

Financial report



Consolidated quarterly report of the Apator Group for Q1 2022.

Toruń, May 19, 2022

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

SPECIFICATION	in PLN thousand		in EUR thousand	
	current period	previous period	current period	previous period
Consolidated statement	I quarter 2022	I quarter 2021	I quarter 2022	I quarter 2021
Revenues from sales of products, goods and materials	237 063	224 498	51 012	49 102
Operating income	2 240	56 414	482	12 339
EBITDA	16 381	69 983	3 525	15 307
EBITDA excluding real estate*	16 381	35 904	3 525	7 853
Gross profit (loss)	-1 385	54 031	-298	11 818
Net profit (loss)	-3 845	41 354	-827	9 045
Net profit (loss) without property*	-3 845	13 750	-827	3 007
Net profit (loss) attributable to shareholders of the Group's parent company	-3 993	40 382	-859	8 832
Net profit (loss) for non-controlling interest	148	972	32	213
Weighted average number of shares	29 125 854	29 187 007	29 125 854	29 187 007
Net profit (loss) per one ordinary share [PLN/ share]	-0.14	1.38	-0.03	0.30
Cash flows from operating activities	5 018	4 945	1 079	1 061
Net cash flow from investment activities	(34 631)	84	(7 444)	18
Cash flows from financial activities	23 397	5 955	5 029	1 278
Total cash flows	(6 216)	10 984	(1 336)	2 357
Consolidated statement	31.03.2022	year 2021	31.03.2022	year 2021
Assets in total	1 046 310	999 260	224 892	217 259
Fixed assets	547 090	533 186	117 591	115 925
Current assets	499 220	466 074	107 301	101 334
Equity capital with non-controlling interests	530 125	551 275	113 944	119 858
Non-controlling interests	1 579	3 930	339	854
Share capital	3 278	3 278	705	713
Long-term liabilities and provisions	78 260	71 501	16 821	15 546
Short-term liabilities and provisions	437 925	376 484	94 127	81 855
Weighted average number of shares	29 125 854	29 178 619	29 125 854	29 178 619
Net book value per common share [per share]	18.20	18.89	3.91	4.11

*) results for the first quarter of 2021 cleared of the impact of the sale of Apator Powogaz SA property.

The above financial data for the first 3 months of 2021 and 2022 have been recalculated to EUR according to the following rules:

- individual items of the statement of comprehensive income - according to the exchange rate constituting the arithmetic mean of the average EUR exchange rates determined by the National Bank of Poland as at the last day of each month of the reporting period: from 1 January to 31 March 2022 - 4.6472 EUR/PLN and from 1 January to 31 March 2021 - 4.5721 EUR/PLN;
- individual items of the cash flow statement - at the average EUR exchange rate set by the National Bank of Poland as at 31 March 2022 - 4.6525, as at 31 March 2021 - 4.6603;
- individual items of the statement of financial position - at the average EUR exchange rate set by the National Bank of Poland as at 31 March 2022 - 4.6525, as at 31 December 2021 - 4.5994;

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		



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Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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 first quarter of 2022 have been prepared in accordance with the with the International Accounting Standards (IAS / IFRS) and related interpretations promulgated in the form of regulations of the European Commission and the Ordinance of the Minister of Finance of March 29, 2018 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent 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 March 31, 2022 were 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 2021.

1.1. Consolidated statement of financial position

SPECIFICATION	as of	
	31.03.2022	31.12.2021
Fixed assets	547 090	533 186
Intangible assets	112 038	111 294
Goodwill of the company	126 029	125 777
Tangible fixed assets	236 180	222 014
Right to use assets	34 168	34 099
Investment property	1 754	1 733
Investments in associates consolidated using the equity method	475	2 242
Other long-term financial assets	363	247
- <i>in other entities</i>	363	247
Long-term receivables	3 928	4 429
- <i>from other entities</i>	3 928	4 429
Long-term accruals and prepayments	468	96
Assets by virtue of deferred income tax	31 687	31 255
Current assets	499 220	466 074
Stocks	259 055	238 934
Contractual asset	1 219	1 626
Commercial receivables	156 515	145 998
- <i>from related entities</i>	3 511	4 657
- <i>from other entities</i>	153 004	141 341
Receivables from corporate income tax	1 200	1 367
Receivables from other taxes, customs duties and social security	14 430	9 759
Other short-term liabilities	26 820	24 833
- <i>from related entities</i>	991	-
- <i>from other entities</i>	25 829	24 833
Other short-term financial assets	448	226
- <i>in other entities</i>	448	226
Cash and cash equivalents	30 616	36 832
Cash and cash equivalents with limited disposability	975	556
Short-term interim settlements	7 919	5 920
Non-current assets classified as held for sale	23	23

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
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TOTAL ASSETS	1 046 310	999 260
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SPECIFICATION	as of	
	31.03.2022	31.12.2021
Equity capital	530 125	551 275
Equity capital attributable to equity holders of the parent company	528 546	547 345
Share capital	3 278	3 278
Own shares	(5 155)	(3 972)
Other capitals	559 715	553 460
Capital from the revaluation of a defined benefit plan	(86)	(86)
Capital from valuation of hedging transactions and foreign exchange differences from consolidation	248	1 684
Undistributed financial result	(29 454)	(7 019)
- undistributed result from previous years	(16 718)	(69 220)
- result of the current period	(3 993)	62 201
- write-offs from the current year's result	(8 743)	-
Non-controlling interest	1 579	3 930
Liabilities	516 185	447 985
Long-term liabilities and provisions	78 260	71 501
Long-term loans and borrowings	41 650	35 980
- from other entities	41 650	35 980
Other long-term liabilities	3 427	3 518
- towards other entities	3 427	3 518
Long-term liabilities due to the right to use assets under lease (IFRS 16)	22 268	19 642
Deferred income tax provision	3 249	4 432
Long-term liabilities arising from employee benefits	7 227	7 227
Other long-term provisions	439	702
Short-term liabilities and provisions	437 925	376 484
Short-term loans and borrowings	208 545	175 448
- from other entities	208 545	175 448
Commercial liabilities	117 301	95 974
- towards affiliated entities	792	611
- towards other entities	116 509	95 363
Contractual liabilities	732	976
Corporate income tax liabilities	12 142	12 589
Liabilities due to other taxes, customs duties and social security	17 220	14 646
Other short-term liabilities	41 419	38 519
- towards other entities	41 419	38 519
Short-term liabilities due to the right to use assets under lease (IFRS 16)	8 738	8 974
Short-term liabilities arising from employee benefits	20 737	17 608
Other short-term provisions	11 068	11 727
Liabilities related to fixed assets classified as held for sale	23	23
LIABILITIES TOTAL	1 046 310	999 260

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
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Information on changes in contingent liabilities or contingent assets that occurred since the end of the last financial year (off-balance sheet items) of Apator Group:

SPECIFICATION	as of	
	31.03.2022	31.12.2021
Contingent receivables	250	3 750
Contingent receivables from other companies	250	3 750
Contingent liabilities	68 021	69 001
Contingent liabilities relating to related parties	29 282	29 005
- due to guarantees and securities granted to related entities	29 282	29 005
Contingent liabilities towards other companies	38 739	39 996
- due to guarantees and sureties granted	38 739	39 996
Other off-balance sheet items	274 212	298 397
Mortgage	45 415	45 150
Bail mortgage	23 350	23 250
Security over assets	205 547	229 997
Total off balance sheet items	342 483	371 148

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 owned by Apator S.A., Apator Telemetria Sp. z o.o., Apator Powogaz S.A., FAP Pafal S.A. with book value not less than 102.5 million PLN (included in the table above),
 - Pledge on machinery and equipment and means of transport owned by Apator S.A., Apator Powogaz S.A., Apator Metrix S.A. with contractual value of PLN 22.1 million (taken into account in the table above),
 - Registered pledge on receivables under current and future bank account agreements maintained by the bank for the Group companies,
 - Blank promissory notes with promissory note declarations submitted by borrowers (joint and several liability of Group companies),
 - Assignment of rights under the property insurance policy against all risks.
- Other collateral for loans and credits:

Apator S.A.

- ✓ agreement on a long-term investment loan 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		
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- ✓ 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 8.4 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 22.8 million. from 31st October 2022,
 - statement of Apator Metrix S.A. on submission to execution to the amount of PLN 27.4 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 61.5 million PLN 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 Inwest 2 Sp. z o.o.
 - statement on submission to execution up to the amount of PLN 50.4 million.
- ✓ Factoring agreement “confirming” type concluded with Santander Factoring Sp. z o.o:

Entity name:	Apator Group		
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- 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 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 Telemetria 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 March 31, 2022 Group companies were the issuers of 62 blank promissory notes related to contracts, leases, insurance guarantee agreements, factoring and agreements with counterparties (due performance of the contract).

In addition, as of March 31, 2022. Apator S.A. was a party to the following guarantees and sureties:

- guarantee of return of advance payment by Apator Metrix S.A. in the amount of EUR 1.2 millio (PLN 5.8 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.

In addition, as of March 31, 2022, Apator S.A. was the beneficiary of a payment guarantee in the amount of PLN 0.25 million, issued by Bank Millennium S.A., with the term to 31 August 2022.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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	
	01.01.2022	01.01.2021
	31.03.2022	31.03.2021
Revenue from sales and services	237 063	224 498
- to related entities	3 897	3 322
- other entities	233 166	221 176
Cost of sales of goods and services	(190 396)	(165 147)
- to related entities	(2 528)	(1 963)
- other entities	(187 868)	(163 184)
Gross sales profit	46 667	59 351
Sales costs	(9 066)	(8 364)
General administrative costs	(34 357)	(33 935)
Sales profit	3 244	17 052
Other operating income (costs):	(1 097)	39 060
- including result on reversal of receivables	-	24
Result on sale and liquidation of property, plant and equipment and intangible assets	415	36 650
Result on revaluation of non-financial current assets	(2 377)	24
Result on other operating activities	865	2 386
Share in profits of companies consolidated using the equity method	93	302
Operating income	2 240	56 414
Financial revenues (costs):	(3 625)	(2 383)
Interest on loans and borrowings	(1 762)	(260)
Net profit (loss) on other interest	(348)	(236)
Result on exchange rate differences	(1 979)	(1 759)
Result on foreign exchange transactions	658	(45)
Result on revaluation of financial current assets	94	158
Other financial income and expense	(288)	(241)
Profit (loss) before taxes	(1 385)	54 031
Current income tax	(3 817)	(16 956)
Deferred income tax	1 357	4 279
Net profit (loss)	(3 845)	41 354

SPECIFICATION	for period	
	01.01.2022	01.01.2021
	31.03.2022	31.03.2021
Other comprehensive income		
Other comprehensive income net	(1 436)	2 535
Items that may be reclassified to profit or loss in the future		
Foreign exchange rate differences on translation of foreign operations	(134)	2 663
Result on hedge accounting with tax effect	(1 302)	(128)
Total comprehensive income	(5 281)	43 889
Net profit (loss), of which attributable to:	(3 845)	41 354
shareholders of parent company	(3 993)	40 382
non-controlling interests	148	972
Total comprehensive income, including accrued income:	(5 281)	43 889
shareholders of parent company	(5 429)	42 917
non-controlling interests	148	972

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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 01.01.2022	3 278	(3 972)	553 460	(86)	1 684	(7 019)	547 345	3 930	551 275
Changes in equity during the period from 01.01.2022 to 31.03.2022									
Comprehensive income									
Net profit for the period from 01.01.2022 to 31.03.2022	-	-	-	-	-	(3 993)	(3 993)	148	(3 845)
Distribution of result to supplementary capital	-	-	6 255	-	-	(6 255)	-	-	-
Other comprehensive income									
Items that may be reclassified to profit or loss in the future									
Result on hedge accounting with tax effect	-	-	-	-	(1 302)	-	(1 302)	-	(1 302)
Net exchange differences translated from financial statement to currency presented	-	-	-	-	(134)	-	(134)	-	(134)
Total comprehensive income recognised in the period from 01.01.2022 to 31.03.2022	-	-	6 255	-	(1 436)	(10 248)	(5 429)	148	(5 281)
Transactions with owners recorded directly in shareholder equity									
Dividends	-	-	-	-	-	(8 743)	(8 743)	-	(8 743)
Purchase of treasury shares	-	(1 183)	-	-	-	-	(1 183)	-	(1 183)
Purchase of additional shares of subsidiary	-	-	-	-	-	(3 429)	(3 429)	(2 499)	(5 928)
Other changes in capital	-	-	-	-	-	(15)	(15)	-	(15)
Total transactions with owners in the period from 01.01.2022 to 31.03.2022	-	(1 183)	-	-	-	(12 187)	(13 370)	(2 499)	(15 869)
Balance as at 31.03.2022	3 278	(5 155)	559 715	(86)	248	(29 454)	528 546	1 579	530 125

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 01.01.2021	3 281	(3 823)	522 191	(253)	(4 022)	(7 285)	510 089	7 485	517 574
Changes in equity during the period from 01.01.2021 to 31.03.2021									
Comprehensive income									
Net profit for the period from 01.01.2021 to 31.03.2021	-	-	-	-	-	40 382	40 382	972	41 354
Other comprehensive income							-		-
Items that may be reclassified to profit or loss in the future							-		-
Result on hedge accounting with tax effect	-	-	-	-	(128)	-	(128)	-	(128)
Net exchange differences translated from financial statement to currency presented	-	-	-	-	2 663	-	2 663	-	2 663
Total comprehensive income recognised in the period from 01.01.2021 to 31.03.2021	-	-	-	-	2 535	40 382	42 917	972	43 889
Transactions with owners recorded directly in shareholder equity									
Purchase of treasury shares	-	(239)	-	-	-	-	(239)	-	(239)
Total transactions with owners in the period from 01.01.2021 to 31.03.2021	-	(239)	-	-	-	-	(239)	-	(239)
Balance as at 31.03.2021	3 281	(4 062)	522 191	(253)	(1 487)	33 097	552 767	8 457	561 224

