2020</i>					
Sales revenue	444 319	250 975	239 556	-	934 850
Cost of goods sold	344 720	196 103	164 417	-	705 240
Gross sales profit	99 599	54 872	75 139	-	229 610
Sales costs	13 727	5 493	12 575	443	32 238
General administrative costs	54 630	26 550	41 247	3 707	126 134
Sales profit	31 242	22 829	21 317	(4 150)	71 238
Other operating income (costs)	2 945	(417)	3 473	-	6 001
Share in profits of associated companies	-	-	1 352	-	1 352
Operating income	34 187	22 412	26 142	(4 150)	78 591
Other financial income	849	1 781	696	0	3 326
GROSS PROFIT	35 036	24 193	26 838	(4 150)	81 917
Depreciation	26 596	15 595	10 318	-	52 509
EBITDA	60 783	38 007	36 460	(4 150)	131 100

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

1.6. Geographical structure of sales

Below is presented the sales of the Apator Group divided into the following geographical directions:

- Country - including domestic sales
- Union + UK - sales made in European Union countries and in the United Kingdom
- Export - sales in other countries

SPECIFICATION	Country	Export	Union + UK	TOTAL
Sales revenues in geographical segments since 01.01.2021 till 31.12.2021				
Total revenue	497 822	115 965	326 529	940 316
Sales outside	497 989	95 320	326 529	919 838
Sales to subsidiaries	(167)	20 645	-	20 478
Sales revenues in geographical segments since 01.01.2020 till 31.12.2020				
Total revenue	553 402	94 718	286 730	934 850
Sales outside	553 399	77 482	286 730	917 611
Sales to subsidiaries	3	17 236	-	17 239

1.7. Generic costs

SPECIFICATION	for period	
	from 01.01.2021	from 01.01.2020
	till 31.12.2021	till 31.12.2020
Depreciation	55 774	52 509
Materials and energy consumption	442 636	427 993
External services	125 274	101 574
Employee benefits	228 788	214 155
Other costs	25 258	19 464
Costs of manufacturing products for the entity's own needs	(5 075)	(5 496)
Change in finished products, work in progress and prepayments	(30 273)	15 133
Cost of goods and materials sold	48 696	38 280
Total costs	891 078	863 612

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

1.8. Transformation of comparative data

In these consolidated financial statements, the Group changed the presentation of comparative data. In connection with the change in accounting policy, effective January 1, 2021, regarding the recognition of inventory write-down costs, inventory scrap costs and employee provision costs, costs have been reclassified from other operating activities to core business expenses / general and administrative expenses (employee benefit provisions) in the comparative periods. In Management's opinion, this presentation better reflects the sales gains achieved. This reclassification has no impact on earnings in either period.

The impact of reclassifications (respectively for Q4 2020 and for all of 2020) are presented in the tables below.

ITEMS OF THE REPORT / CHANGE TITLE	from 01.10.2020	Effect of change in accounting policy	from 01.10.2020
	till 31.12.2020		till 31.12.2020
	untransformed data		transformed data
Cost of goods sold	(173 711)	(1 729)	(175 440)
- other entities	(170 669)	(1 729)	(172 398)
Gross sales profit	55 069	(1 729)	53 340
General administrative costs	(32 247)	764	(31 483)
Sales profit	14 881	(965)	13 916
Other operating income (costs)	3 043	965	4 008

ITEMS OF THE REPORT / CHANGE TITLE	from 01.01.2020	Effect of change in accounting policy	from 01.01.2020
	till 31.12.2020		till 31.12.2020
	untransformed data		transformed data
Cost of goods sold	(695 956)	(9 284)	(705 240)
- other entities	(685 061)	(9 284)	(694 345)
Gross sales profit	238 894	(9 284)	229 610
General administrative costs	(126 097)	(37)	(126 134)
Sales profit	80 559	(9 321)	71 238
Other operating income (costs)	(3 320)	9 321	6 001

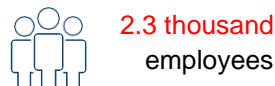
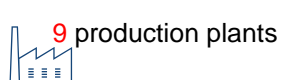
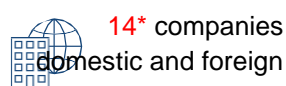
Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

2. General information

This quarterly report should be read together with the annual report on activity of the Apator Group in 2020, available at the link below. (<http://www.apator.com/uploads/files/Raporty/Raporty%20okresowe/2020/roczny-skonsolidowany/sprawozdanie-zarzadu-asa-i-gk-apator-rs-2020-r.pdf>)

2.1. Organisation of the Apator Group

The Apator Group is an international capital group of manufacturers of metering equipment and systems. Supplier of solutions to support the operation of electricity, water and gas networks.



Spółki Grupy Apator wchodzi w skład sektora elektromaszynowego i koncentrują swoją działalność na produkcji i sprzedaży przyrządów pomiarowych (energia elektryczna, gaz, woda i ciepło), aparatury kontrolno-pomiarowej, rozdzielczej i sterowniczej, systemów informatycznych klasy SCADA oraz współpracujących with them telemechanical devices, protections and other network devices for distributed systems, ensuring the possibility of remote control and supervision of the power grid in the full range of voltages and devices reading and transmitting data.

Parent entity in Apator Group is Apator SA with headquarters in Toruń.



listed on
GPW in Warsaw
from 25 years



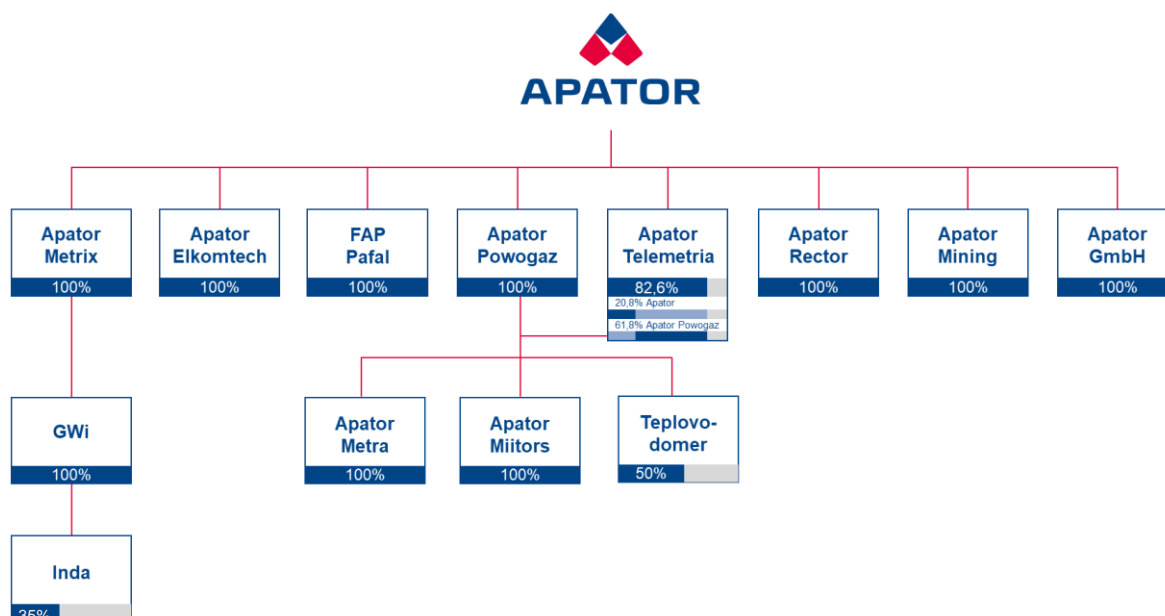
taken into account
in index sWIG80
and WIGdiv



company
dividend

2.2. Composition of the Apator Group and its business segments

The Group's structure as of December 31, 2021 is as follows:

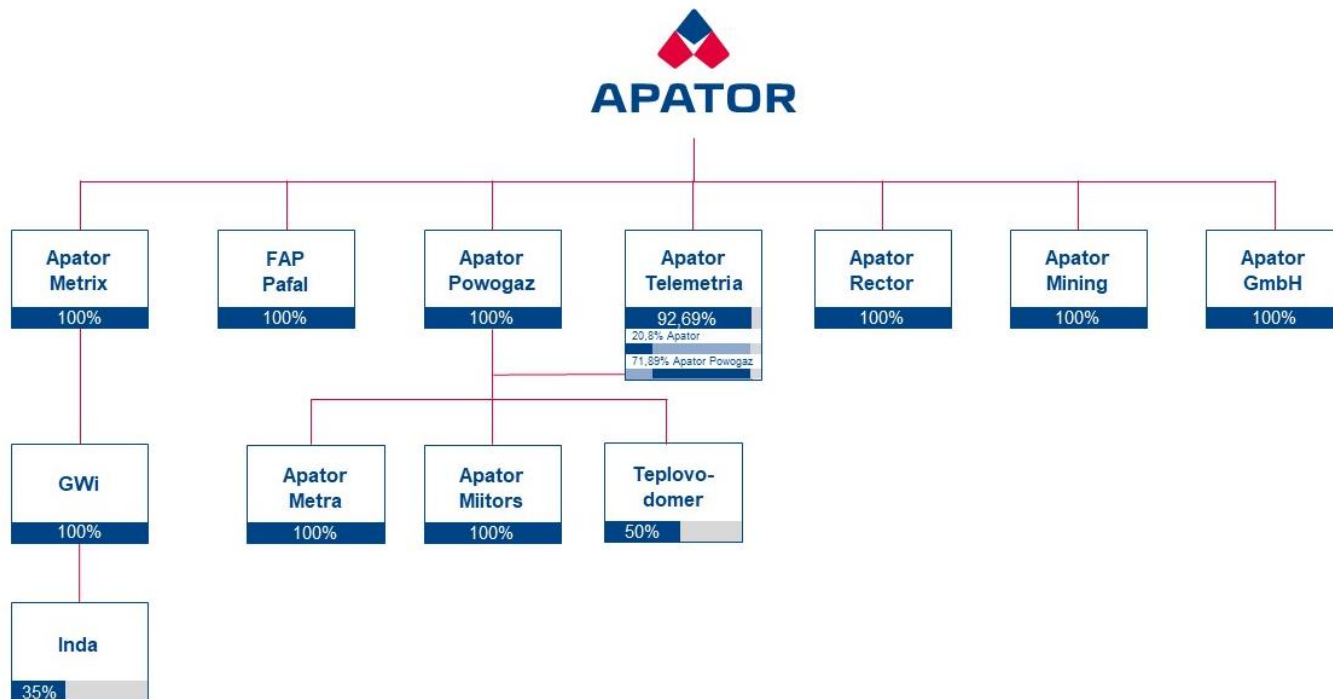


*as at 31 December 2021

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		


After the balance day, on 3rd January 2022 Apator Elkotech SA was merged with Apator SA. Moreover, Apator Powogaz SA increased its capital involvement in Apator Telemetry Sp. z o.o. Information on changes in structure of Apator Group are in point 6.5 of this report.

In view of the above changes the structure of Apator Group on the day of the publication of this statement is as follows:



Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

Activity of the Apator Group is organized in three segments:

Business segments	Electricity	Gas	Water and heat
<p><i>Lines Business (As at 31.12.2021)</i></p> <ul style="list-style-type: none"> electricity metering switchgear control and monitoring systems ICT 			
<p><i>Companies included in the Segment</i></p> <ul style="list-style-type: none"> Apator SA (Toruń) Apator Elkomtech* (Łódź) Apator Rector (Zielona Góra) FAP Pafal (Świdnica) Apator GmbH (Niemcy) 	<ul style="list-style-type: none"> Apator Metrix (Tczew) GWi (United Kingdom) Inda (Slovenia) Apator GmbH (Niemcy) Apator Elkomtech* (Łódź) 	<ul style="list-style-type: none"> Apator Powogaz (Poznań) Apator Telemetry (Słupsk) Apator Metra (Czech Republic) Apator Miitors (Denmark) Teplovodomer (Russia) 	
<p><i>Solutions</i></p> <ul style="list-style-type: none"> Smart and communal ee meters Power distribution systems Control and monitoring systems Measurement data management systems Solutions for OZE  <p>Meter OTUS 3 Control systems and monitoring SmartARS disconnector</p>	<ul style="list-style-type: none"> Smart gas meters, bellows meters, domestic, industrial Remote reading services, system that allows interrupting and resuming gas supply via GSM network  <p>Gasmeter iSMART 2 hybridSMART</p>	<ul style="list-style-type: none"> Ultrasonic water meters, residential, domestic, industrial Heat meters, heat cost allocators Remote reading and billing of utility consumption, system management  <p>Watermeter ULTRIMIS W JS Smart+ E-ITN divider</p>	
<p><i>Main customers</i></p> <ul style="list-style-type: none"> electricity utilities (DSOs) electricity wholesalers, electrical assembly and installations companies construction, industry, railroad photovoltaic and wind farms, energy clusters and cooperatives and other RES sector participants 	<ul style="list-style-type: none"> gas companies/ distributors and gas suppliers 	<ul style="list-style-type: none"> water and sewerage companies and thermal energy housing cooperatives construction industry 	
<p><i>The main markets</i></p>	Poland, Germany, Austria, Russia, Brazil	Poland, United Kingdom, Belgium, Germany, Turkey, Netherlands, Ukraine	Poland, Czech Republic, Russia, Spain, France, Ukraine,
<p><i>Sales scale in I-IVQ 2021</i></p>	PLN 375.2 million	PLN 269.7 million	PLN 295.4 million
<p><i>Share of export in segment revenues in I-IVQ 2021</i></p>	22.4%	69.3%	58.0%

*After the balance day, on 3rd January 2022 Apator Elkomtech SA was merged with Apator SA.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

3. Summary of financial results

In this section, significant achievements or failures have been indicated, together with a list of the most important events concerning the issuer and its capital group, and factors and events, including those of an untypical nature, having a significant impact on the financial statements. This quarterly report should be read together with the annual report on activity of the Apator Group in 2020, available at the link below.

(<http://www.apator.com/uploads/files/Raporty/Raporty%20okresowe/2020/roczny-skonsolidowany/sprawozdanie-zarzadu-asa-i-gk-apator-rs-2020-r.pdf>)

3.1. Results for the four quarters of 2021.

The Apator Group in 2021 obtained the following financial results:

Specification	I-IVQ 2021	Year 2020	Change	Dynamics
Sales revenues, including:	940 316	934 850	5 466	100.6%
country	497 822	553 402	- 55 580	90.0%
export	442 494	381 448	61 046	116.0%
Cost of goods sold**	726 014	705 240	20 774	102.9%
Gross sales profit	214 302	229 610	- 15 308	93.3%
Sales costs	36 530	32 238	4 292	113.3%
General administrative costs	128 534	126 134	2 400	101.9%
Sales profit	49 238	71 238	- 22 000	69.1%
Result on other operating activities	43 590	6 001	37 589	726.4%
Share in profits of companies consolidated using the equity method	1 636	1 352	284	121.0%
Operating income	94 464	78 591	15 873	120.2%
EBITDA	150 238	131 100	19 138	114.6%
<i>EBITDA excluding real estate*</i>	<i>116 159</i>	<i>131 100</i>	<i>- 14 941</i>	<i>88.6%</i>
Result on financial activity	- 9 460	3 326	- 12 786	-
Profit before tax	85 004	81 917	3 087	103.8%
Current income tax	- 25 140	- 15 479	- 9 661	162.4%
Deferred income tax	2 816	- 4 201	7 017	-
Net profit	62 680	62 237	443	100.7%
<i>Net profit without real estate*</i>	<i>35 076</i>	<i>62 237</i>	<i>- 27 161</i>	<i>56.4%</i>
Profitability ratio:				
Gross profit margin on sales	22.8%	24.6%		
Profit margin on sales	5.2%	7.6%		
Profit margin EBITDA*	12.4%	14.0%		
Net profit margin*	3.7%	6.7%		

*) results cleared of the influence of sale of real estate of Apator Powogaz SA

**) Due to a change in accounting policy during 2021 regarding the recognition of, among other things, inventory write-down costs and inventory scrapping costs, these costs were reclassified in the comparative periods from other operating activities to cost of core operations (the reclassification is included in section 1.8 of this report).