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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	
	01.01.2022	01.01.2021
	31.03.2022	31.03.2021
Cash flow from operating activities		
Profit before tax	(1 385)	54 031
Adjustments	14 323	(23 275)
Depreciation of intangible assets	4 635	3 719
Depreciation of property, plant and equipment	9 506	9 850
Profit on sale of property, plant and equipment and intangible assets	(525)	(36 621)
Gains on change in fair value of derivative instruments	(417)	(32)
Cost of interest	1 953	330
Shares in profits of associated companies	(93)	(302)
Interest revenue	(20)	(36)
Other adjustments	(716)	(183)
Cash flows from operating activities before changes in working capital	12 938	30 756
Change in inventories	(20 121)	(27 763)
Change in the state of a depreciated contractual asset	406	406
Change in receivables	(14 613)	(14 287)
Change in liabilities	30 217	27 443
Changes in provisions	2 207	183
Change in cash and cash equivalents with restricted use	(419)	20
Changes in prepayments and accruals	(1 501)	(3 381)
Cash generated in the course of operating activity	9 114	13 377
Income tax paid	(4 096)	(8 432)
Net cash flows from operating activities	5 018	4 945
Cash flows from investing activities		
Expenses related to acquisition of intangible assets	(5 992)	(6 478)
Expenses related to acquisition of fixed assets	(19 036)	(13 516)
Proceeds from the sale of fixed assets	1 379	21 036
Investments in subsidiaries	(11 036)	-
Other inflows (expenses)	54	(958)
Net cash provided by investing activities	(34 631)	84
Cash flows from financing activities		
Purchase of own shares	(1 183)	(239)
Inflows from loans and borrowings taken out	41 889	41 366
Repayment of loans and credits	(3 107)	(31 757)
Interest	(1 806)	(295)
Dividends paid	(8 743)	-
Repayment of liabilities under financial lease	(3 358)	(2 905)
Other expenses	(295)	(215)
Net cash from financial operations	23 397	5 955
Net increase (decrease) in cash and cash equivalents	(6 216)	10 984
Opening balance of cash and cash equivalents	36 832	29 251
Closing balance of cash and cash equivalents	30 616	40 235

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

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
Financial results of operating segments for the period from 01.01.2022 to 31.03.2022					
Sales revenue	80 896	75 512	80 655	-	237 063
Cost of goods sold	73 701	60 846	55 849	-	190 396
Gross sales profit	7 195	14 666	24 806	-	46 667
Sales costs	3 080	2 081	3 829	76	9 066
General administrative costs	13 509	7 973	11 722	1 153	34 357
Sales profit	(9 394)	4 612	9 255	(1 229)	3 244
Other operating income (costs)	619	116	(1 832)	-	(1 097)
Share in profits of associated companies	-	-	93	-	93
Operating income	(8 775)	4 728	7 516	(1 229)	2 240
Other financial costs	(1 765)	(809)	(1 051)	-	(3 625)
Gross profit	(10 540)	3 919	6 465	(1 229)	(1 385)
Depreciation	7 359	4 030	2 752	-	14 141
EBITDA	(1 416)	8 758	10 268	(1 229)	16 381
Financial results of operating segments for the period from 01.01.2021 to 31.03.2021					
Sales revenue	84 595	71 146	68 757	-	224 498
Cost of goods sold	66 517	52 963	45 667	-	165 147
Gross sales profit	18 078	18 183	23 090	-	59 351
Sales costs	3 220	1 886	3 182	76	8 364
General administrative costs	13 492	7 542	11 947	954	33 935
Sales profit	1 366	8 755	7 961	(1 030)	17 052
Other operating income	1 474	937	36 649	-	39 060
Share in profits of associated companies	-	-	302	-	302
Operating income	2 840	9 692	44 912	(1 030)	56 414
Other financial costs	(1 100)	(218)	(1 065)	-	(2 383)
GROSS PROFIT	1 740	9 474	43 847	(1 030)	54 031
Depreciation	6 295	4 334	2 940	-	13 569
EBITDA	9 135	14 026	47 852	(1 030)	69 983
Impact of non-recurring transactions*	-	-	(34 079)	-	(34 079)
Adjusted EBITDA	9 135	14 026	13 773	(1 030)	35 904

*Sale of Apator Powogaz SA property in the first quarter of 2021.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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 01.01.2022 till 31.03.2022				
Total revenue	113 090	25 195	98 778	237 063
Sales outside	113 090	21 298	98 778	233 166
Sales to subsidiaries	-	3 897	-	3 897
Sales revenues in geographical segments since 01.01.2021 till 31.03.2021				
Total revenue	113 712	25 595	85 191	224 498
Sales outside	113 712	22 273	85 191	221 176
Sales to subsidiaries	-	3 322	-	3 322

1.7. Generic costs

SPECIFICATION	for period	
	from 01.01.2022	from 01.01.2021
	till 31.03.2022	till 31.03.2021
Depreciation	14 140	13 569
Materials and energy consumption	137 130	97 238
External services	23 130	23 205
Employee benefits	58 180	60 847
Other costs	10 081	8 436
Costs of manufacturing products for the entity's own needs	(2 535)	(915)
Change in finished products, work in progress and prepayments	(23 377)	(5 213)
Cost of goods and materials sold	17 070	10 279
Total costs	233 819	207 446

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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. Due to the change in accounting policy made during 2021, effective January 1, 2021, regarding the recognition of inventory write-down costs, inventory scrap costs and employee provision costs, costs were shifted from other operating activities to cost of core operations/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 the reclassification for the first quarter of 2021 is presented in the table below.

ITEMS OF THE REPORT / CHANGE TITLE	from 01.01.2021	Effect of change in accounting policy	from 01.01.2021
	till 31.03.2021		till 31.03.2021
	untransformed data		transformed data
Cost of goods sold	(164 937)	(210)	(165 147)
- other entities	(162 974)	(210)	(163 184)
Gross sales profit	59 561	(210)	59 351
Sales profit	17 262	(210)	17 052
Other operating income	38 850	210	39 060

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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 Apator Group in 2021, available at the link below (<https://www.apator.com.pl/relacje-inwestorskie/dane-finansowe-i-raporty-okresowe>).

2.1. Organisation of Apator Group

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



13 companies domestic and foreign



9 production plants



2.3 thousand employees



12 R&D offices

Companies of the Apator Group are included in the electromechanical sector and focus their activities on the production and sale of measuring instruments (electricity, gas, water and heat), control and measurement, distribution and control equipment, SCADA class IT systems and cooperating 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



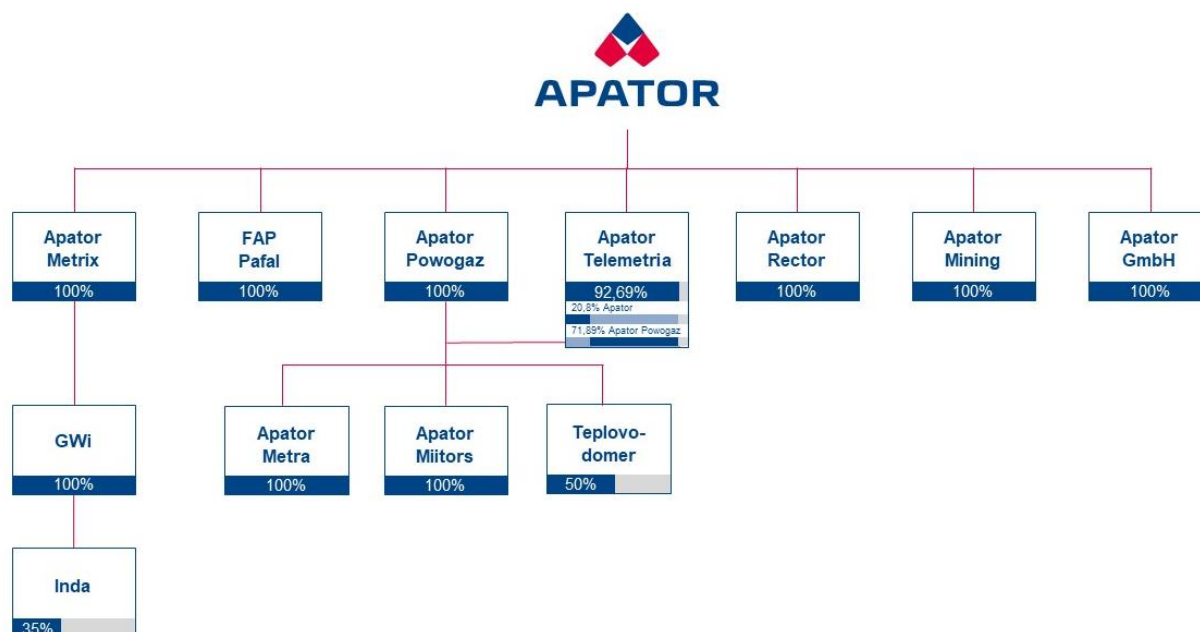
taken into account in index sWIG80 and WIGdiv



company dividend

2.2. Composition of the Apator Group and its business segments

The Group's structure as at 31 March 2022 was as follows:



Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
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Activity of Apator Group is organized in three segments:

Business Units	electricity	gas	water&heat
Lines Business*	<ul style="list-style-type: none"> electricity metering switchgear automation ICT 		
Companies included in the Segment	<ul style="list-style-type: none"> Apator SA (Toruń) Apator Rector (Zielona Góra) FAP Pafal (Świdnica) Apator GmbH (Germany) 	<ul style="list-style-type: none"> Apator Metrix (Tczew) GWi (United Kingdom) Inda (Slovenia) Apator GmbH (Germany) 	<ul style="list-style-type: none"> Apator Powogaz (Poznań) Apator Telemetria (Ślupsk) Apator Metra (Czech Republic) Apator Miitors (Denmark) Teplovodomer (Russia)
Solutions	<ul style="list-style-type: none"> Smart and communal ee meters Power distribution systems Control and monitoring systems Measurement data management systems Solutions for RES <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>
Main customers	<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
The main markets	Poland, Germany, Brasil, Austria, Lithuania, Romania	Poland, United Kingdom, Germany, Belgium, Hungary	Poland, Czech Republic, Spain, France, Bulgaria and Romania
Sales scale in IQ 2022	PLN 80.9 million	PLN 75.5 million	PLN 80.7 million
Share of export in segment revenues in 1Q 2022	31.6%	66.2%	60%

* as a result of the consolidation process of the Electricity Segment (merger of Apator SA with Apator Elkotech SA) and work on the use of product synergies, the Apator Group reorganized the business lines within this Segment. Currently, the Segment includes the following lines: electricity metering (e.e. meters), switchgear (equipment for the distribution of e.e. and protection of electrical circuits against the effects of short circuits and overloads), automation (solutions for the operation, supervision and control of power grid operations in the form of protections, controllers, telemechanics and industrial automation), ICT (SCADA systems, asset and network asset management systems).

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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 Apator Group in 2021, available at the link below. (<https://www.apator.com.pl/relacje-inwestorskie/dane-finansowe-i-raporty-okresowe>)

3.1. Sales revenue and an explanation of its seasonality

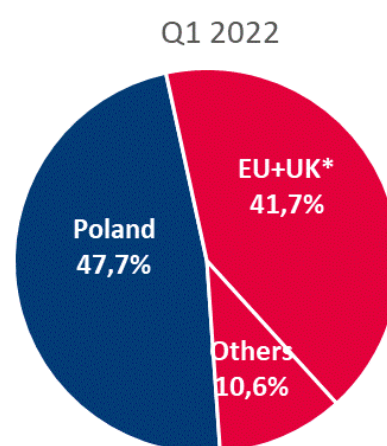
The Apator Group generated revenue that was 6% higher year-on-year (PLN 237.1 million), and record sales in the quarter were recorded by the Water and Heat segment (+17% year-on-year), achieving growth mainly in exports. In other segments, the level of sales was generated within the framework of the realized backlog (execution of contracts and winning tenders).

Specification	IQ 2022 (PLN thousand)	IQ 2021 (PLN thousand)	Change y/y (PLN thousand)	Dynamics (%)
Electricity (EE) segment	80 896	84 595	-3 699	95.6%
<i>country</i>	55 364	59 850	-4 486	92.5%
<i>export</i>	25 532	24 745	787	103.2%
<i>ratio of exports in the segment EE in total sales revenue</i>	10.8%	11.0%		
Gas segment	75 512	71 146	4 366	106.1%
<i>country</i>	25 504	23 041	2 464	110.7%
<i>export</i>	50 008	48 105	1 902	104.0%
<i>ratio of exports in the segment Gas in total sales revenue</i>	21.1%	21.4%		
Water and Heating segment (W&H)	80 655	68 757	11 898	117.3%
<i>country</i>	32 222	30 822	1 400	104.5%
<i>export</i>	48 433	37 935	10 498	127.7%
<i>ratio of exports in the segment W&H in total sales revenue</i>	20.4%	16.9%		
Total sales revenues	237 063	224 498	12 565	105.6%
<i>country</i>	113 091	113 713	-622	99.5%
<i>export</i>	123 972	110 785	13 187	111.9%
<i>share of total exports in total revenues</i>	52.3%	49.3%		

Geographical structure of sales

The driving force behind the sales growth was exports, thanks to which its share in the total turnover of the Apator Group increased compared to Q1 2020. by 2.9 p.p., to 52.3% of total revenues. Positive impact on the level of export sales was the noticeable increase in demand in European countries, as well as the high level of foreign exchange rates (mainly the euro).

The main sales market of the Apator Group is Poland. The European Union (with a dominant share of the German, Czech Belgian, Spanish markets) and the United Kingdom remain second among the Group's trading partners. Despite stopping sales to Russian market and Belarus (due to the ongoing war), the Apator Group is successfully compensating for sales in other markets.