Key performance drivers:

- maintaining the Group's sales thanks to a significant recovery in demand in the Water and Heat segment (especially in exports) and an increase in sales in the Gas segment, with sales lower y/y in the Electricity segment;
- macroeconomic situation - global difficulties in access to electronic components and shortages of raw materials for electronic devices, resulting in pressure on margins as a result:
 - Increasing prices of raw materials, materials (e.g., non-ferrous metals, plastics) and components (especially electronics) and lengthening their delivery times;
 - global increase in transport costs (sea, rail, road) due to limitations in the availability of containers or increase in fuel prices;

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

while limiting the potential for rapid changes in selling prices in response to increases in the cost of TKW, particularly in the Electricity segment¹;

- keeping general and administrative expenses stable despite high pressure on salaries;
- one-off factor - the influence of sale of real property of Apator Powogaz SA in Poznań (Segment Water and Heat) on consolidated results:
 - at EBITDA level: PLN 34.1 million;
 - at the net result level: PLN 27.6 million;
- situation on FX markets - high volatility of FX rates (especially EUR and USD) resulting in negative result on FX differences and valuation of FX transactions.

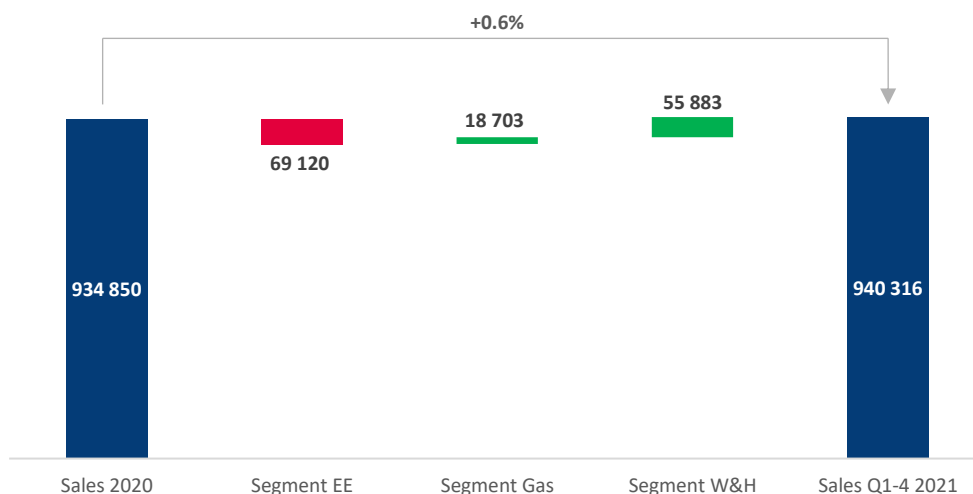
Sales revenue

In the Apator Group the revenues were maintained at the level of analogical period of previous year and dynamic growth was recorded in Water and Heat segment (+23% y/y). Higher y/y revenues were also recorded by the Gas segment (+7%). At the same time, the Electricity segment realized lower sales due to a decline in revenues in the domestic market.

Specification	I-IVQ 2021 (PLN thousand)	Year 2020 (PLN thousand)	Change y/y (PLN thousand)	Dynamics (%)
Electricity (EE) segment	375 199	444 319	-69 120	84.4%
<i>country</i>	291 024	374 935	-83 911	77.6%
<i>export</i>	84 175	69 384	14 791	121.3%
<i>ratio of exports in the segment EE in total sales revenue</i>	9.0%	7.4%		
Gas segment	269 678	250 975	18 703	107.5%
<i>country</i>	82 834	66 036	16 798	125.4%
<i>export</i>	186 844	184 939	1 905	101.0%
<i>ratio of exports in the segment Gas in total sales revenue</i>	19.9%	19.8%		
Water and Heating segment (W&H)	295 439	239 556	55 883	123.3%
<i>country</i>	123 964	112 431	11 534	110.3%
<i>export</i>	171 475	127 125	44 349	134.9%
<i>ratio of exports in the segment W&H in total sales revenue</i>	18.2%	13.6%		
Total sales revenues	940 316	934 850	5 466	100.6%
<i>country</i>	497 822	553 402	-55 580	90.0%
<i>export</i>	442 494	381 448	61 046	116.0%
<i>share of total exports in total revenues</i>	47.1%	40.8%		

¹ More in section 4.1

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		



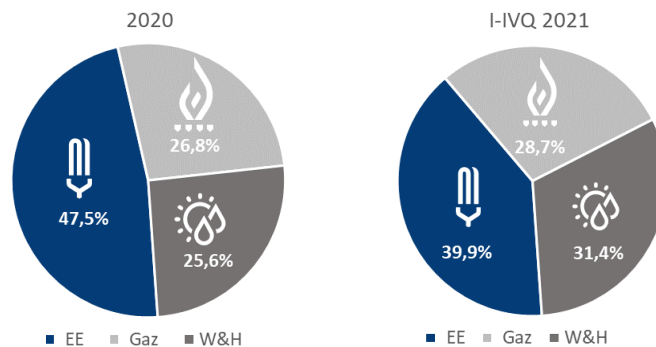
Sales of individual segments were as follows:

- Electrical Energy (EE) segment - decline in sales in the domestic market partially offset by growth in exports by PLN 14.8 million (+21% y/y), mainly to Germany. Lower domestic sales in the electric metering line were largely related to:
 - lower backlog than in 2020 when the Power² Market contract was executed (high base);
 - delays in the settlement of tender proceedings;
 - a global reduction in the availability of components, which is felt most acutely in the electric metering line and which has reduced sales opportunities;
 In the lines: switchgear, control and supervision systems and ICT, higher turnover was achieved y/y;
- Gas segment - high sales dynamics in Poland (+25% y/y) achieved as a result of execution of the tender for PSG sp. z o.o. and exercising by this customer the option to increase the order. At the same time, export levels remained high and stable y/y, with sales increases achieved in countries such as: United Kingdom, Belgium, Hungary and Turkey. One of the most promising markets is currently Belgium, where the replacement of gas meters with smart meters is underway, and the winning of another tender (for the supply of about 1 million meters with a total value of about EUR 65 million) is one of the elements of the segment's stable backlog for the coming years. At the same time, the segment continues to work hard to develop sales in other markets, increasing sales to Georgia, Serbia and Ukraine, among others;
- Water and Heat segment - higher turnover at home (+10% y/y) and at the same time dynamic growth in exports (+35% y/y). The significantly improved sales performance confirms the trend of recovering demand and rebuilding orders after 2020, when the impact of the pandemic was most felt. The market is seeing an increase in the number of new tenders and completions frozen in 2020, as well as growth due to the construction boom. The segment's main export markets in 2021 are the Czech Republic, France, Spain and Eastern markets.

² In 2020, one of the largest tenders announced by DSOs (Tauron Dystrybucja, PGE Dystrybucja and Enea Operator) for delivery of large batches of 3-phase smart electricity meters intended for metering customers of C1 tariff groups (small and medium-sized enterprises) for the purpose of settlements of the power fee - the so-called "Power Market" contract with a total value of PLN 98 million in 2020.

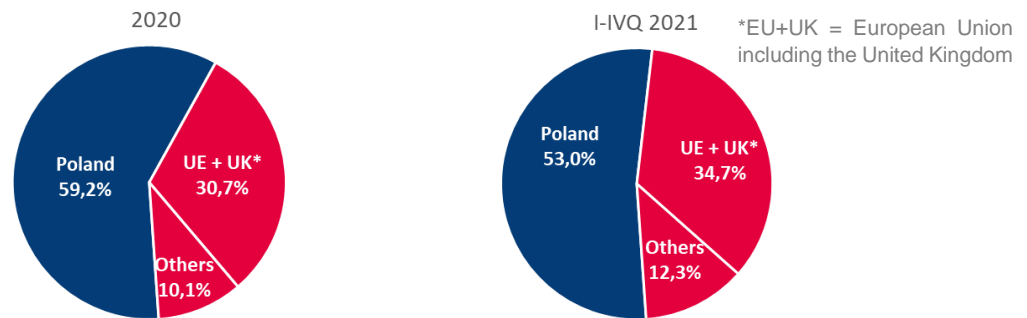
Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

In view of the above, the Water and Heat segment significantly increased its share in the sales structure (by 5.8 p.p.).



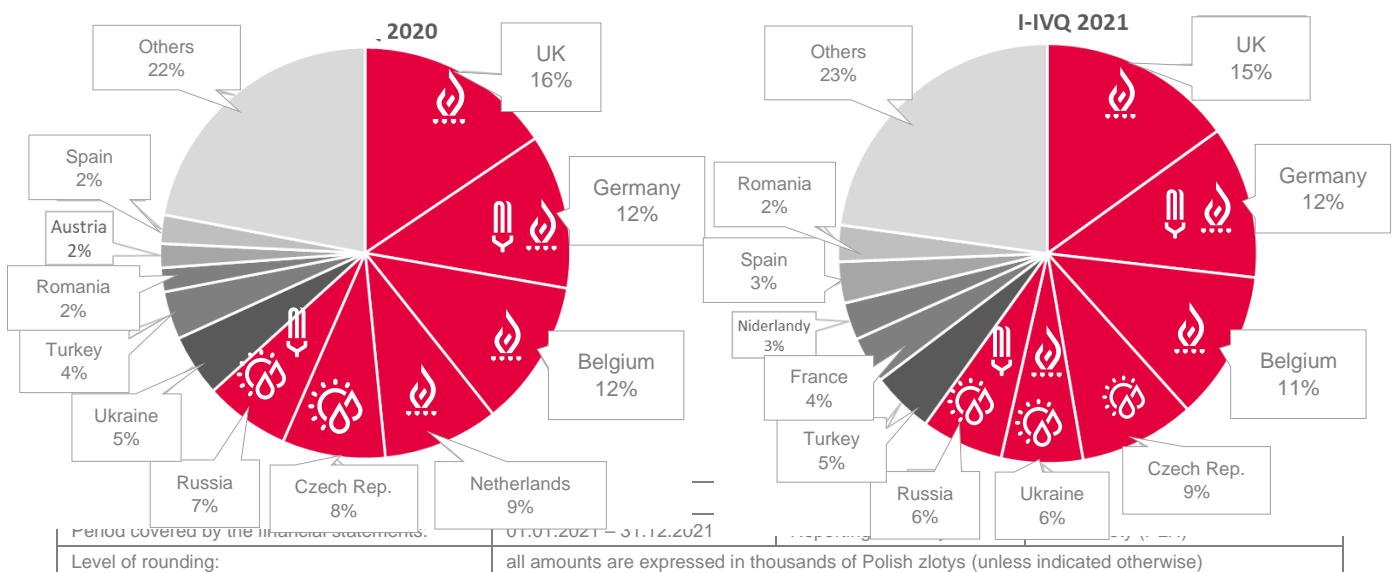
Geographical structure of sales

Due to high dynamics of growth of export (mainly in Water and Heat segment) in the entire Apator Group, the share of export in total turnover of the Apator Group increased in comparison to 2020 by 6.3 p.p. to the level of 47.1% of total revenues.



The main sales market of the Apator Group is Poland. The European Union (with a dominant share of the German, Belgian and Czech markets) and the United Kingdom and eastern markets are the Group's second most important trading partners. At the same time, orders from many other markets, particularly in the Water & Heat segment (e.g. France, Russia), are clearly picking up.

Breakdown of exports by country



Foreign sales - countries with a share of more than 5%	Share of exports in I-IVQ 2021	Sold range
United Kingdom	15%	gas meters
Germany	12%	mainly electricity and gas meters
Belgium	11%	gas and inductive electricity meters
Czech Republic	9%	mainly water meters and cost allocators
Ukraine	6%	primarily water and gas meters
Russia	6%	mainly water meters, heat meters, switchgear
Turkey	5%	mainly gas meters and switchgear

Seasonality of sales

The phenomenon of seasonality in the activity of the Apator Group is not particularly significant (we do not observe any repeatability in this respect), although the tendency to increase sales in the last quarter was noticed most frequently, as it happened in the past. Turnover for both 2020 and 2021 should not, however, be taken as representative of the seasonality phenomenon, given the effects of the persistent pandemic state and the key importance of factors of a decidedly one-off nature (difficulties in accessing parts and components).

Revenues reported in years	I quarter	II quarter	III quarter	IV quarter
2018	188 183	207 893	204 604	243 363
2019	212 479	210 782	220 495	233 837
2020	224 536	237 408	244 126	228 395
2021	224 498	237 418	240 136	238 264

EBITDA

EBITDA in 2021 amounted to PLN 150.2 million and, adjusted for the impact of the result on the sale of the Poznań property, amounted to PLN 116.2 million (-11% y/y), resulting in an EBITDA margin of 12.4% (-1.7 p.p. y/y). The level of consolidated EBITDA was influenced by:

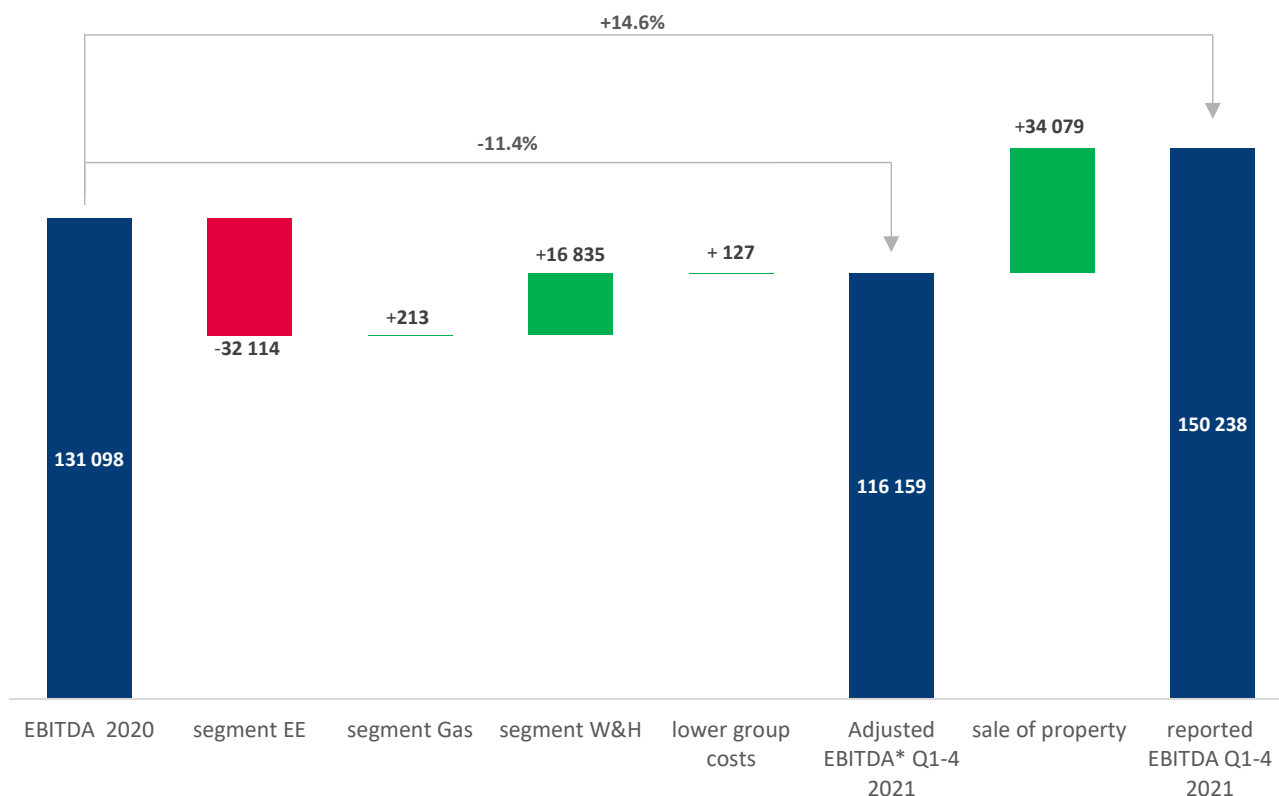
- a decrease in EBITDA in the Electricity segment mainly as a result of lower sales and higher costs of materials, components and raw materials (primarily semiconductors, copper and plastics), while at the same time the ability to flexibly adjust final prices is limited due to the sales model based in large part on long-term contracts concluded through public procurement (in 2020-2021) and in the face of strong competitive pressure. At the same time, the results were positively impacted by the compensation from the insurer (+3.2 million PLN) to cover part of the costs of replacing electricity meters (delivered in 2014-2017) as part of the reported claim and the refund of income tax paid (+1.4 million PLN). Taking these factors into account, the segment's EBITDA margin decreased by 6 p.p. y/y to 7.6%.
- maintenance of EBITDA profit in the Gas segment, resulting from a simultaneous increase in sales and lower profitability related to a less favourable product mix and increasing costs of materials (mainly plastics, steel, non-ferrous metals) and transportation services. At the same time, the results were positively affected by subsidies from the anti-crisis shield (PLN +1 million) and the received refund of income tax paid (PLN +1.1 million). As a result, the level of EBITDA margin decreased by 1 p.p. y/y to 14.2%.
- a significant increase in (non-recurring-adjusted) EBITDA of the Water and Heat segment, thanks to good sales, a favorable product mix and a significant improvement in operating efficiency. At the same time,

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

control of fixed costs is maintained resulting in improved profitability in relation to 2020 (EBITDA profitability at 18.0%, up 2.8 p.p. y/y);

- one-off factor (visible in Water and Heat segment): result on sale of real estate of Apator Powogaz SA in Poznań (+ PLN 34.1 million)*.

*On the 12th January 2021, Apator Powogaz SA concluded with the entity from developer branch the promised contract of sale of the real property at the Klemensa Janickiego Street 23/25 in Poznań with the total area of 3,3 hectares for the price of 63,5 million zlotys net where its present headquarters are located.



*EBITDA Q1-Q4 2021 adjusted for the impact of the sale of the property in Poznań

Net result

The consolidated net result amounted to PLN 62.7 million and was influenced, apart from the aforementioned factors, by:

- negatively - result on financing activities, significantly lower y/y (PLN -9.5 million vs. +3.3 in 2020), mainly due to negative FX differences (PLN -3.4 million), valuation of FX transactions (PLN -3.0 million) due to volatility in the foreign currency markets and debt service costs (PLN -1.9 million);
- positively - one-off event that is sale of real property of Apator Powogaz SA (PLN +27.6 million).

After the adjustment of the result with the impact of one-off event, the net profit of Apator Group after four quarters in 2021 was PLN 35.1 million.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

3.2. Results for the fourth quarter of 2021

The Apator Group in the fourth quarter 2021 achieved the following financial results:

Specification	IVQ 2021 r.	IVQ 2020 r.	Change	Dynamics
Sales revenues, including:	238 264	228 780	9 484	104.1%
<i>country</i>	132 916	141 708	- 8 792	93.8%
<i>export</i>	105 348	87 072	18 276	121.0%
Cost of goods sold*	190 482	175 440	15 042	108.6%
Gross sales profit	47 782	53 340	- 5 558	89.6%
Sales costs	10 976	7 941	3 035	138.2%
General administrative costs	33 707	31 483	2 224	107.1%
Sales profit	3 099	13 916	- 10 817	22.3%
Result on other operating activities	1 121	4 008	- 2 887	28.0%
Share in profits of companies consolidated using the equity method	675	493	182	136.9%
Operating income	4 895	18 417	- 13 522	26.6%
EBITDA	19 202	31 437	- 12 235	61.1%
Result on financial activity	- 3 560	- 1 132	- 2 427	314.2%
Profit before tax	1 335	17 284	- 15 949	7.7%
Current income tax	- 2 374	- 3 607	1 233	65.8%
Deferred income tax	- 512	- 768	256	66.7%
Net profit	- 1 551	12 909	- 14 460	-
Profitability ratio:				
Gross profit margin on sales	20.1%	23.3%		
Profit margin on sales	1.3%	6.1%		
Profit margin EBITDA	8.1%	13.7%		
Net profit margin	- 0.7%	5.6%		

*)Due to a change in accounting policy during 2021 regarding the recognition of, among other things, inventory write-down costs and inventory scrapping costs, these costs were reclassified in the comparative periods from other operating activities to cost of core operations (the reclassification is included in section 1.8 of this report).

During Q4 2021:

- a slight increase in revenues year on year - a clear increase in turnover in the Gas segment (+24% to PLN 65.1million) and Water and Heat (+14% y/y to PLN 77.4 million) thanks to rebounding demand on foreign markets, offsetting a decline in domestic sales in the Electricity segment (-12% to PLN 95.8 million) due to a high base effect resulting from execution of Power Market contracts in Q4'20;
- there was a 21% increase in export sales due to the very good performance of all segments; the main markets were: UK, Czech Republic, Belgium; positive impact of exchange rate increases on export sales performance;
- apparent further pressure on margins as a result of significant increases in manufacturing costs (particularly materials and components) due to the disruption of supply chains as a result of the pandemic, as well as increased global demand for components and materials, which contributes to reduced availability and ultimately raises their prices;
- erosion of the gross margin on sales was most pronounced in the EE segment (-8.0 pp to 15.8%), a slight decline in the margin also occurred in the Water and Heat segment, to 27.8% (down 2.8 pp y/y) due to the impact of unfavorable cost developments (components, further increase in prices of raw materials in Q4), in Gas the margin improved by 4.3 pp to 17% on dynamic sales growth y/y;
- increases in selling, general and administrative expenses as a result of increased global transportation and fuel prices, perceived pressure on salaries and the need to acquire and retain key competencies;
- less favorable result on other operating activities as compared to Q4 2020, which at that time was positively affected by obtaining subsidies from the anti-crisis shield in some subsidiaries (PLN +2.9 million)

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

and the compensation from the insurer (PLN +1.1 million) to cover part of the costs of replacing defective electricity meters for which provisions were set up 2019; in November 2021, the company received another tranche of compensation from the insurer (+PLN 1.7 million);

- As a result of the above factors, and especially the high inflation of operating costs in this quarter, EBITDA decreased by 39% y/y to PLN 19.2 million;
- adverse effect of foreign exchange rates on the cost side (especially USD) resulting in negative (PLN -3.6 million) result on financing activities (exchange rate differences and valuation of foreign currency transactions), additionally a negative impact of increased debt service costs due to higher interest rates and an increase in the level of net debt;
- taking into account the aforementioned items, the Group for the fourth quarter of 2021 incurred a net loss of PLN -1.6 million.



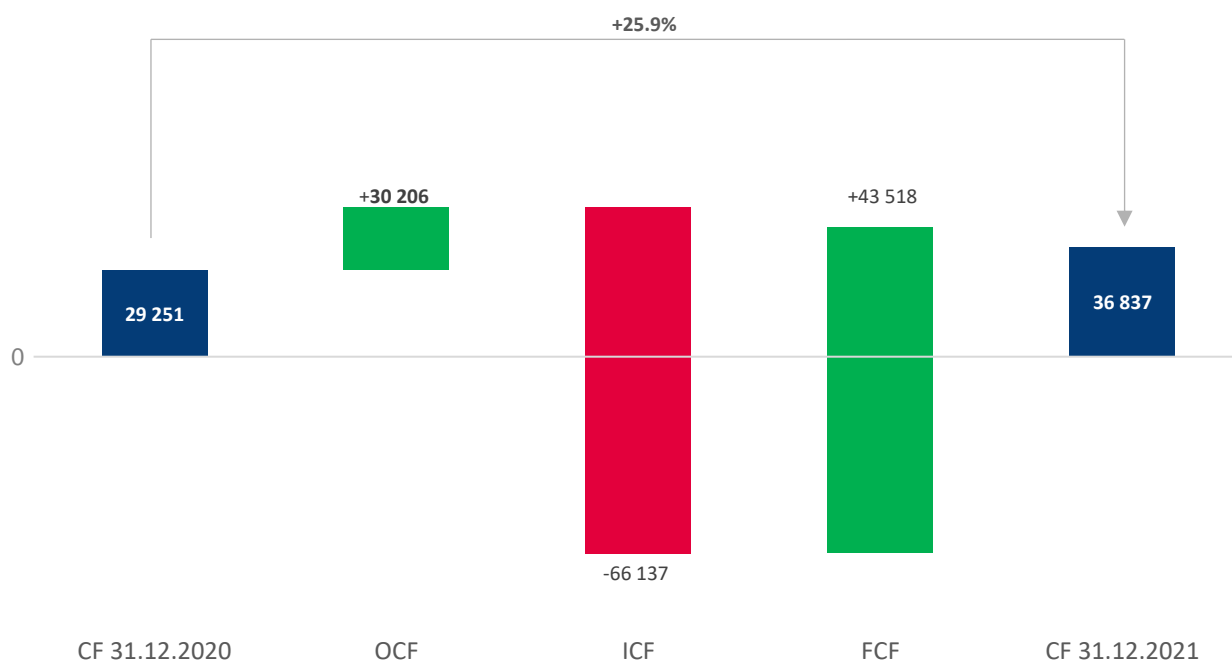
Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

3.3. Analysis of financial situation

The cash balance at December 31, 2021 was 7.6 million higher compared to the end of 2020, and amounted to PLN 36.8 million.

Cash and cash equivalents were influenced by the following factors:

- positive cash flows from operating activities, with the level of cash flows generated being impacted by a much higher working capital commitment than in previous years - sourcing and securing materials and raw materials to manage risks associated with disruptions in global supply chains;
- negative cash flows from investment activity mainly due to capital expenditures incurred for fixed assets and intangible assets (in total PLN 94.5 million) and payment for the part of shares acquired in Apator Telemetria Sp. z o.o. (PLN 7.1 million - financed by acquisition credit) partially covered by revenues obtained from the sale of real estate of Apator Powogaz SA in Poznań in the amount of PLN 33.9 million (realized in 2021 payments for the property, as scheduled);
- positive balance of cash flows related primarily to an increase of credit debt (the balance of PLN 78.9 million - proceeds from loans taken out less repayments with interest) reduced by the payment of the remaining dividend from the profit for 2020 (PLN 22.3 million) and repayment of finance lease liabilities (PLN 11.7 million).



Other basic indicators	I-IVQ 2021	Year 2020	Formula
Current liquidity ratio	1.24	1.22	current assets/short-term liabilities
Quick liquidity ratio	0.61	0.72	(current assets - inventories)/short-term liabilities
Return on assets ROA	6.70%	7.06%	net profit for the last 12 months/average total assets, calculated as an average of the opening and closing balances

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

Other basic indicators	I-IVQ 2021	Year 2020	Formula
Return on equity ROE	11.74%	12.32%	net profit for the last 12 months/average equity calculated as an average of the opening and closing balances
Net debt (PLN thousand)	174 591	100 150	loans and borrowings - cash and equivalents - loans granted
Net Debt/LTM EBITDA*	1.16	0.76	(loans and credit- cash and cash equivalents - loans granted) / EBITDA for the last 12 months
Capex (PLN thousand)	90 457	77 510	tangible and intangible investment expenditure
Working capital (PLN thousand)	226 537	163 150	(current assets - cash) - (short-term liabilities - short-term loans and borrowings)

The level of net working capital at the end of December 2021 was PLN 63.4 million higher compared to the end of December 2020. This is due to higher inventories and receivables (e.g. from the sale of real estate). The increase in working capital can be seen primarily in the Electricity segment (increase in inventories, especially of electronics resulting from an increase in stocking to secure future production) and Water and Heat (increase in receivables resulting from the settlement of a property sale transaction).

Higher capital expenditures were incurred in the period mainly in the Water and Heat segment and related primarily to expenditures for the construction of a new factory near Poznań (PLN 38.2 million for Q1-Q4 2021 as scheduled) and R&D, including, among others, work on the development of remote communications and expansion of the product portfolio with new product families.

Financial debt is higher y/y, but maintained at a low and safe level of 1.16x net debt/EBITDA for the last 12 months. The increase in debt is due to the maintenance and systematic replenishment of material buffers for future contracts. Taking into account EBITDA net of one-time events (sale of real estate in Poznań), financial debt is also at a safe level of 1.50x.

4. Indication of factors that will affect the future results of the Apator Group

4.1. Risk factors, threats and influence of pandemic on activity of the Apator Group

All significant risk factors are identified, analysed and controlled in the Apator Group on current basis. Risk management is based on the three-line model and uniform principles and methodology developed on the basis of the international standard ISO 31000. In individual companies of the Group, risk management is an integral part of their management systems and remains under the supervision of the parent company.

The risk management principles adopted by the Group include control of risk by division:

- financial management risk,
- strategic risk related to development and construction of value of the Apator Group,
- operational risk including day-to-day task performance, legal compliance, work safety, information security and environmental protection.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

The detailed description of risk factors that can have the influence on the activity of Apator Group was presented in the Report of the Executive Board on Activity of Apator Group for 2020 in the chapter 8.

(<http://www.apator.com/uploads/files/Raporty/Raporty%20okresowe/2020/roczny-skonsolidowany/sprawozdanie-zarzadu-asa-i-gk-apator-rs-2020-r.pdf>)

In the opinion of the Executive Board, the risks indicated in the aforementioned document remain valid. Nonetheless, management notes that the factors that will impact results in the coming quarters are:

- continuing problems with the continuity of supply chains, including limitations on the availability of components necessary for production, primarily plastics, copper, steel and electronics, and lengthening lead times,
- rising inflation with particular emphasis on increases in energy and fuel prices, materials and components necessary for production (i.e. plastics, copper steel, electronics) and increases in the cost of transportation services and labor costs,
- price pressures particularly felt in the highly competitive Electricity segment.

Starting in Q4 2020, there are significant difficulties in access to electronic components, especially semiconductors, and shortages of raw materials, causing significant price increases. In addition, China's policy of restricting electricity consumption has compounded the component supply constraints felt around the world. The problems of electronics manufacturers affect many industries and are global in nature. The unpredictability of the electronics market situation and inflationary pressures on components and production materials remain high. In addition, the surge in global demand and the limited availability of containers from Asia have significantly increased the cost of logistics services and significantly increased lead times.

Continued problems with the continuity of global supply chains may periodically affect sales dynamics and decrease profitability. Cost inflation, which has reached an unprecedented scale in recent quarters, is felt in all segments, but Electricity is the most affected. In addition, the model of selling mainly electricity meters (based on entering into long-term contracts as a result of winning public tenders), results in little opportunity to translate cost inflation into final prices to the customer under contracts already in place, mostly entered into in 2020-2021.

The Apator Group is active in renegotiation of contracts and changes of price lists for partners and distributors. Also, bids submitted by the Group in current tenders and new price lists take into account inflationary mechanisms, among others in the area of prices of components, materials and other factors affecting production costs.

In addition, areas of financial condition and continuity of supply are monitored on an ongoing basis. In relation to situation on global markets of raw materials and components, the Apator Group is strongly involved both in seeking of substitutes and alternative materials (with preservation of the quality of the product) as and actively seeks other sources of purchase and conducts inventory management that is optimal for the current situation. The cooperation and integration of activities in this area between Group entities enables them to benefit from business synergies and reduces their exposure to operational risk.

Moreover, diversification of revenues and segmentation of the Group's business translates into security of operations for the entire Group, if only in view of the recent economic turmoil. Individual industries are affected by supply chain problems to varying degrees, which makes it possible to offset the effects of a downturn in one segment and compensate for lost sales with increased revenues from other segments.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

At the same time the Executive Board indicates that due to current armed aggression of Russia in Ukraine the situation is monitored on current basis and Apator Group is in contact with its eastern customers and partners. As of the day of publication of this report Apator Group identifies risks resulting from the war in Ukraine but their level depends on the development of further situation and its influence on currency rates, prices of raw materials and other areas of activity.

Sales revenue for 2021 from the Russian, Ukrainian and Belarusian markets accounted for approximately 2.8% in total sales of Apator SA and about 6,1% in whole Apator Group and expected turnover from these countries in 2022 will be lower. In the scope of receivables from counterparties from threatened markets, their share in total value of receivables of Apator SA is only 1,4% but in the entire Apator Group this share is nearly 6%. Therefore, the situation in the East does not have significant influence on activity of Apator SA and its capital group.

Detailed values of receivables are presented in the table below.

Level of receivables as at 28.02.2022 (thousand PLN)	Apator SA	Apator Group
Receivables from counterparties (Ukraine, Russia, Belarus)	533	8 148
Ukraine	108	2 566
Russia	416	5 481
Belarus	9	102
Share of the company's trade receivables	1.4%	-
Share in trade receivables of Capital Group APATOR	0.4%	5.6%

4.2. Prospects

Within long-term perspectives of Apator Group the following factors influencing the situation in particular segments should be indicated:

In the Electricity segment, growth prospects are determined primarily by the energy transformation in line with the Polish Energy Policy (PEP2040) adopted by the government, including the planned roll-out of meters with remote reading and the expansion of the electricity grid infrastructure. Today, however, the electricity meter market is commoditizing at a rapid pace, and the planned rollout is attracting increasing competition due to low barriers to entry.

Another important element of further development of Apator Group in coming years is also renewable energy sources sector. The Group is a supplier of turnkey solutions for renewable energy sources (e.g. two-way meters, photovoltaic farm management system or specialized switchgear and hedging) and is consistently working to expand its product portfolio. Systems and equipment will be developed not only for metering, but also for more efficient management of electricity and utilities designed for small and large business, as well as for homes and apartments. Advanced negotiations are also underway for the acquisition of shares in Torun's Zakład Energoelektroniki TWERD sp. z o.o. - a manufacturer of inverters designed for photovoltaic installations. The purpose of the potential acquisition is to prepare a comprehensive offer for the dynamically growing PV industry and to further develop solutions supporting, among others, infrastructure for electromobility and energy storage, as well as technical solutions for charging electric vehicles.

In the Gas segment, roll-outs are underway in major foreign markets in Europe. The Company will take part in one of the biggest roll outs in Belgium (in cooperation with one of the global leaders in utility metering Landis+Gyr), as a result of winning the tender for the supply of ca. 1 million of gas meters in the period 2023-2031 - contract of the total value of ca. PLN 300 million in the part of Apator Metrix. Additionally, the Segment will develop its offerings due to market demand for new measurement technologies, including in the areas of hydrogen and biogas.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

In the Water & Heat segment, a clear recovery in demand from the pandemic is underway both domestically and internationally. The water and heat industry has very good prospects for dynamic development as a result of the replacement of water and heat meters with remote reading meters implemented across Europe (including Poland). The amendment to the Energy Efficiency Law, signed on April 26, 2021, requires owners or managers of multi-apartment buildings to install smart heat meters by January 1, 2027 and remote reading water meters. In this connection, there has already been a significant increase in interest in stationary systems that allow for remote reading, so opportunities are also opening up in the water and heat billing sector. The coming year for the W&H segment will see the development of new markets and product initiatives (billing), while the planned commissioning of a new, highly automated water meter factory in Jarzyski near Poznan in April 2022 will help increase the scale of and business profitability.

The detailed description of perspectives and development factors for particular segments that will determine the activity and results of the Apator Group has been presented in the Report of the Executive Board on Activity of the Apator Group for 2020 in the chapter 3 and 4. In the opinion of the Executive Board, the perspectives indicated in the aforementioned document remain valid.

(<http://www.apator.com/uploads/files/Raporty/Raporty%20okresowe/2020/roczny-skonsolidowany/sprawozdanie-zarzadu-asa-i-gk-apator-rs-2020-r.pdf>)

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

5. List of major events

5.1. List of events in 2021

1. On 4th January 2021 subsidiary Apator Rector Sp. z o.o. concluded the contract with Tauron Dystrybucja SA with the value of about PLN 26.3 million. The agreement concerns the provision of maintenance, support and development services for the ZMS Network Asset Management IT system implemented at Tauron Dystrybucja SA from 2021 to 2024. Work is being completed on schedule.
2. On 5th January 2021 the offer of Apator SA was selected as the most favourable one in the tender for the supply of municipal electricity meters in the period 2021-2022, announced by PGE Dystrybucja SA (task no. 2 - three-phase meters). The value of the offer is PLN 45.4 million, including the option to increase the order by PLN 9.9 million. On 23 February this year, the company entered into agreements with branches of PGE Dystrybucja SA. Deliveries are on schedule starting in May 2021.
3. On 8th January 2021 District Court Katowice-East in Katowice made the entry of registered pledge on 3.600.000 bearer shares of Apator SA being in possession of Apator Mining Sp. z o.o. in favour of PKO Bank Polski SA. The registered pledge is the collateral of the investment credit granted by the Bank to the company Apator Powogaz SA for the construction of the production plant and it will be kept till the day of establishing the contractual mortgage on the real estates that are built for Apator Powogaz SA.
4. On the 12th January 2021, Apator Powogaz SA concluded with the entity from developer branch the promised Contract of Sale of the land property located at Klemensa Janickiego Street 23/25 in Poznań with total area of 3,3 hectares where the present headquarters of Apator Powogaz SA is located (more information in the Report of the Executive Board on Activity of Apator Group for 2020).
5. On 5 March 2021, Apator Metrix SA, GWi Ltd and Meter Fit 20 Ltd concluded a contract for the supply of gas regulators for the UK market in the period 2021-2025. The agreement stipulates that the regulators will be supplied based on ongoing orders placed by Meter Fit 20 Ltd according to its needs.
6. On March 17, 2021, an annex to the agreement concluded with TU Euler Hermes SA for granting contractual guarantees within a revolving limit was signed. Under the annex, the revolving limit for guarantees granted to the Group was increased from PLN 20 million to PLN 25 million. At the same time, additional security for the contract was established in the form of 4 blank promissory notes.
7. On 23rd March 2021 the Company received the copy of the judgement of Supreme Administrative Court dated 5th February 2021 regarding the cassation complaint of National Fiscal Information Director against the judgement of Regional Administrative Court in Gorzów Wielkopolski in case of complaint of Apator Rector Sp. z o.o. on individual interpretation of the Director of National Fiscal Information regarding the possibility to include into tax costs the contractual penalty in the amount of 11 140,0 000 PLN due to failure to meet the deadline for performance of services under the contract for design and implementation of Network Asset Management System for Tauron Dystrybucja SA. Supreme Administrative Court in its ruling stated that Apator Rector Sp. z o.o. is not entitled to include the incurred expense in the form of penalty to tax costs. Consequently, it was necessary to adjust the CIT income tax settlement for 2018-2020 and to adjust the deferred tax asset created on the penalty. At the same time Apator Rector had unsettled tax losses on which deferred tax asset was not recognized in full amount. Their amount was sufficient to offset the impact of the derecognition of the unjustified deferred tax asset on the penalty. In result of the set-off applied, the classification of the penalty to the costs not being tax deductible had no influence on the financial result of Apator Rector and only the title of the created asset due to deferred tax changed.
8. On 26th March 2021. The Supervisory Board of Apator SA elected PricewaterhouseCoopers Polska sp. z o.o. Audyt sp. k. with headquarters in Warsaw to audit the financial statement of Apator SA and to audit and review of consolidated financial statement of Apator Group for the period 2021 - 2023.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

9. On 29th June 2021 the Ordinary General Shareholders Meeting of Apator SA was held, that among other things adopted the dividend level from the profit in 2020 in amount of 1,20 PLN gross per share (more in Section 6.7.5).
10. On the 30th June 2021 The Executive Board of Apator SA announces that as part of optimization of the structure of capital group and consolidation of Electric Energy segment it has taken the decision on the intention to include Apator Elkomtech SA (Łódź) into Apator SA (Toruń) in order to increase the effectiveness of the management and obtaining the market synergies. On 18th October 2021. Extraordinary General Shareholders Meeting of Apator SA agreed the merger of the companies and then on 3rd January 2022. District Court in Toruń registered the merger of Apator SA with subsidiary Apator Elkomtech SA. More information in section 6.5.
11. On 27th July 2021 the Executive Board of Apator SA announced that the subsidiary Apator Metrix SA has been selected as the supplier of smart gas meters under the mass implementation of smart meters in Belgium. A combination of Belgian distribution network operators (Fluvius, ORES, RESA and Sibelga) has selected an offer from Landis+Gyr (Belgium) as the winning bid for the delivery of an end-to-end Data-as-a-Service solution. DaaS Data-as-a-Service), consisting of a central master system and delivery of smart utility meters. Therefore, Apator Metrix SA as a partner of Landis+Gyr in the period 2023 - 2031 will deliver ca. 1 million of iSMART2 smart gas meters of the value of ca. EUR 65 M (that is ca. PLN 300 million according to average exchange rate of NBP from 27th July 2021, 1 EUR= 4.5954 PLN).
12. On 25th August 2021 the offer of Apator SA was selected as the most favourable one in the tender for the supply of electricity meters with PLC PRIME communication, announced by Energa Operator SA. The agreement, worth PLN 57 million, was signed on 20 September this year.
13. On 26th August 2021. Apator SA concluded contracts of purchase of shares in Apator Telemetria Sp. z o.o. with four natural persons (minority shareholders). Under the agreements Apator SA acquired total 512 shares of total value PLN 12.1 million that constitute 20.8% of share capital of this company (more in point 6.5). The transaction was financed with an acquisition loan (agreement dated August 13, 2021).
14. On 17th November 2021 The Executive Board of Apator SA informed about the conclusion of the letter of intent regarding the intention to purchase 100% shares in the company Zakład Energoelektroniki TWERD sp. z o.o. with headquarters in Toruń. ZE TWERD sp. z o.o. is a manufacturer of power electronic devices, in particular inverters for photovoltaic installations and fast charging stations for electric cars. Pursuant to the letter of intent the companies are in the process of drafting a share purchase agreement and an investment agreement, provided, however, that the letter of intent does not constitute an obligation for the Parties to enter into the aforesaid agreements. The objective of potential acquisition is to prepare, according to strategy of Apator Group, comprehensive offer for dynamically growing PV industry and further development of solutions supporting the infrastructure for electromobility among other things. The potential value of the transaction is several million zlotys.
15. On 24th November 2021 in result of resignation made by President of Executive Board Mirosław Klepacki, Supervisory Board established that since 25th November 2021 the make-up of the Executive Board of Apator SA is as follows: Arkadiusz Chmielewski - President of the Executive Board, Tomasz Łątka - Member of the Executive Board.
16. On 24th November 2021 the Executive Board of Apator SA took the decision on payment of advance payment towards expected dividend from the profit in 2021 in gross amount of 0.30 PLN per share. The dividend was paid on January 24, 2022, to all Shareholders who held shares as of January 17, 2022. (see section 6.7.5 for more information).
17. On the 24th November 2021 the Executive Board of Apator SA adopted the resolution on commencement of the Program of Buy-Back of own shares for their redemption and reduction of share

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

capital based on the authority resulting from the resolution no 23/VI/2021 of the Ordinary General Shareholders Meeting of Apator SA dated the 29th June 2021.

18. On the 6th December 2021, as a result of winning the tender, Apator Metrix SA concluded with Polska Spółka Gazownictwa sp. z o.o. ("PSG") contracts for the supply of bellow gas meters under six tasks being the part of the tender for the supply of bellow gas meters announced by PSG. The total value of the concluded agreements amounts to PLN 74.9 million net, and the deliveries shall be completed within 24 months from the date of their conclusion.
19. On 29th December 2021 the changes in the Statute of Apator SA were registered by the District Court in Toruń. The amendments to the Statute refer to the reduction of the share capital of Apator SA in relation to with redemption of 29,100 bearer shares carrying 29,100 votes at the General Meeting of Shareholders, purchased under the share buy-back program (more in item 6.7.2).
20. On 29th December 2021 the company Apator Powogaz SA concluded with the affiliate AO Teplovodomer with headquarters in Mytiszczci (Russia) the frame contract on cooperation for 2022. The value of the framework contract is 6 million euro net, i.e. PLN 27.6 million (according to the average NBP exchange rate of 29 December 2021, 1 EUR = 4.5997 PLN). The subject of the contract is the supply of water meters, heat meters, connectors and spare parts to Teplovodomer. Deliveries are made based on current orders.

In the analysed period there were no other factors and events than those mentioned above, including untypical ones, that would have significant influence on results of Apator Group.

5.2. List of events after the balance sheet date

1. On the 3rd January 2022 District Court in Toruń, 7th Economic Department of National Court Register made the entry of merger of Apator SA with headquarters in Toruń with subsidiary Apator Elkomtech SA with headquarters in Łódź (more in par. 6.5).
2. On 21st January 2022 subsidiary Apator Powogaz SA purchased 248 shares of Apator Telemetria sp. z o.o. (being 10,1%) from two natural persons - partners of Apator Telemetria sp. z o.o. at total price PLN 5.9 million (more in par. 6.5).
3. On 24th February 2022 Apator SA signed the contract with Enea Operator sp. z o.o. in result of selection of the offer of the Company as the most favourable one in one of the tasks of the tender for the supply of static electricity meters with GSM communication module. The value of the contract is PLN 23 million, however, its provisions provide for the option right to double the order. Accordingly, the total maximum contract value may be as follows PLN 46 million.
4. On February 24, 2022. The Russian Federation launched military operations against Ukraine, therefore Apator Group made the assessment of current effects of warfare on activity of Apator SA and Apator Group. For more information, see para. 4.1 of this report.