*EU+UK = European Union including with the United Kingdom

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
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Foreign sales - countries with a share of more than 5%	Share of exports in Q1 2022	Sold range
Germany	19%	mainly gas and electricity meters
United Kingdom	14%	gas meters
Czech Republic	9%	mainly water meters and cost allocators
Belgium	7%	gas and inductive electricity meters
Spain	5%	mainly water meters and cost allocators

Seasonality of sales

The phenomenon of seasonality in the activity of the Apator Group is not particularly significant, the more so that due to the effects of the pandemic and now also the war in Ukraine, the turnover for 2020 - 2022 should not be regarded as representative of the phenomenon of seasonality, where factors of a decidedly one-time nature (difficulties in access to materials and components, inflation) have a large impact.

Revenues reported in years	I quarter	II quarter	III quarter	IV quarter
2020	224 536	237 408	244 126	228 395
2021	224 498	237 418	240 136	238 031
2022	237 063			

3.2. Results achieved in the first quarter of 2022

The Apator Group achieved the following financial results in Q1 2022:

Specification	IQ 2022	IQ 2021	Change	Dynamics
Sales revenues, including:	237 063	224 498	12 565	105.6%
country	113 091	113 713	-622	99.5%
export	123 972	110 785	13 187	111.9%
Cost of goods sold*	190 396	165 147	25 249	115.3%
Gross sales profit	46 667	59 351	-12 684	78.6%
Sales costs	9 066	8 364	702	108.4%
General administrative costs	34 357	33 935	422	101.2%
Sales profit	3 244	17 052	-13 808	19.0%
Result on other operating activities	-1 097	39 060	-40 157	-
Share in profits of companies consolidated using the equity method	93	302	-209	30.9%
Operating income	2 240	56 414	-54 174	4.0%
EBITDA	16 380	69 983	-53 603	23.4%
<i>EBITDA excluding real estate**</i>	<i>16 380</i>	<i>35 904</i>	<i>-19 524</i>	<i>45.6%</i>
Result on financial activity	-3 625	-2 383	-1 242	-
Profit before tax	-1 385	54 031	-55 416	-
Current income tax	-3 817	-16 956	13 139	22.5%
Deferred income tax	1 357	4 279	-2 922	-
Net profit	-3 845	41 354	-45 201	-
<i>Net profit excluding property**</i>	<i>-3 845</i>	<i>13 750</i>	<i>-17 595</i>	<i>-</i>
Profitability ratio:				
Gross profit margin on sales	19.7%	26.4%		
Profit margin on sales	1.4%	7.6%		
Profit margin EBITDA**	6.9%	16.0%		
Net profit margin**	-1.6%	6.1%		

*) 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).

**) Results for the first quarter of 2021 cleared of the impact of the sale of Apator Powogaz SA real estate (at the level of EBITDA by PLN 34.1 million; at the level of net result by PLN 27.6 million).

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
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The main factors influencing financial performance in Q1 2022 include:

- inflation and lack of availability of components - continued dynamic increase in the cost of materials, energy, fuel and raw materials, which negatively affected the margins generated. In addition, the war in Ukraine has exacerbated existing supply chain disruptions and is causing further difficulties in sourcing ordered components and lengthening lead times. Cost inflation is being felt in all segments, but Electricity remains the most affected;
- creation of revaluation allowances for receivables from Ukraine in the amount of 2.2 million PLN - due to the armed aggression of Russia in Ukraine, the Apator Group decided to create revaluation allowances for the majority of receivables from Ukraine. However, at present, due to the willingness and declaration of counterparties to repay receivables over a longer time horizon, the allowance may gradually reverse;
- creation of write-downs on inventories in Apator SA in the amount of 2.2 million PLN - higher weight of working capital and longer, but corresponding to current market conditions, time of backlog of inventories - mainly electronic components - cause the necessity to create write-downs according to the with the accounting policy adopted in Apator Group. These are statistical write-offs and are created as an expense of the core business. However, when components are used in production, the write-downs can be reversed at a later date;
- high financing costs - maintaining higher working capital is in turn associated with with the need to increase financing and net debt levels, which translates into higher interest on loans and borrowings (PLN -2.1 million);
- unstable situation on foreign exchange markets - the results of Q1 were also adversely affected by the unstable level of foreign exchange rates (especially USD) in this period, which translated into a negative result on foreign exchange differences (PLN -2 million).

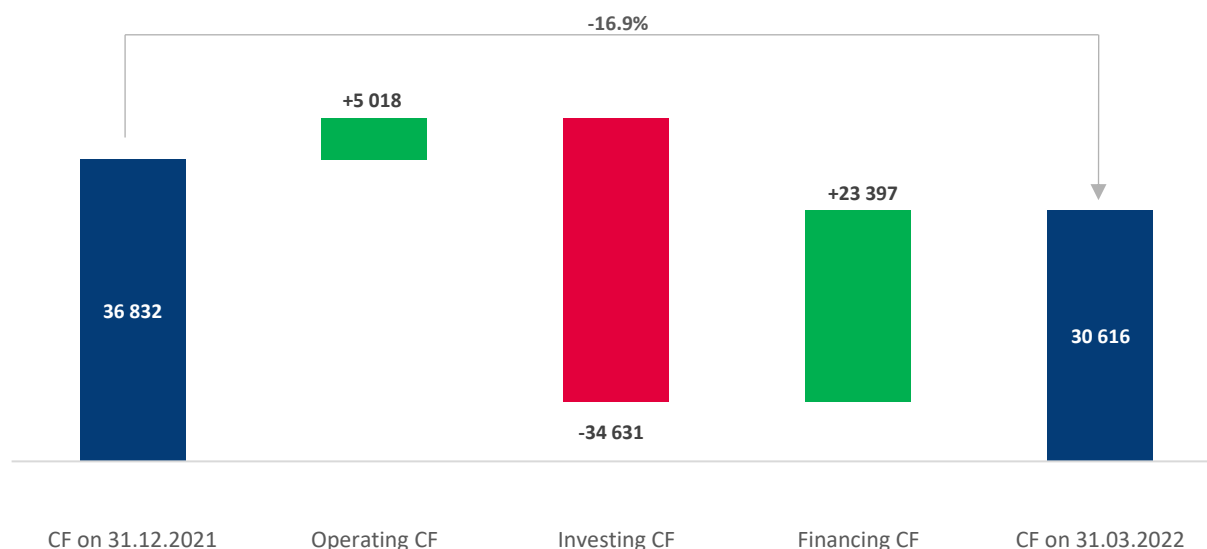
3.3. Analysis of financial situation

The cash balance as of March 31, 2022 was PLN 6.2 million lower than at the end of 2021, at PLN 30.6 million.

Cash and cash equivalents were influenced by the following factors:

- positive cash flow from operations, with the level of generated cash flow influenced by a much higher commitment of funds to working capital than in previous years - sourcing and securing materials and raw materials as a result of taking necessary measures to manage risks associated with disruptions in global supply chains;
- negative flows from investing activities mainly as a result of capital expenditures on fixed assets and intangible assets (total PLN 25 million, mainly for expenditures on construction of new plant of Apator Powogaz SA, new machinery and equipment, R&D works) and investments in subsidiaries (purchase of shares in Apator Telemetria by Apator SA and Apator Powogaz SA - PLN 11.5 million);
- positive cash flow balance primarily related to an increase in credit debt (balance of PLN 38.8 million), less the advance payment of dividends from profit for the 2021 (PLN 8.7 million) and repayment of finance lease liabilities (PLN 3.4 million).

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
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Other basic indicators	IQ 2022	IQ 2021	Formula
Current liquidity ratio	1.14	1.31	current assets/short-term liabilities
Quick liquidity ratio	0.55	0.77	(current assets - inventories)/short-term liabilities
Return on assets ROA	1.77%	9.44%	net profit/average total assets calculated as the average value from the opening and closing balance sheet
Return on equity ROE	3.35%	16.00%	net profit/average value of equity calculated as the average value from the opening and closing balance sheet
Net debt (PLN thousand)	219 579	99 876	loans and borrowings - cash and equivalents - loans granted
Net Debt/LTM EBITDA*	2.26	0.59	(credits and loans - cash and equivalents - granted loans)/LTM EBITDA
Capex (PLN thousand)	27 159	17 432	tangible and intangible investment expenditure
Working capital (PLN thousand)	239 224	195 658	(current assets - cash) - (short-term liabilities - short-term loans and borrowings)

The level of net working capital (NSR) at the end of March 2022 was 43.6 million higher compared to the with the end of the first quarter of 2021, and at the same time PLN 11.0 million higher than at the end of 2021. This is due to higher inventories (by PLN 19.7 million including contract assets) and receivables (by PLN 10.5 million) with cash at the end of the period lower by PLN 6.2 million. An increase in working capital is evident in all segments due to the macroeconomic situation (difficulties with component availability, extended delivery times). In addition, the Q1 NSB grew the most in the Water and Heat segment, which is a temporary situation and is justified by the planned relocation of production and the need to secure continuity of sales during the relocation period.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
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Higher capex in the first quarter of 2022 incurred mainly in the Water and Heat segment and related primarily to expenditures to complete construction of a new plant near Poznań (PLN 14.6 million), as well as work on expanding the product portfolio with new product families.

Financial debt is higher y/y, but kept under tight control. The net debt/EBITDA ratio for the last 12 months is at 2.26x, due to the need to finance higher working capital to secure the continuity of production (applies to all three segments, most significantly EE) and to finance the construction of a new plant for Apator Powogaz.

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 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 Apator Group,
- operational risk including day-to-day task performance, legal compliance, work safety, information security and environmental protection.

The detailed description of risk factors that can have the influence on the activity of Apator Group was presented in the Report of the Management Board on Activity of Apator Group for 2021 in the chapter 8.

(<https://www.apator.com.pl/relacje-inwestorskie/dane-finansowe-i-raporty-okresowe>)

In the opinion of the Management 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 attention to increases in energy and fuel prices, materials and components necessary for production (i.e. plastics, copper, steel, electronics, brass), and increases in the cost of transportation services and labor costs.

Continued problems with the continuity of global supply chains may periodically affect sales dynamics and decrease profitability. Cost inflation, which is reaching an unprecedented scale in recent times, is being felt in all segments, but Electricity is the most affected.

The Apator Group has been negotiating for several months to pass on the increase in the cost of materials to customers, gradually revaluing contract prices. However, the sales model, especially for long-term contracts, means that the effects of this revaluation will be visible with a delay of several months. At the same time, the Group actively counteracts the effects of rising costs by implementing a series of optimization measures concerning, among other things, work on improving operational efficiency at the Ostaszew plant, changes in the product mix to more favorable ones in terms of the profitability achieved, introduction of a dynamic pricing policy for partners and distributors, and shortening payment terms.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
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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, 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.

The impact of the situation in the East

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:

- 1) Sales revenues for the first quarter of 2022 from the Russian, Ukrainian and Belarusian markets accounted for about 1.2% in the total sales of Apator SA and about 3.4% in the entire Apator Group. Since the war broke out, the Group has halted sales in the Russian and Belarusian markets.
- 2) In terms of receivables from counterparties in distressed markets, their share of total receivables in Apator Group is almost 2.4%. In view of the above, the situation in the East has no significant impact on the activities of Apator SA and its capital group.

Detailed values of receivables as at 31.03.2022 are presented in the table below.

Level of receivables as at 31.03.2022 (thousand PLN)	Apator SA	Apator Group
Receivables from counterparties (Ukraine, Russia, Belarus)	0	3 750
Ukraine	0*	208**
Russia	-	3 542
Belarus	-	-
Total trade receivables as of March 31, 2022.	54 483	156 514
Share of the company's trade receivables	0%	-
Share in trade receivables of Capital Group APATOR	--	2.4%

*Accounts receivable in the amount of PLN 45 thousand written off in March this year.

** receivables in the amount of PLN 2,197 thousand were written off in February this year.

From March 31, 2022 to April 30, 2022, there was a repayment of PLN 0.6 million in receivables from eastern markets.

4.2. Prospects

The detailed description of perspectives and development factors for particular segments that will determine the activity and results of Apator Group has been presented in the Report of the Management Board on Activity of Apator Group for 2021 in the chapter 3 and 4. In the opinion of the Management Board, the perspectives indicated in the aforementioned document remain valid. Link to document: <https://www.apator.com.pl/relacje-inwestorskie/dane-finansowe-i-raporty-okresowe>.

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

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
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In the Electricity segment, the outlook depends primarily on the pace of the energy transition and the availability of key components for production, while optimizing generation costs and working to increase the efficiency of operations in response to further cost and competitive pressures. Another important element of further development of Apator Group in coming years is also renewable energy sources sector. The Group is a supplier of ready-made solutions for renewable energy sources (e.g. two-way meters, photovoltaic farm management system or specialist switchgear and protection equipment) and consistently works on expanding its product portfolio. Systems and devices will be developed not only for metering, but also for more efficient management of electricity and utilities for both small and large business, as well as for homes and apartments.

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. 300 m PLN 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. Equally important influence on the perspectives will have further dynamics of inflation of costs (materials, components, remunerations), condition of global chains of deliveries and improvement of effectiveness of the operation of companies in the Gas Segment by relocation of the part of production of gas meters from British company GWi Ltd. to Apator Metrix SA in Tczew.

In the Water and Heat segment, there is a clear recovery in demand both at home and abroad. 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). There has already been a noticeable increase in interest in fixed systems that allow remote readings, so major opportunities are also opening up in the water and heat billing services sector. The coming year for the W&H segment will see the development of new markets and product initiatives (billing), and the relocation of operations of the new highly automated water meter factory in Jaryszki near Poznań will help increase the scale and profitability of the business, although the Segment's operations are also affected by macroeconomic factors, including global cost inflation, difficulties in the availability of key components and raw materials, and lengthening transportation times.