6. Additional information

6.1. Credits, loans, sureties, guarantees

Balance of credits and loans of Apator Group:

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

Specification	as of		Change
	31.12.2021	31.12.2020	
Long-term loans and credits	38 280	4 183	34 097
Short-term loans and credits	173 148	125 218	47 930
Total loans and borrowings	211 428	129 401	82 027

6.1.1. Loans

As of December 31, 2021, the status of significant credit agreements is as follows:

1. Apator Group

Multi-product agreement dated June 22, 2016.

On 30th June 2021 between ING Bank Śląski SA and companies of Apator Group: Apator SA, Apator Powogaz SA, Apator Metrix SA, FAP Pafal SA, Apator Elkomtech SA, Apator Rector Sp. z o.o., Apator Telemetria Sp. z o.o. The annex to the above agreement was concluded where the credit period was extended for the next 2 years and the revolving credit limit for current financing of the companies was increased from PLN 160 million to PLN 180 million. The loan repayment date is September 21, 2022. The credit limit may be used in the form of working capital loans, bank guarantees, letters of credit and debt repurchase by the Bank. The limit interest rate is based on WIBOR 1M plus bank margin. In connection with the conclusion of the annex, the collaterals of the Agreement, which they are now, have changed:

- registered pledges on the Companies' inventories with a total value of PLN 102.5 million,
- registered pledges on the fixed assets of companies with a total net value of PLN 22.1 million,
- registered pledges on the Company's bank accounts maintained by ING Bank Śląski SA,
- mortgage on real estate of Apator SA to the value of PLN 35.9 million,
- assignment of rights under the insurance policy of the above collaterals,
- blank promissory notes together with promissory notes issued by borrowers.

Liabilities resulting from the granted limit shall be jointly and severally charged to the Company, up to a maximum amount of PLN 180 million.

At 31st December 2021 the debt of Apator Group due to concluded multi-product contract was as follows:

- on account of credit limits used PLN 134.3 million,
- on guarantees and letters of credit PLN 21.6 million,
- on account of supplier financing PLN 5 million.

2. Apator SA:

a) has a loan of PLN 10 million from Bank Handlowy SA earmarked for the current financing of the company's business activity. On 9 March 2021, an annex to the agreement was concluded, pursuant to which the loan period was extended until 25 March 2022. The loan interest rate was determined according to a variable interest rate equal to the WIBOR rate for 3-month deposits increased by the bank's margin. The loan repayment is secured by a registered pledge on the company's fixed assets with a value of PLN 8.3 million and an assignment of rights under an insurance policy.

As of December 31, 2021, the level of used credit facility was PLN 3.0 million;

b) on 13 August 2021, concluded an agreement with Bank Handlowy SA for a long-term (acquisition) loan of PLN 13 million. Credit was designated to finance the purchase of shares from minority shareholders of Apator Telemetria sp. z o.o. The interest rate of credit was established according to variable interest rate equal to WIBOR rate for 3-month deposits increased by margin of the bank. The loan will be repaid in equal quarterly instalments with the final repayment date falling on 9 August 2024. The loan repayment is secured by a registered pledge on fixed assets up to the amount of PLN

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

2.8 million along with an assignment of rights from the all-risk insurance policy of the property, a registered pledge on the acquired shares up to the amount of PLN 12.1 million and a declaration of submission to enforcement pursuant to Art. 777 of the Civil Code up to PLN 15.6 million.

As of December 31, 2021, an amount of PLN 11 million remained to be repaid under the loan;

- c) has a full factoring agreement with ING Commercial Finance Polska S.A., with a limit up to PLN 10 million, earmarked for financing current activities. The agreement is valid until 21 October 2022. The interest rate on the financing was determined according to a variable interest rate equal to 1M WIBOR increased by the bank's margin. The agreement is secured by a blank promissory note.

As of December 31, 2021, the value of used financing amounted to PLN 2 million.

3. The Company Apator Metrix SA has got long-term credit (investment credit) for purchase of shares of GWi contracted in Bank Millennium SA. The loan amounted to PLN 22.1 million. The loan is granted for the period until 31.12.2022. The loan bears interest at a variable interest rate equal to WIBOR rate for 3-month deposits increased by the bank's margin. Repayment of the loan is secured by a capped mortgage up to 23.3 million PLN on the real estate of the company located in Tczew, transfer of ownership of fixed assets with a total value of min. PLN 2.4 million, an assignment of rights from the all-risk insurance policy, a pledge on bank accounts and a declaration of submission to enforcement pursuant to Article 777 of the Civil Code up to PLN 31.7 million.

As at the 31st December 2021, the credit balance amounted to PLN 4.2 million.

4. GWi Ltd has an overdraft facility entered into on 8 September 2017 with CITI London Bank for £4 million. The credit was taken for the repayment of the loan from BI Group PLC and Apator Metrix SA, which was related to the early redemption of the remaining 50% shares of GWi by Apator Metrix SA in 2017. The term of credit repayment is renewed every year. The collateral of repayment of credit is the guarantee of Apator Metrix SA in form of bank guarantee for the amount of 4 M GBP (that is PLN 22.6 million. PLN 22.6 million (according to ING's selling rate of 31 December 2021 for GBP = 5.6590) and a declaration of submission to enforcement pursuant to Art. 777 of the Civil Code up to the amount of GBP 4.8 million (i.e. PLN 4.6 million for GBP = 5.6590). PLN 26.7 million at the ING selling rate of 31 December 2021 for GBP = 5.6590). The loan interest rate is set at a variable LIBOR rate plus the bank's margin. At 31 December 2021, the outstanding balance of the facility is GBP 4 million (i.e. PLN 21.9 million according to the average NBP exchange rate of 31 December 2021 for GBP = PLN 5.4846).

5. Apator Powogaz SA:

- a) on 4 December 2020, concluded with the bank PKO Bank Polski SA with its registered office in Warsaw an Investment Credit Agreement in the amount of PLN 39.1 million with the possibility of increasing to PLN 41 million. The loan is intended to finance the purchase of land and construction of a modern production plant in Jaryszki (cadastral precinct Żernik near Poznań), based on a contract concluded with the General Contractor. The interest rate is set at:

- up to PLN 39.1 million - fixed interest rate of 1.3% p.a. plus the Bank's margin,
- above the amount of PLN 39.1 million, and up to PLN 41 million - interest rate according to variable interest rate WIBOR 1M increased by the Bank's margin.

As of December 31, 2021, the loan is secured by:

- blank promissory note together with a promissory note declaration,
- registered pledge (established on 8th January 2021) on 3.6 million bearer shares of Apator SA being in possession of Apator Mining Sp. z o.o. to the highest security amount of PLN 61.5 million

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

with blocking of shares of total value not less than 120% of the value of the future property (pledge will be kept till the day of establishing contractual mortgage on acquired land and property under construction in Jarzyski/Gm. Żerniki).

The term of the loan is set from July 31, 2022 to December 4, 2030.

As of December 31, 2021, the debt under the above credit facility was PLN 31.3 million.

- b) has a credit facility with mBank SA for the amount of PLN 10 million dedicated to the current financing of the company's business activities with the repayment period ending on 11 August 2022. The interest rate on the loan was determined according to a variable interest rate, depending on use, equal to WIBOR ON or LIBOR ON plus the bank's margin. Repayment of the loan is secured by a blank promissory note and the PLG-FGP guarantee granted by BGK.

As of December 31, 2021, the value of the loan drawn was PLN 5.6 million.

- c) has got the factoring agreement concluded with Santander Faktoring Sp. z o.o. with the limit up to the amount PLN 15 million for financing of suppliers. The agreement is concluded for the period until June 30, 2022. The interest rate is determined according to a variable interest rate equal to WIBOR 1M increased by bank's margin. The financing is secured with a blank promissory note and a statement on submitting to execution under Art. 777 of the Civil Code to the amount of PLN 22.5 million.

As of December 31, 2021, the balance of funding used was 9.3 million.

In 2021 no bank has terminated the credit agreement for the companies in Apator Group and the companies in Apator Group timely performed their obligations resulting from the concluded credit agreements.

6.1.2. Loans

The status of granted and received loans of companies of Apator Group at 31st December 2021 is as follows:

- Apator Powogaz SA has the receivable due to consolidated loan in amount of EUR 1.5 million granted to the subsidiary Apator Miitors ApS. The nominal interest rate on the loan is 2%. On 20th November 2020. Apator Powogaz signed with Apator Miitors Aps. the annex extending the period of the loan repayment till the end of 2029.

As of December 31, 2021, the outstanding loan (including interest) was EUR 1.5 million (i.e. PLN 6.9 million according to the average NBP exchange rate of 31 December 2021 for EUR = 4.5994). Interest for 2021 was paid in January 2022.

6.1.3. Sureties i guarantees

The balance of sureties and guarantees issued as at 31 December 2021 is as follows:

1. Apator SA:

- guarantee of payment of receivables by Apator Metrix SA in the amount of EUR 11.2 million (PLN 5.7 million according to selling rate of EUR in ING bank on 31st December 2021 equal 1 EUR = 4.7524 PLN) in relation to Flonidan AS for the machines purchased by Apator Metrix SA in order to increase manufacturing capacity for the needs of performance of the contract in Great Britain. The term of the

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

guarantee is from September 23, 2019 to June 30, 2022. The guarantee fee is calculated on a quarterly basis at a rate of 0.8% p.a.

- conditional surety for payment due to three concluded lease contracts for purchase of fixed assets between Apator Rector Sp. z o.o. and mLeasing Sp. z o.o. in total amount of PLN 0.7 million with a maximum term through December 14, 2024. The guarantee fee is calculated on a quarterly basis at a rate of 1.2% p.a.

2. Subsidiary of Apator Metrix SA:

- guarantee for the subsidiary George Wilson Industries Ltd. (GWi) up to a maximum of GBP 4 million, (i.e. PLN 22.6 million at the GBP selling rate at ING Bank on 31 December 2021 equal to 1 GBP = 5,6590 PLN) for the period to 31st October 2022. The guarantee secures the credit granted to GWi by Bank Citi for repayment of loans earlier granted by NIG and Apator Metrix SA. The guarantee was issued on the basis of the revolving agreement concluded between Apator Metrix SA and Citi Handlowy. The guarantee commission is 0.5% per annum

At 31st December 2021 Apator Group had also active guarantees issued by insurers and banks, described in detail in point 1.2.

6.2. Proceedings pending before a court, arbitration body or public administration authority

On 5th February 2021 The Executive Board of Apator SA received the copy of statement of claim of PySENSE Sp. z o.o. against Apator SA. The statement of claim was filed on 29 December 2020 with the Regional Court in Toruń, 6th Commercial Division and concerned the payment of PLN 21,526,688.09, which consists of:

- compensation based on art. 471 KC due to damage in relation to non-performance by Apator SA of the cooperation contract of 31st October 2018 in the scope of manufacturing by PySENSE Sp. z o.o. communication modems to electricity meters of Apator SA in the amount of 21.347.389,20 PLN (i.e. PLN 20,502,193.30 plus statutory interest for delay from the due date of 01.04.2020 in the amount of PLN 845,195.90),
- remuneration for transfer of property rights by PySENSE Sp. z o.o. to Apator SA in the amount of 115.263,57 PLN (that is PLN 110,700 plus statutory interest for delay from the due date of 01.04.2020 in the amount of PLN 4,563.57),
- remuneration for granting Apator SA license to software in the amount of 64.035,32 PLN (that is PLN 61,500 plus statutory interest for delay from the due date of 01.04.2020 in the amount of PLN 2,535.32).

In its reply to the statement of claim, the Company, considering it unfounded, moved for dismissal of the claim in its entirety, challenging not only the principle of liability, but also the amount of the claimed claim. On 30th November 2021 in result of court proceedings the District Court in Toruń, 6th Economic Department announced the judgement in which it dismissed completely the action of PySENSE sp. z o.o. against Apator SA regarding the payment of the amount of PLN 21.5 million and it adjudged the return of the costs of proceedings in favour of the Issuer. The judgment of the Regional Court is not final and the PySENSE sp. z o.o. company may appeal it.

Pending proceedings (including two or more proceedings) concerning liabilities or receivables of Apator SA pending in court, body competent for arbitration proceedings or public administration body concerning the issuer and companies in Grupa Kapitałowa are not significant.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

6.3. Related party transactions

Between companies in Apator Group the cooperation is performed in business areas, in financial activity and in support functions (mainly IT). Under this cooperation in the period I-IV quarter of 2021, similarly as in the previous periods, neither Apator SA nor any other subsidiary concluded transactions with related entities that would be concluded on other than market conditions.

6.4. Subsidiaries subject to consolidation as at 31 December 2021.

- dominant entity - Apator SA,
- subsidiaries (direct and indirect) consolidated using the full method:

Segment	Business line	Company	Office	Share in capital	Relation to Apator SA
Electricity (EE)	Electricity metering	FAP Pafal SA	Świdnica	100%	Subsidiary company of Apator SA
	ICT	Apator Rector Sp. z o. o.	Zielona Góra	100%	Subsidiary company of Apator SA
	Control and monitoring systems	Apator Elkomtech SA*	Łódź	100%	Subsidiary company of Apator SA
	Switchgear	Apator GmbH	Berlin (Germany)	100%	Subsidiary company of Apator SA
	Mining equipment trade (small business - not a business line)	Apator Mining Sp. z o. o.	Katowice	100%	Subsidiary company of Apator SA
Electricity / Gas	Electricity and gas metering	Apator GmbH	Berlin (Germany)	100%	Subsidiary company of Apator SA
Water and Heat (W&H)	-	Apator Powogaz SA	Poznań	100%	Subsidiary company of Apator SA
		Apator Metra s. r. o.	Sumperk (Czech Republic)	100%	Indirect subsidiary of Apator SA through Apator Powogaz SA Indirect share through Apator Powogaz SA
		Apator Miitors ApS	Aarhus (Denmark)	100%	Indirect subsidiary of Apator SA through Apator Powogaz SA Indirect share through Apator Powogaz SA
		Apator Telemetria Sp. z o. o.	Stupsk	82.6%**	Directly dependent on Apator SA in 20.8% and indirect subsidiary by Apator Powogaz SA in 61.8%
Gas	-	Apator Metrix SA	Tczew	100%	Subsidiary company of Apator SA

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

Segment	Business line	Company	Office	Share in capital	Relation to Apator SA
		GWi Ltd.	Coventry (UK)	100%	Indirect subsidiary of Apator SA through Apator Metrix SA Indirect share through Apator Metrix SA
		Apator Elkomtech SA*	Łódź	100%	Subsidiary company of Apator SA

***) On 3rd January 2022 Apator SA was merged with subsidiary Apator Elkomtech SA. The merger was made under art. 492 § 1 point 1 of the Polish Commercial Companies Code by transferring all the assets of Apator Elkomtech SA to Apator SA. On the day of registration of the merger in the register of entrepreneurs of National Court Register, Apator SA entered into all rights and obligations of Apator Elkomtech SA.