5. List of major events

5.1. List of events in the first quarter of 2022

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 January 21, 2022, a subsidiary of Apator Powogaz SA acquired 248 shares of Apator Telemetry Sp. z o.o. (constituting 10.1%) from two natural persons for the total price of PLN 5.9 million (more in point 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. In view of the total maximum value of the contract may amount to PLN 46 million. Delivery of the basic order will be made within 24 months from the date of signing the contract
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 item. 4.1 of this report.
5. On March 9, 2022, Apator Powogaz SA concluded a promised contract for the acquisition of real estate with a newly built production plant in Jaryszki (municipality of Żerniki, Poznań district), to which the

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company's activities were relocated in May this year. The total value of the Agreement amounted to PLN 52.3 million net, including: PLN 6.4 million net as the price for the acquired land property, PLN 45.9 million net as consideration for the design, construction and transfer of ownership of the production hall with office space, as well as for the transfer of copyrights and subsidiary rights to the project (for more information, see section 6.5 of this report).

In the analysed period there were no other factors and events than those mentioned above, including untypical ones.

5.2. List of events after the balance sheet date

- On 11th April 2022 Apator Metrix SA concluded the contract with Landis+Gyr for the supply of smart gas meters in the scope of mass implementation of the smart meters in Belgium. The tender launched by the Belgian distribution network operators (Fluvius, ORES, RESA and Sibelga) and won by Landis+Gyr (Belgium) is for an end-to-end Data-as-a-Service solution. DaaS Data-as-a-Service), consisting of a central master system and smart utility meters. Therefore, Apator Metrix SA as a partner of Landis+Gyr under the concluded contract resulting from the above tender will deliver in 2023 - 2031 ca. 1 million of iSMART2 smart gas meters of the value of ca. EUR 65 million (that is ca. PLN 300 million according to average exchange rate of NBP from 11th April 2022, 1 EUR= 4.6451 PLN).
- On the 22nd April 2022 the offer of Apator SA was selected as the most favourable one in the tender of Tauron Dystrybucja for the supply of municipal 3-phase electricity meters of the value PLN 34.8 million with an option to increase the order in accordance with the right of option by 30%. The delivery period is 15 months from the date of the contract.
- On 22nd April 2022 the offer of consortium of Apator SA and Griffin Group SA Energy Sp. k. was selected as the most favourable one in the tender of Tauron Dystrybucja SA for the supply of the remote reading meters in the area of Smart City Wrocław. The value of the offer of the consortium is ca. PLN 190 million, including the remuneration for Apator SA is ca. 18-20% of the value of the offer. Terms and conditions of tenders provide for the right of option that can additionally increase the value of remuneration for Apator SA by the estimated value at the level of 16-18% in relation to the value of remuneration of the basic order for Apator SA. Deliveries are expected to be made by May 2025.

6. Additional information

6.1. Credits, loans, sureties, guarantees

Balance of credits and loans of Apator Group:

Specification	as of		Change
	31.03.2022 r.	31.12.2021	
Long-term loans and credits	41 650	35 980	5 670
Short-term loans and credits	208 545	175 448	33 097
Total loans and borrowings	250 195	211 428	38 767

6.1.1. Loans

As of March 31, 2022, the status of material loan agreements is as follows:

- Apator Group
Multi-product agreement dated June 22, 2016.

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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 Rector Sp. z o.o., Apator Telemetria Sp. z o.o. an annex to the above agreement was concluded under which 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. On February 16, 2022, an annex was concluded under which an additional sub-limit of 10 million PLN was made available exclusively for Apator SA. The sublimit was made available in the form of a non-revolving working capital loan in PLN with repayment in 4 monthly installments starting from the month of May 2022. The credit limit can be used in the form of working capital loans, bank guarantees, letters of credit and repurchase of receivables by the Bank. The limit interest rate is based on WIBOR 1M plus bank margin. The Agreement is secured by:

- 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.

As of March 31, 2022, the Apator Group's debt balance under the multi-product agreement was:

- on account of credit limits used PLN 151.8 million,
- on guarantees and letters of credit PLN 18 million,
- on account of supplier financing PLN 6 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 24 March 2022, an annex to the agreement was concluded, pursuant to which the loan period was extended until 22 March 2023. 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 8.4 million and an assignment of rights under an insurance policy.

As at 31 March 2022, the level of credit drawn was PLN 8.1 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 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 March 31, 2022, an amount of PLN 10 million remained to repay 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 March 31, 2022, the value of used financing was PLN 3.3 million.

Entity name:	Apator Group		
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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 of March 31, 2022, the balance of the extended loan was PLN 3.1 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 22.8 million at ING's March 31, 2022 selling rate for GBP = 5.7085) and a statement of submission to execution under Article 777 of the Civil Code up to the amount of GBP 4.8 million (i.e. PLN 27.4 million at ING's March 31, 2022 selling rate for GBP = 5.7085). The loan interest rate is set at a variable LIBOR rate plus the bank's margin. As of March 31, 2022, the balance of the loan is £4 million (i.e. PLN 21.9 million at the average NBP exchange rate of 31 March 2022 for GBP = PLN 5.4842).

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 Jarzyski (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 March 31, 2022, the loan is secured by:

- blank promissory note together with a promissory note declaration,
- registered pledge (established on 8th January 2021) on 3.6 m 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 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 March 31, 2022, the debt under the above loan was PLN 39.1 million.

- b) has a credit facility with mBank SA in the amount of PLN 10 million designed to finance the company's current business activities with a repayment period until August 11, 2022. The interest rate on the loan was set at a variable rate, depending on usage, equal to WIBOR ON or EURIBOR 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.

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As of March 31, 2022, the value of the loan used was PLN 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 March 31, 2022, the balance of used financing was PLN 0.2 million.

No bank has terminated the credit agreement to the companies of the Apator Group, and the companies of the Apator Group have timely fulfilled their obligations under the concluded credit agreements.

6.1.2. Loans

The status of granted and received loans of companies of Apator Group at 31 March 2022 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 March 31, 2022, the outstanding loan (including interest) was €1.5 million (i.e. PLN 7 million at the average exchange rate of the National Bank of Poland as of March 31, 2022 for EUR = 4.6525). Interest for 2022 was paid in January 2022.

6.1.3. Sureties i guarantees

The balance of guarantees and sureties issued as at 31 March 2022 is as follows:

1. Apator SA:

- guarantee of payment of receivables by Apator Metrix SA in the amount of 1,2 million EUR (PLN 5.8 million according to the selling rate of EUR in ING bank from 31st March 2022 equal 1 EUR = 4.818 PLN) to Flonidan AS for the machines purchased by Apator Metrix SA in order to increase the production capacity for the performance of the contract for Great Britain. The term of the guarantee is from September 23, 2019 to June 30, 2022. The guarantee commission is charged quarterly based on the rate of 0.8% p.a. After the balance sheet date, the receivable of Apator Metrix SA to Flonidan AS was paid in full.
- 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 22.8 million at the GBP selling rate at ING Bank on the 31st March 2022 equal to 1 GBP = 5.7085 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

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

At 31st March 2022. 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

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.