***) On 21st January 2022 the company Apator Powogaz SA purchased 10,1% shares from the partners of Apator Telemetria sp. z o.o. (more information in par. 6.5).

and the following associated entities measured using the equity method:

Segment	Business line	Company	Office	Share in capital	Relation to Apator SA
Water and heating	-	AO Teplovodomer	Mytishi (Russia)	50%	Affiliated with Apator SA through Apator Powogaz SA Indirect share through Apator Powogaz SA
Gas	-	INDA d.o.o.	Ljubljana (Slovenia)	35%	Associated with Apator SA through Apator Metrix SA Indirect share through GWI

6.5. Changes in the organisation of the Apator Group

Purchase of shares of Apator Telemetria sp. z o.o.

On 26th August 2021 with four natural persons - partners of Apator Telemetria sp. z o. o. (Słupsk) - contracts under which Apator SA purchased 512 shares of this company for the total amount of PLN 12.1 million. The shares are 20.80% of share capital of Apator Telemetria sp. z o. o. and they entitle to make 20.80% of total number of votes.

Subsequently, after the balance sheet date, i.e. On 21st January 2022, subsidiary Apator Powogaz SA purchased next 248 shares from two natural persons (partners of Apator Telemetria sp. z o.o.) for the total price PLN 5.9 million. Therefore, the subsidiary Apator Powogaz SA currently has 71.89% share in share capital of Apator Telemetria sp. z o. o. and 71.89% share in total number of votes.

After considering of the above transactions, Apator SA and Apator Powogaz SA have jointly 92.69% share in share capital of Apator Telemetria sp. z o. o. and 92.69% share in total number of votes.

Apator Telemetria sp. z o.o. that has been part of Apator Group since 2009 is one of the main R&D facilities in Apator Group. In connection with its significant importance for the development of the product offer and remote reading systems, a decision was made to increase the capital involvement in this company.

Merger of Apator SA with Apator Elkomtech SA

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

Events after the balance sheet date, i.e. 3rd January 2022. District Court in Toruń, 7th Economic Division of National Court Register made the entry of merger of Apator SA with the seat in Toruń with subsidiary Apator Elkomtech SA with the seat in Łódź. Due to the fact that Apator SA was the owner of 100% shares of Apator Elkomtech SA, the merger was performed in simplified procedure based on art. 516 § 6 of Polish Commercial Companies Code, without the increase of share capital of the Issuer and without the issue of new shares.

The merger was made under art. 492 § 1 point 1 of the Polish Commercial Companies Code by transferring all the assets of Apator Elkomtech SA to Apator SA. On the day of registration of the merger in the register of entrepreneurs of National Court Register, Apator SA entered into all rights and obligations of Apator Elkomtech SA. Therefore, from 3rd January 2022 the company Apator Elkomtech SA with its branches is in the structures of Apator SA.

Apator Elkomtech SA specializes in manufacturing of SCADA class control and supervision systems and specialist equipment supporting management of power network. The company was made up of combined resources from locations: Łódź (registered office), Toruń (former Apator Control sp. z o.o., incorporated into Apator Elkomtech SA in 2019) and Poznań, that is IT team from Atrem SA taken over (which was incorporated into the company in 2020), which has allowed the line to expand its expertise and offerings in gas equipment and software.

The incorporation of Apator Elkomtech SA into Apator SA is the next stage of consolidation of Electric Energy segment planned in business strategy of Apator Group. This will allow us to develop comprehensive solutions for the market (hardware + ICT), as well as to take full advantage of new market opportunities in the areas of RES and energy efficiency.

Apart from the aforementioned, no other changes in the structure of the economic entity took place, including as a result of merger of economic entities, takeover or sale of entities of the Issuer's capital group, long-term investments, division and restructuring.

6.6. Composition of the management and supervisory bodies of the parent company

The Supervisory Board

At 31st December 2021 the composition of the Supervisory Board of Apator SA was as follows:

- | | | | |
|----|----------------------|---|--|
| 1. | Janusz Niedźwiecki | - | Chairman of the Supervisory Board (independent as defined by the DPSN 2021), |
| 2. | Mariusz Lewicki | - | Deputy Chairman of the Supervisory Board, |
| 3. | Janusz Marzygliński | - | Supervisory Board member, |
| 4. | Danuta Guzowska | - | Supervisory Board member, |
| 5. | Kazimierz Piotrowski | - | Supervisory Board member, |
| 6. | Marcin Murawski | - | Member of the Supervisory Board (independent as defined by the DPSN 2021), |
| 7. | Tadeusz Sosgórnik | - | Supervisory Board member. |

The current term of office of the Supervisory Board began on the date of the Annual General Meeting, i.e. July 2, 2020, and lasts for 5 years.

The Executive Board

Till 24th November 2021 the composition of the Executive Board of Apator SA was as follows:

1. Mirosław Klepacki - President of the Executive Board, General Manager

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

2. Arkadiusz Chmielewski - Member of the Executive Board, Director for Business Development of the Apator Group,
3. Tomasz Łątka - Member of the Executive Board, Network Automation Director.

On 24th November 2021 The Supervisory Board of Apator SA received the resignation of Mirosław Klepacki from his duties as the President of Executive Board of Apator SA. The resignation was due to personal reasons and it was submitted with the effect on 24th November 2021. Then the Supervisory Board appointed Arkadiusz Chmielewski the President of Executive Board of Apator SA. Therefore, since 25th November 2021 the composition of the Executive Board of Apator SA is as follows:

1. Arkadiusz Chmielewski - President of Executive Board, Business Development Director of the Apator Group,
2. Tomasz Łątka - Executive Board Member, General Director.

The current joint term of the Board of Directors began on the date of the 2019 Annual General Meeting and lasts for 3 years.

6.7. Shares, Shareholders

6.7.1. Share capital

On 29th December 2021 District Court in Toruń, VII Economic Department of National Court Register registered the reduction of share capital of Apator SA. It was made in relation to the redemption of 29.100 bearer shares giving 29.100 votes bought under the programme of buyout of own shares closed on 29th June 2021 by Ordinary General Shareholders Meeting of Apator SA.

After the above reduction and on 31st December 2021 share capital of Apator SA was 3.277.722,80 PLN and it was divided into 7.337.001 registered shares of A series and 25.440.227 bearer shares of A, B and C series of nominal value of 0.10 PLN each. The total number of votes at the General Meeting resulting from all issued shares was 54,788,231.

As at 31 December 2021				
	Number of shares	Share structure %	Number of votes	Vote structure %
Registered shares	7 337 001	22.4%	29 348 004	53.6%
Bearer shares	25 440 227	77.6%	25 440 227	46.4%
Total shares	32 777 228	100.00%	54 788 231	100.00%

After the reporting period, the total number of votes decreased from 54,788,231 to 54,774,701 as a result of the conversion of 4,510 registered shares into ordinary bearer shares on 31 January 2022, which will be assimilated to stock exchange trading. In view of this, the basis for calculation as of the report publication date (28 February 2022) is the share capital amounting to PLN 3,277,722.80, consisting of 32,777,228 shares with a nominal value of PLN 0.10 each, which is divided as follows:

As of 26th February 2022				
	Number of shares	Share structure %	Number of votes	Vote structure %
Registered shares	7 332 491	22.4%	29 329 964	53.5%
Bearer shares	25 444 737	77.6%	25 444 737	46.5%
Total shares	32 777 228	100.00%	54 774 701	100.00%

Each bearer share entitles to one vote, whereas registered shares are preference shares in the sense that one share entitles to four votes at the general meeting of the Company.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

6.7.2. Implementation of the share buy-back programs

Share repurchase programme in 2020/2021

On the 2nd July 2020 General Shareholders Meeting of Apator SA adopted the resolution No 31/VII/2020 on the performance of the Programme for buy-back of own shares for their redemption and reduction of share capital. An amount not exceeding PLN 10 million has been earmarked for the implementation of the Programme. Implementation of the Program ran from August 18, 2020 through May 31, 2021. The repurchase of shares was executed through the agency of Erste Securities Polska SA with its registered office in Warsaw. On 29th June 2021 the General Shareholders Meeting of Apator SA adopted the resolution No. 18/VI/2021 on closing the above mentioned Programme.

Within the share buy-back program, 29,100 bearer shares were bought back (for the total amount of PLN 659 thousand), carrying 29,100 votes at the GM, constituting in total 0.0887% of the share capital and 0.0531% of the total number of votes. The above shares were cancelled and the share capital of the company was reduced on 29 December 2021. (as disclosed in section 6.7.1).

Share repurchase programme in 2021/2022

On 29th June 2021 General Shareholders Meeting of Apator SA adopted the resolution no 23/VI/2021 on performance of further Programme of buy back of own shares for their redemption and reduction of share capital in the amount not higher than PLN 10 million in the period since 10th August 2021 till 31st May 2022. The shares are repurchased through Erste Securities Polska S.A. with its registered office in Warsaw.

From the commencement of the current buyback of own shares until the publication of this interim report, 57,232 bearer shares were bought back (for a total amount of PLN 1.114 thousand), carrying 57,232 votes at the GM, constituting in total 0.1746% of the share capital and 0.1045% of the total number of votes.

6.7.3. Ownership and changes in the structure of significant shareholders

Shareholders holding at least 5% of the total number of votes:

Specification	As of 17 November 2021				As of 26th February 2022				Balance change	
	shares	votes	shares (%)	votes (%)	shares	votes	shares (%)	votes (%)	purchase	sale, donation
Apator Mining	3 224 000*	3 600 000	10.97%	6.57%	3 224 000*	3 600 000	10.98%	6.57%	-	-
Aviva OFE Aviva Santander SA	3 338 888**	3 338 888	10.18%	6.09%	3 338 888**	3 338 888	10.19%	6.10%	-	-
Mariusz Lewicki	2 310 000	5 872 128	7.04%	10.71%	2 312 000	5 874 128	7.05%	10.72%	2 000	-
Tadeusz Sosgórnik and his close associate***	1 917 308	5 678 114	5.84%	10.36%	1 945 274	5 856 080	5.93%	10.69%	50 000	-22 034
Danuta Guzowska	1 520 279	4 382 921	4.63%	8.00%	1 520 279	4 382 921	4.64%	8.00%	-	-
Zbigniew Jaworski	1 435 000	3 717 544	4.37%	6.78%	1 450 000	3 749 044	4.42%	6.84%	15 000	-
Kazimierz Piotrowski and his close associate	823 955	2 818 277	2.51%	5.14%	823 955	2 818 277	2.51%	5.15%	-	-
Summary	14 944 542	29 406 984	45.56%	53.65%	14 990 396	29 619 338	45.73%	54.07%	67 000	-22 034

* on shares belonging to Apator Mining sp. z o. o. registered pledge was established in favour of PKO Bank Polski SA in order to secure bank's claims due to investment contract of Apator Powogaz SA. In accordance with the content of the contract of registered pledge the performance of the rights from the shares covered by the pledge was left to Apator Mining Sp. z o.o.

** holdings based on OFE's published asset structure as of December 31, 2021.

*** the shareholding of Tadeusz Sosgórnik is presented jointly with the shareholding of a person closely related to him. The total presentation of the possession of Tadeusz Sosgórnik is valid since the 2nd July 2020 that is since the day of the entry to the Supervisory Board of Apator SA.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

6.7.4. Ownership and changes in the ownership structure of shares of managing and supervising persons

Specification	As of 17 November 2021				As of 26th February 2022				Balance change	
	shares	votes	shares (%)	votes (%)	shares	votes	shares (%)	votes (%)	purchase	sales
SB Mariusz Lewicki	2 310 000	5 872 128	7.04%	10.71%	2 312 000	5 874 128	7.05%	10.72%	2 000	-
SB Tadeusz Sosgórnik	1 416 738	5 177 544	4.32%	9.45%	1 466 738	5 377 544	4.47%	9.82%	50 000	-
SB Danuta Guzowska	1 520 279	4 382 921	4.63%	8.00%	1 520 279	4 382 921	4.64%	8.00%	0	-
SB Janusz Marzygliński	621 247	2 219 023	1.89%	4.05%	571 247	2 019 023	1.74%	3.69%	0	-50 000
SB Kazimierz Piotrowski	587 147	2 107 853	1.79%	3.85%	587 147	2 107 853	1.79%	3.85%	0	-
SB Janusz Niedźwiecki	255 810	945 117	0.78%	1.72%	255 810	945 117	0.78%	1.73%	0	-
The Executive Board										
Mirosław Klepacki*	10 007	10 007	0.03%	0.02%	-	-	-	-	-	-
Summary	6 721 228	20 714 593	20.48%	37.80%	6 713 221	20 706 586	20.47%	37.81%	52 000	-50 000

* Mirosław Klepacki has not been a member of the Executive Board as of November 25, 2021.

6.7.5. Dividend

Dividend from the profit for year 2020

On 29th June 2021 Ordinary General Shareholders Meeting of Apator SA decided to pay the dividend from the profit for 2020 in amount of 1.20 PLN gross per share. The total amount allocated for dividend, according to the decision of the General Meeting, was PLN 39,339,333.60 from the profit for 2020. In accordance with the dividend policy, dividends are paid in two parts: as an advance payment and as a balance payable after the final dividend is approved by the General Meeting.

Accordingly, the advance dividend from the profit for 2020 in the total amount of PLN 14,756,412.60, i.e. PLN 0.45 gross per share, was paid on December 31, 2020, to Shareholders holding shares on December 24, 2020. 32,792,028 registered shares of series A and bearer shares of series A, B and C were entitled to receive advance payments towards the expected dividend.

The remainder of the dividend in the total amount of PLN 24,582,921, i.e. PLN 0.75 gross per share, was paid on August 23rd 2021. The right to this part of dividend was obtained by the shareholders holding the shares of Apator SA on 17th August 2021. 32,777,228 series A registered shares and series A, B and C bearer shares were eligible for payment of the remaining dividend.

Advance payment of dividend from profit for 2020	Number of shares	Advance payment on account of dividend per share	Advance dividend paid on December 31 2020
Registered shares	7 337 001	PLN 0.45	PLN 3 301 650.45
Bearer shares	25 455 027	PLN 0.45	PLN 11 454 762.15
Repurchased shares	14 300*	PLN 0.00	PLN 0.00
Total shares	32 806 328		PLN 14 756 412.60

*buyback shares purchased did not participate in the dividend advance payment.

Remaining dividend from 2020 earnings	Number of shares	Remaining dividend per share	Remaining dividend paid on 23.08.2021.
Registered shares	7 337 001	PLN 0.75	PLN 5 502 750.75
Bearer shares	25 440 227	PLN 0.75	PLN 19 080 170.25
Repurchased shares	29 100*	PLN 0.00	PLN 0.00
Total shares	32 806 328		PLN 24 582 050.65

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

* shares repurchased under the implemented buyback did not participate in the payment of the remaining dividend.

Dividend from the profit for year 2021

An advance dividend from the profit for 2021 in the total amount of PLN 9,823,208.40, or PLN 0.30 gross per share, was paid on 24 January 2022. The right to advance payment was obtained by the shareholders holding the shares of Apator SA on 17th January 2021.

Advance payment of dividend from profit for 2021	Number of shares	Advance payment on account of dividend per share	Advance dividend paid on January 24, 2022.
Registered shares	7 337 001	PLN 0.30	PLN 2201100.30
Bearer shares	25 407 027	PLN 0.30	PLN 7 622 108.10
Repurchased shares	33 200*	PLN 0.00	PLN 0.00
Total shares	32 777 228		PLN 9823208.40

*buyback shares purchased did not participate in the dividend advance payment.

Apator SA since its stock exchange debut in 1997 paid to its Shareholders about 510 m PLN in form of dividend and own shares buy-back programmes.

6.8. Summary

The Executive Board of Apator SA states that the factors and events indicated in the consolidated periodical report exhaust all important information on significant achievements and failures, as well as information significant for the assessment of the situation of Apator Group, including human resources, property, financial situation, financial result and their changes and the assessment of the possibility to perform the obligations by the Company and the Group.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

7. Information about the rules adopted at the preparation of the report, in particular, information on changes in applied accounting principles (policy)

7.1. Accounting principles

Since 2005, in accordance with the obligation imposed by the amendment to the Accounting Act, the consolidated financial statements of Apator Group are prepared in accordance with International Financial Reporting Standards. At the same time, the opportunities offered by the Accounting Act and General Meetings of Apator S.A. and the companies in Apator Group adopted resolutions that the statements of the entities in Apator Group will be prepared according to IFRS/IAS (both individual and consolidated).

The financial statements (individual and consolidated) as at 31 December 2021 were prepared in accordance with the International Financial Reporting Standards (IFRS/IAS) and related interpretations announced in the form of regulations of the European Commission, in Polish zloty, due to the fact that the Polish zloty is the basic currency in which economic operations of Apator Group are denominated.

The financial statements of the foreign entities in the capital group have been translated into the reporting currency on the basis of the principles resulting from International Accounting Standard No. 21.

The financial statements have been prepared on the assumption that the companies of the Group will continue as a going concern in the foreseeable future. As at the day of preparing the statements, there were no circumstances indicating a threat to the Group companies' ability to continue as a going concern.

The financial statements have been prepared under the historical cost convention, except for the valuation of certain non-current assets (investment properties) and financial instruments (derivatives), which are measured at fair value. Detailed accounting principles applied by Apator Group were presented in the consolidated report RS 2020.

7.2. Consolidation rules

Consolidated financial statement of the capital group includes the data of the parent company Apator S.A. and its subsidiaries.

Related entities apply uniform accounting principles binding in the parent company and a uniform form and scope of separate and consolidated financial statements, which are the basis for consolidation in the capital group. The consolidated financial statements of the capital group are prepared as at the reporting date and for the financial period specified for the financial statements of the parent company.

As at the acquisition date, the assets and liabilities of the acquired entity are measured at their fair value. Any excess of the purchase price over the fair value of identifiable net assets acquired is recognised as goodwill. If the purchase price is lower than the fair value of identifiable net assets of the acquired entity, the difference is recognised as a profit in the profit and loss account for the period in which the acquisition took place. Non-controlling shares are disclosed in an appropriate proportion of the fair value of assets and capitals. Financial results of entities acquired or sold during the year are recognized in the consolidated financial statements from the moment of their acquisition or until the date of sale, respectively.

In the preparation of the consolidated financial statements, the consolidation method was applied, i.e. aggregation of individual items of the statements, exclusions and other adjustments. Excluded:

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

- value, expressed at cost, of shares held by the parent company of subsidiaries;
- mutual receivables and liabilities and other settlements of similar nature of consolidated entities;
- revenues and costs of business transactions between consolidated entities;
- gains or losses arising from business transactions between consolidated entities, included in the value of assets subject to consolidation;
- dividends accrued or paid by the undertakings included in the consolidation to other undertakings included in the consolidation.

7.3. Additional financial information

7.3.1. Weighted average number of shares

Book value per share was calculated by dividing the equity by the weighted average number of shares, while profit per share was calculated by dividing the net profit from continuing operations by the weighted average number of shares.

7.3.2. Weighted average number of shares for the consolidated financial statements

The weighted average number of shares at December 31, 2021 is 29,178,619 (December 31, 2020 was 29,204,907) and includes shares held by a subsidiary.

7.3.3. Weighted average number of shares for the separate financial statements

The weighted average number of shares at December 31, 2021 is 32,778,619 (December 31, 2020 was 32,804,907).

7.3.4. Rates used to convert selected financial data

Items of assets and liabilities and items of the cash flow statement - according to the average exchange rate as of the day of preparing the statement.

Income statement items - according to the average EUR exchange rate being the arithmetic mean of average exchange rates announced by the National Bank of Poland and in force on the last day of the month.

SPECIFICATION/DESCRIPTION	I-IV quarters 2021	year 2020	I-IV quarters 2020
	EUR/PLN	EUR/PLN	EUR/PLN
Statement of comprehensive income	4.5775	X	4.4742
Statement of cash flows	4.5994	X	4.6148
Statement of financial position	4.5994	4.6148	X

7.4. Information on adjustments on account of provisions, provision and assets on account of deferred income tax, referred to in the Accounting Act, made write-downs on the value of assets components

Assets by virtue of deferred tax and reserve for income tax.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

SPECIFICATION	Assets		Provisions	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Tangible fixed assets	2 420	2 313	11 414	15 110
Financial assets	-	-	1 480	1 435
Derivative instruments	948	1 347	23	948
Stocks	2 997	3 439	-	-
Liabilities arising from employee benefits	4 761	4 888	-	-
Provisions	3 320	3 626	-	-
Write-downs on receivables	792	715	-	-
Tax loss	11 001	11 199	-	-
Tax relief to be accounted for in future periods	10 517	10 517	-	-
Other	2 990	3 117	544	576
Total	39 746	41 161	13 461	18 069
Netting of assets and reserves	(9 029)	(10 585)	(9 029)	(10 585)
Deferred tax assets/provisions disclosed in the statement of financial position	30 717	30 576	4 432	7 484

Effective tax rate

SPECIFICATION	for period	
	01.01.2021	01.01.2020
	31.12.2021	31.12.2020
Gross profit:	85 004	81 917
Income tax calculated at the applicable tax rates:	16 482	15 302
Adjustments	5 842	4 378
Tax on income exempt from taxation (fixed differences)	(532)	(870)
Unrecognized asset for losses on zone operations	5 135	-
Tax on non-deductible costs (fixed differences)	1 198	3 432
Tax on internal transactions in the group (fixed differences)	590	1 252
Tax on items not included in financial result of the period	(62)	(240)
Adjustment of tax losses from previous years	-	1 193
Other tax additions	67	-
Other tax deductions	(554)	(389)
Income tax disclosed in the statement of comprehensive income	22 324	19 680
Effective tax rate	26.26%	24.02%

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

Write-offs revaluing fixed and current assets

SPECIFICATION	At the beginning of the period	Change in the period	Net exchange differences translated from financial statement to currency presented	Closing balance at the end of period
Goodwill of subsidiaries	335	-	-	335
Other financial assets	191	-	-	191
Stocks	18 616	(2 642)	33	16 007
Receivables	7 708	(480)	4	7 232
Total	26 850	(3 122)	37	23 765

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

Provisions for liabilities

SPECIFICATION	PAID EMPLOYEE BENEFITS			OTHER PROVISIONS		TOTAL
	RETIREMENT SEVERANCE PAY, JUBILEE AWARDS	BONUSES	ANNUAL LEAVES	GUARANTEES	OTHER	
Value of provisions at the beginning of the period	9 580	11 290	4 679	15 852	1 110	42 511
Increase - creation of a provision charged to the current result	-	13 128	1 448	6 126	1 053	21 755
Decrease - write-down of unused amounts in revenues	(605)	-	-	-	-	(605)
Use of the provision - settlement of costs	(536)	(13 089)	(1 025)	(10 714)	(297)	(25 661)
Revaluation of provisions recognised in other comprehensive income	(208)	-	-	-	-	(208)
Net exchange differences translated from financial statement to currency presented	-	11	15	23	-	49
Value of provisions at the end of the period, including	8 231	11 340	5 117	11 287	1 866	37 841
- long term provisions	7 227	-	-	702	-	7 929
- short-term provisions	1 004	11 340	5 117	10 585	1 866	29 912

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

8. Attachment: Individual statement of Apator S.A.

Selected financial data, including basic items of the condensed financial statements (also converted into EUR)

SPECIFICATION	in PLN thousand		in EUR thousand	
	current period	previous period	current period	previous period
	I-IV quarters 2021	2020	I-IV quarters 2021	2020
Revenues from sales of products, goods and materials	282 486	353 424	61 712	78 992
Profit (loss) from operating activities	(10 313)	23 968	(2 253)	5 357
EBITDA	8 982	41 640	1 962	9 307
Gross profit	21 662	56 609	4 732	12 652
Net profit	18 461	51 555	4 033	11 523
Net profit attributable to shareholders of the Group's parent company	18 461	51 555	4 033	11 523
Weighted average number of shares	32 778 619	32 804 907	32 778 619	32 804 907
Net profit per one ordinary share [PLN/ share]	0.56	1.57	0.12	0.35
Cash flows from operating activities	(39 222)	36 315	(8 528)	7 869
Net cash flow from investment activities	10 488	13 331	2 280	2 889
Cash flows from financial activities	26 653	(49 360)	5 795	(10 696)
Total cash flows	(2 081)	286	(453)	62
Consolidated statement	31.12.2021	year 2020	31.12.2021	year 2020
Assets in total	539 437	501 221	117 284	108 612
Fixed assets	402 918	396 309	87 602	85 878
Current assets	136 519	104 912	29 682	22 734
Equity capital with non-controlling interests	363 263	369 404	78 981	80 048
Share capital	3 278	3 281	713	711
Long-term liabilities and provisions	18 677	12 381	4 061	2 683
Short-term liabilities and provisions	157 497	119 436	34 243	25 881
Weighted average number of shares	32 778 619	32 804 907	32 778 619	32 804 907
Net book value per ordinary share [PLN/ share].	11.08	11.26	2.41	2.44

The above financial figures for the 12 months of 2021 and 2020 have been translated into EUR as follows:

- individual items of the statement of comprehensive income - according to the exchange rate being the arithmetic average of average EUR exchange rates determined by the National Bank of Poland on the last day of each month of the reporting period: from 1 January to 31 December 2021 - 4.5775 EUR/PLN and from 1 January to 31 December 2020 - 4.4742 EUR/PLN;
- individual items of the cash flow statement - according to the average EUR exchange rate set by the National Bank of Poland as at 31 December 2021 - 4.5994, as at 31 December 2020 - 4.6148;
- individual items of the statement of financial position - at the average EUR exchange rate set by the National Bank of Poland as at December 31, 2021 - 4.5994, as at December 31, 2020 - 4.6148;

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

8.1. Statement on financial condition of parent entity Apator S.A.

SPECIFICATION	as of	
	31.12.2021	31.12.2020
Fixed assets	402 918	396 309
Intangible assets	10 751	10 418
Tangible fixed assets	97 057	101 215
Right to use assets under lease	9 467	9 382
Investment property	1 011	976
Other long-term financial assets	270 495	258 259
- <i>in related entities</i>	270 495	258 259
Assets by virtue of deferred income tax	14 137	16 059
Current assets	136 519	104 912
Stocks	91 250	49 314
Commercial receivables	39 037	47 078
- <i>from related entities</i>	2 025	4 126
- <i>from other entities</i>	37 012	42 952
Receivables from corporate income tax	496	-
Receivables from other taxes, customs duties and social security	692	1 662
Other short-term liabilities	206	359
- <i>from other entities</i>	206	359
Other short-term financial assets	166	41
- <i>in other entities</i>	166	41
Cash and cash equivalents	2 407	4 488
Short-term interim settlements	2 265	1 970
TOTAL ASSETS	539 437	501 221

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

SPECIFICATION	as of	
	31.12.2021	31.12.2020
Equity capital	363 263	369 404
Equity capital attributable to equity holders of the parent company	363 263	369 404
Share capital	3 278	3 281
Own shares	(450)	(300)
Other capitals	342 759	331 200
Capital from the revaluation of a defined benefit plan	(862)	(1 026)
Capital from valuation of hedging transactions	77	(550)
Undistributed financial result	18 461	36 799
- result of the current period	18 461	51 555
- write-offs from the current year's result	-	(14 756)
Liabilities	176 174	131 817
Long-term liabilities and provisions	18 677	12 381
Long-term loans and borrowings	7 000	-
- from other entities	7 000	-
Long-term liabilities	300	-
- towards other entities	300	-
Long-term liabilities due to the right to use assets under lease	7 542	7 315
Long-term liabilities arising from employee benefits	3 835	5 066
Short-term liabilities and provisions	157 497	119 436
Short-term loans and borrowings	98 691	50 742
- from other entities	98 691	50 742
Commercial liabilities	34 190	32 125
- towards affiliated entities	1 206	2 553
- towards other entities	32 984	29 572
Corporate income tax liabilities	-	1 392
Liabilities due to other taxes, customs duties and social security	2 724	3 935
Other short-term liabilities	10 093	9 946
- towards affiliated entities	373	-
- towards other entities	9 720	9 946
Short-term liabilities due to the right to use assets under lease	1 598	1 383
Short-term liabilities arising from employee benefits	4 159	7 151
Other short-term provisions	6 042	12 762
LIABILITIES TOTAL	539 437	501 221

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

8.2. Information concerning changes in contingent liabilities or contingent assets that have occurred since the end of the last financial year (off balance sheet items) of parent entity - Apator S.A.

SPECIFICATION	as of	
	31.12.2021	31.12.2020
Contingent receivables	250	200
Contingent receivables from other companies	250	200
Contingent liabilities	27 953	25 097
Contingent liabilities relating to related parties	6 369	6 165
- due to guarantees and securities granted to related entities	6 369	6 165
Contingent liabilities towards other companies	21 584	18 932
- due to guarantees and sureties granted	21 584	18 932
Other off-balance sheet items	122 235	82 299
Mortgage	35 900	35 900
Security over assets	86 335	46 399
Total off balance sheet items	150 438	107 596

In connection with the incurred liabilities by virtue of credits and guarantees, the company holds the following collaterals:

- Multi-product agreement with ING Bank Śląski S.A. (Group limit PLN 180 million):
 - contractual mortgage on property of Apator S.A. in Ostaszewo up to the amount of PLN 35.9 million (included in the table above),
 - registered pledge on inventories worth PLN 45.8 million (included in the table above),
 - registered pledge on fixed assets worth PLN 17.3 million (included in the table above),
 - assignment of rights under the property insurance policy against all risks,
 - registered pledge on receivables of Apator S.A. under the contract of bank accounts in ING Bank Śląski,
 - blank promissory note together with a promissory note declaration.
- Agreement on long-term investment credit in the amount of PLN 13 million concluded with CITI Bank Handlowy S.A.:
 - registered pledge on the acquired shares in the amount of PLN 12.1 million (disclosed in the table above),
 - registered pledge on fixed assets with a total value of PLN 2.8 million (included in the table above),
 - registered pledge on receivables of Apator S.A. due to the contract of bank account in CITI Bank Handlowy S.A.,
 - assignment of rights under the property insurance policy against all risks,
 - statement on submission to execution up to the amount of PLN 15.6 million.
- Credit agreement with CITI Bank Handlowy S.A. ((overdraft facility, limit of PLN 10 million):
 - registered pledge on fixed assets worth PLN 8.3 million (included in the table above),
 - assignment of rights under the property insurance policy against all risks.
- Full factoring agreement (limit PLN 10 million), concluded with ING Commercial Finance Polska S.A.:
 - blank promissory note together with a promissory note declaration.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

Apator S.A. submitted also 10 pieces of blank promissory notes as the security under the contract of TU Euler Hermes S.A. for granting contractual guarantees within a revolving limit (limit for the Group: PLN 25 million), 1 bill of exchange as collateral for a "confirming" factoring agreement for financing deliveries concluded with Santander Faktoring Sp. z o.o. and 1 bill of exchange as collateral for a leasing agreement concluded with mLeasing Sp. z o.o.

Moreover, at 31st December 2021 Apator S.A. was the party of the following guarantees and sureties intra-group (included in the table above):

- guarantee of return of advance payment by Apator Metrix S.A. in the amount of 1.2 m EUR (5.7 m PLN) towards Flonidan A/S with the period of validity till 30th June 2022,
- surety of three lease contracts for Apator Rector Sp. z o.o. for the total amount of PLN 0.7 million, with a maximum term of December 14, 2024.

Moreover, at 31st December 2021 Apator S.A. was the beneficiary of payment guarantee for the amount of PLN 250 thousand, issued by Bank Millennium S.A., with the term to 31 August 2022.

8.3. Statement of comprehensive income of parent entity Apator S.A.

SPECIFICATION	for period			
	01.10.2021	01.10.2020	01.01.2021	01.01.2020
	31.12.2021	31.12.2020*	31.12.2021	31.12.2020*
Revenue from sales and services	64 069	80 220	282 486	353 424
- to related entities	5 777	5 642	47 427	41 822
- other entities	58 292	74 578	235 059	311 602
Cost of sales of goods and services	(62 276)	(66 967)	(250 742)	(281 969)
- to related entities	(5 775)	(5 612)	(38 696)	(29 551)
- other entities	(56 501)	(61 355)	(212 046)	(252 418)
Gross sales profit (loss)	1 793	13 253	31 744	71 455
Sales costs	(2 298)	(2 212)	(7 703)	(8 413)
General administrative costs	(10 145)	(9 965)	(38 225)	(39 804)
Profit (loss) from sales	(10 650)	1 076	(14 184)	23 238
Other operating revenues (costs), including	1 642	1 193	3 871	730
- including result on (impairment) / reversal of receivables	2	-	1	(20)
Result on sale and liquidation of tangible fixed assets and intangible assets	27	(22)	107	92
Result on valuation of property	35	(81)	35	(81)
Result on revaluation of non-financial current assets	2	617	1	572
Result on other operating activities	1 578	679	3 728	147
Profit (loss) from operating activities	(9 008)	2 269	(10 313)	23 968
Financial revenues (costs), including:	868	271	31 975	32 641
Dividends and shares in profits	1 527	526	34 473	31 446
- from related entities	1 527	526	34 473	31 446
Interest on loans and borrowings	(530)	(59)	(973)	(583)
Net profit (loss) on other interest	(60)	(23)	(181)	(121)
Result on exchange rate differences	23	346	(530)	1 698
Result on foreign exchange transactions	(55)	(317)	(310)	649
Result on revaluation of financial current assets	(1)	-	(24)	-
Other financial income and expense	(36)	(202)	(480)	(448)
Profit (loss) before taxes	(8 140)	2 540	21 662	56 609

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

SPECIFICATION	for period			
	01.10.2021	01.10.2020	01.01.2021	01.01.2020
	31.12.2021	31.12.2020*	31.12.2021	31.12.2020*
Current income tax	(16)	(485)	(1 465)	(2 840)
Deferred income tax	(283)	4	(1 736)	(2 214)
Net profit (loss)	(8 439)	2 059	18 461	51 555
<i>Other comprehensive income</i>				
Other comprehensive income net	219	(331)	791	(780)
Items that may be reclassified to profit or loss in the future				
Result on hedge accounting with tax effect	55	(227)	627	(676)
Actuarial gains and losses with tax effect	164	(104)	164	(104)
Total comprehensive income	(8 220)	1 728	19 252	50 775

* - transformed (paragraph 8.8)

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

8.4. Statement on changes in equity of the parent entity Apator S.A.

SPECIFICATION	CAPITAL FOR THE SHAREHOLDERS OF PARENT ENTITY						
	Capital stock	Own shares	Other capitals	Capital from the revaluation of a defined benefit plan	Capital from valuation of hedging transactions	Undistributed financial result	TOTAL
Balance as at 01.01.2021	3 281	(300)	331 200	(1 026)	(550)	36 799	369 404
Changes in equity during the period from 01.01.2021 to 31.12.2021							
Comprehensive income							
Net profit for the period from 01.01.2021 to 31.12.2021	-	-	-	-	-	18 461	18 461
Distribution of result to supplementary capital	-	-	12 216	-	-	(12 216)	-
Other comprehensive income							
Items that may be reclassified to profit or loss in the future							
Result on hedge accounting with tax effect	-	-	-	-	627	-	627
Items that will not be reclassified to profit or loss in the future							
Profit (loss) due to revaluation including tax effect	-	-	-	164	-	-	164
Total comprehensive income recognised in the period from 01.01.2021 to 31.12.2021	-	-	12 216	164	627	6 245	19 252
Transactions with owners recorded directly in shareholder equity							
Dividends	-	-	-	-	-	(39 339)	(39 339)
Settlement of the advance dividend from the previous year	-	-	-	-	-	14 756	14 756
Purchase of treasury shares	-	(810)	-	-	-	-	(810)
Redemption of own shares	(3)	660	(657)	-	-	-	-
Total transactions with owners in the period from 01.01.2021 to 31.12.2021	(3)	(150)	(657)	-	-	(24 583)	(25 393)

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

SPECIFICATION	CAPITAL FOR THE SHAREHOLDERS OF PARENT ENTITY						
	Capital stock	Own shares	Other capitals	Capital from the revaluation of a defined benefit plan	Capital from valuation of hedging transactions	Undistributed financial result	TOTAL
Balance as at 31.12.2021	3 278	(450)	342 759	(862)	77	18 461	363 263

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

SPECIFICATION	CAPITAL FOR THE SHAREHOLDERS OF PARENT ENTITY						
	Capital stock	Own shares	Other capitals	Capital from the revaluation of a defined benefit plan	Capital from valuation of hedging transactions	Undistributed financial result	TOTAL
Balance as at 01.01.2020	3 286	(1 053)	314 447	(922)	126	39 304	355 188
Changes in equity during the period from 01.01.2020 to 31.12.2020							
Comprehensive income							
Net profit for the period from 01.01.2020 to 31.12.2020	-	-	-	-	-	51 555	51 555
Distribution of result to supplementary capital	-	-	17 980	-	-	(17 980)	-
Other comprehensive income							
Items that may be reclassified to profit or loss in the future							
Result on hedge accounting with tax effect	-	-	-	-	(676)	-	(676)
Items that will not be reclassified to profit or loss in the future							
Profit (loss) due to revaluation including tax effect	-	-	-	(104)	-	-	(104)
Total comprehensive income recognised in the period from 01.01.2020 to 31.12.2020	-	-	17 980	(104)	(676)	33 575	50 775
Transactions with owners recorded directly in shareholder equity							
Dividends	-	-	-	-	-	(21 324)	(21 324)
Settlement of the advance dividend from the previous year	-	-	-	-	-	(14 756)	(14 756)
Purchase of treasury shares	-	(479)	-	-	-	-	(479)
Redemption of own shares	(5)	1 232	(1 227)	-	-	-	-
Total transactions with owners in the period from 01.01.2020 to 31.12.2020	(5)	753	(1 227)	-	-	(36 080)	(36 559)
Balance as at 31.12.2020	3 281	(300)	331 200	(1 026)	(550)	36 799	369 404

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

8.5. Cash flow statement of parent entity Apator S.A.

SPECIFICATION	Period	
	01.01.2021	01.01.2020
	31.12.2021	31.12.2020
Cash flow from operating activities		
Profit before tax	21 662	56 609
Adjustments	(13 599)	(13 392)
Depreciation of intangible assets	2 819	2 501
Depreciation of property, plant and equipment	16 476	15 171
Profit on sale of property, plant and equipment and intangible assets	(155)	(118)
(Gains) losses on fair value measurement of investment property	(35)	81
Losses on change in fair value of derivatives	332	602
Cost of interest	1 209	926
Interest revenue	-	(8)
Dividend income	(34 473)	(31 446)
Other adjustments	228	(1 101)
Cash flows from operating activities before changes in working capital	8 063	43 217
Change in inventories	(41 936)	(14 580)
Change in the state of a depreciated contractual asset		10 320
Change in receivables	9 094	(639)
Change in liabilities	(56)	(603)
Changes in provisions	(10 739)	894
Changes in prepayments and accruals	(295)	253
Cash generated in the course of operating activity	(35 869)	38 862
Income tax paid	(3 353)	(2 547)
Net cash flows from operating activities	(39 222)	36 315
Cash flows from investing activities		
Expenses related to acquisition of intangible assets	(3 277)	(3 088)
Expenses related to acquisition of fixed assets	(12 950)	(21 732)
Proceeds from the sale of fixed assets	181	178
Inflows on sale of financial assets available for sale	-	4 184
Investments in subsidiaries	(7 127)	(1 506)
Proceeds from repayment of loans granted	-	2 500
Interest received	-	127
Dividends received	34 473	31 446
Other inflows (expenses)	(812)	1 222
Net cash provided by investing activities	10 488	13 331
Cash flows from financing activities		
Purchase of own shares	(810)	(479)
Inflows from loans and borrowings taken out	58 916	-
Repayment of loans and credits	(4 000)	(10 356)
Interest	(993)	(722)
Dividends paid	(24 583)	(36 081)
Repayment of liabilities under financial lease	(1 544)	(1 408)
Other expenses	(333)	(314)
Net cash from financial operations	26 653	(49 360)

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

SPECIFICATION	Period	
	01.01.2021	01.01.2020
	31.12.2021	31.12.2020
Net increase (decrease) in cash and cash equivalents	(2 081)	286
Opening balance of cash and cash equivalents	4 488	4 202
Closing balance of cash and cash equivalents	2 407	4 488

8.6. Generic costs

SPECIFICATION	for period	
	from 01.01.2021	from 01.01.2020
	till 31.12.2021	till 31.12.2020
Depreciation	19 295	17 672
Materials and energy consumption	170 332	196 822
External services	53 167	42 085
Employee benefits	59 535	57 035
Other costs	7 363	7 179
Costs of manufacturing products for the entity's own needs	(4 855)	(5 219)
Change in finished products, work in progress and prepayments	(18 236)	5 960
Cost of goods and materials sold	10 069	8 651
Total costs	296 670	330 185

8.7. Information on adjustments on account of provisions, provision and assets on account of deferred income tax, referred to in the Accounting Act, made write-downs on the value of assets components

Assets by virtue of deferred tax and reserve for income tax

SPECIFICATION	Assets		Provisions	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Tangible fixed assets	-	-	1 542	1 641
Financial assets	268	268	-	-
Derivative instruments	79	140	32	8
Stocks	1 706	1 570	-	-
Liabilities arising from employee benefits	1 481	2 346	-	-
Provisions	1 291	2 486	-	-
Write-downs on receivables	147	147	-	-
Tax relief to be accounted for in future periods	10 517	10 517	-	-
Other	250	284	28	50
Total	15 739	17 758	1 602	1 699
Netting of assets and reserves	(1 602)	(1 699)	(1 602)	(1 699)
Deferred tax assets/provisions disclosed in the statement of financial position	14 137	16 059	-	-

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

Effective tax rate

SPECIFICATION	for period	
	01.01.2021	01.01.2020
	31.12.2021	31.12.2020
Gross profit:	21 662	56 609
Income tax calculated at the applicable tax rates:	4 116	10 273
Adjustments	(915)	(5 702)
Tax on exempt income (dividends from related parties)	(6 550)	(5 975)
Unrecognized asset for losses on zone operations	5 134	-
Tax on non-deductible costs (fixed differences)	507	303
Other tax deductions	(6)	(30)
Income tax disclosed in the statement of comprehensive income	3 201	5 054
Effective tax rate	14.78%	8.93%

Write-offs revaluing fixed and current assets

SPECIFICATION	At the beginning of the period	Change in the period	Closing balance at the end of period
Other financial assets	1 522	-	1 522
Stocks	8 263	719	8 982
Receivables	861	23	884
Total	10 646	742	11 388

Provisions for liabilities

SPECIFICATION	PAID EMPLOYEE BENEFITS			OTHER PROVISIONS		TOTAL
	RETIREMENT SEVERANCE PAY, JUBILEE AWARDS	BONUSES	ANNUAL LEAVES	GUARANTEES	OTHER	
Value of provisions at the beginning of the period	5 844	5 103	1 270	12 002	760	24 979
Increase - creation of a provision charged to the current result	-	4 546	199	3 105	-	7 850
Decrease - write-down of unused amounts in revenues	-	(968)	0	-	(463)	(1 431)
Use of the provision - settlement with costs	(1 160)	(6 547)	(90)	(9 065)	(297)	(17 159)
Revaluation of the provision recognised in other comprehensive income	(203)	-	-	-	-	(203)
Value of reserves at the end of the period, including	4 481	2 134	1 379	6 042	-	14 036
- long term provisions	3 835	-	-	-	-	3 835
- short-term provisions	646	2 134	1 379	6 042	-	10 201

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

8.8. Transformation of comparative data

In this separate financial statement Apator S.A. has changed the presentation of comparable data. In connection with the change in accounting policy, effective January 1, 2021, regarding the recognition of inventory write-down costs, inventory scrap costs and employee provision costs, costs have been reclassified from other operating activities to core business expenses / general and administrative expenses (employee benefit provisions) in the comparative periods. In Management's opinion, this presentation better reflects the sales gains achieved. This reclassification has no impact on earnings in either period.

The impact of reclassifications (respectively for Q4 2020 and for all of 2020) are presented in the tables below.

ITEMS OF THE REPORT / CHANGE TITLE	from 01.10.2020	Effect of change in accounting policy	from 01.10.2020
	till 31.12.2020		till 31.12.2020
	untransformed data		transformed data
Cost of goods sold	(65 795)	(1 172)	(66 967)
- <i>other entities</i>	(60 183)	(1 172)	(61 355)
Gross sales profit	14 425	(1 172)	13 253
<i>General administrative costs</i>	(10 046)	81	(9 965)
Sales profit	2 167	(1 091)	1 076
Other operating income (costs)	102	1 091	1 193

ITEMS OF THE REPORT / CHANGE TITLE	from 01.01.2020	Effect of change in accounting policy	from 01.01.2020
	till 31.12.2020		till 31.12.2020
	untransformed data		transformed data
Cost of goods sold	(276 184)	(5 785)	(281 969)
- <i>other entities</i>	(246 633)	(5 785)	(252 418)
Gross sales profit	77 240	(5 785)	71 455
<i>General administrative costs</i>	(39 885)	81	(39 804)
Sales profit	28 942	(5 704)	23 238
Other operating income (costs)	(4 974)	5 704	730

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

Apator SA

ul. Gdańska 4a, lok C4,
87-100 Toruń

Correspondence address

Apator SA Centrum
Ostaszewo 57C
Łysomice 87-148

tel. +48 (56) 61 91 111
fax +48 (56) 61 91 295
e-mail apator@apator.com

www.apator.com

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2021 – 31.12.2021	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		