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). Within the framework of this cooperation, in the period of Q1 2022, as in previous periods, neither Apator SA nor any other subsidiary of Apator SA concluded transactions with related parties that would be concluded on terms other than at arm's length.

6.4. Entities subject to consolidation as at 31 March 2022.

- 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
	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
Gas	-	Apator Metrix SA	Tczew	100%	Subsidiary company of Apator SA
		GWi Ltd.	Coventry (UK)	100%	Indirect subsidiary of Apator SA through Apator Metrix SA Indirect share through Apator Metrix 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

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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
					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 Telemetry Sp. z o. o.	Stupsk	92.69%	Directly dependent on Apator SA in 20.8% and indirect subsidiary by Apator Powogaz SA in 71.89%

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

*The co-owner of AO Teplovodomer received a proposal to repurchase shares held by Apator Powogaz SA.

6.5. Changes in the organisation of the Apator Group

Acquisitions

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

On 21 January 2022, a subsidiary of Apator Powogaz SA acquired 248 shares from two individuals (partners of Apator Telemetry sp. z o.o.) for a total price of 5.9 million PLN. Therefore, the subsidiary Apator Powogaz SA currently has 71,89% share in share capital of Apator Telemetry sp. z o. o. and 71,89% share in total number of votes.

After taking into account the above transaction, Apator SA and Apator Powogaz SA have jointly 92.69% share in the share capital of Apator Telemetry sp. z o. o. and 92.69% share in the total number of votes.

Apator Telemetry 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.

Mergers

Merger of Apator SA with Apator Elkomtech SA

On January 3, 2022. District Court in Toruń, VII Economic Department of the National Court Register, made the entry of the merger of Apator SA with the seat in Toruń with the subsidiary Apator Elkomtech SA

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with headquarters 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. In view of with the above, since January 3, 2022, Apator Elkomtech SA, together with its branches, has been 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 action allows 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.

Relocation - reorganization of the assets of Apator Group in the direction of the increase of their effectiveness

Relocation of Apator Powogaz SA to Jaryszki near Poznań

On March 9, 2022, Apator Powogaz SA concluded a promised contract for the purchase of real estate with a newly built production plant in Jaryszki (municipality of Żerniki, Poznań district), to which the company's activities were relocated in May this year. The value of the Agreement is PLN 52.3 million net, including:

- PLN 6.4 million net as the price for the acquired land properties,
- PLN 45.9 million net as consideration for the design, construction and transfer of ownership of a production hall with an office section, and for the transfer of copyrights and subsidiary rights to the design.

Relocation of Apator Powogaz SA is the key factor influencing the development and future results of Water and Heat segment. Relocation of the company's manufacturing operations to a modern factory will allow for further automation of production processes, implementation of the highest quality standards and significant increase in efficiency and production capacity. The scale of production of the largest assortment group of the company - water meters, in the perspective of 2025 will reach the level of 4 million units per year, which means an increase by approximately 40% compared to 2021. Volumes in other product groups will also increase significantly.

Relocation of Apator Telemetria Sp. z o.o. in Słupsk

Apator Telemetria Sp. z o.o. concluded the contract of lease with Pomerania Regional Development Agency SA of newly built production building with office-social facilities on the area of Słupsk Special Economic Zone. The planned date of relocation is June 2022. New manufacturing hall will guarantee the increase of the usable area and scale of manufacturing potential and improvement of efficiency and effectiveness of manufacturing also for the needs of larger scale of manufacturing in Apator Powogaz SA. The Company Apator Telemetria Sp. z o.o. apart from conducting key activity of R&D for Apator Group

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and development of remote reading systems, it also manufactures, among others, radio attachments for water meters and heat meters.

Relocation and reorganization of GWi Ltd. in the United Kingdom

In order to optimize costs and improve efficiency of the operation of George Wilson Industries (GWi) Ltd. (headquarters in Coventry, United Kingdom) which is the subsidiary of Apator Metrix SA and also operates in the gas metering industry, the decision was made to:

- relocation to a smaller hall (optimally scaled down for the company's needs) in Coventry near the current location,
- reorganization of its activity by the transfer of the production of smart gas meters and industrial gas meters to Apator Metrix SA in Tczew.

The gas regulator manufacturing and distribution business will remain in GWi Ltd. In addition, GWi Ltd. is an NMO (National Measurement Office) authorized repair and refurbishment center for gas meters used in the United Kingdom, which is also its significant source of revenue.

In addition to the above, there were no other changes in the structure of the business entity in 2022, including as a result of business combinations, acquisitions or sales of entities in the Issuer's group, long-term investments, demergers and restructurings.

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

The Supervisory Board

At 31st March 2022 the composition of the Supervisory Board of Apator SA was as follows:

- | | | |
|---|---|--|
| 1. Janusz Niedźwiecki
by the DPSN 2021), | - | Chairman of the Supervisory Board (independent as defined |
| 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 | - | SB 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 Management Board

The composition of the Management Board of Apator SA is as follows:

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

The current joint term of the Board of Directors began in 2019 and ends on the date of the 2022 Annual General Meeting.

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Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

6.7. Shares, Shareholders

6.7.1. Share capital

As a result of the conversion of 4,510 registered shares into ordinary bearer shares, carried out on January 31, 2022, which will be assimilated into the stock market on May 23, 2022, the total number of votes decreased from 54,788,231 to 54,774,701. 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 May 19, 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.

6.7.2. Implementation of the share buy-back programs

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 10 m PLN 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, 124,855 bearer shares were bought back (for a total amount of PLN 2.318 thousand), carrying 124,855 votes at the GM, constituting in total 0.381% of the share capital and 0.228% 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 28th February 2022				As of May 19, 2022.				Balance change	
	shares	votes	shares (%)	votes (%)	shares	votes	shares (%)	votes (%)	purchase	sale, donation
Apator Mining	3 224 000*	3 600 000	10.98%	6.57%	3 600 000	3 600 000	10.98%	6.57%	-	-
Aviva OFE Aviva Santander SA	3 338 888**	3 338 888	10.19%	6.10%	3 338 888	3 338 888	10.19%	6.10%	-	-
Mariusz Lewicki	2 312 000	5 874 128	7.05%	10.72%	2 314 000	5 876 128	7.06%	10.73%	2 000	-
Tadeusz Sosgórnik and his close associate***	1 945 274	5 856 080	5.93%	10.69%	1 905 798	5 816 604	5.81%	10.62%	-	-39 476
Danuta Guzowska	1 520 279	4 382 921	4.64%	8.00%	1 520 279	4 382 921	4.64%	8.00%	-	-
Zbigniew Jaworski	1 450 000	3 749 044	4.42%	6.84%	1 455 000	3 754 044	4.44%	6.85%	5 000	-
Kazimierz Piotrowski and his close associate	823 955	2 818 277	2.51%	5.15%	823 955	2 818 277	2.51%	5.15%	-	-
Summary	14 990 396	29 619 338	45.72%	54.07%	14 957 920	29 586 862	45.63%	54.02%	7 000	-39 476

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

* 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.

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

Specification	As of 28th February 2022				As of May 19, 2022.				Balance change	
	shares	votes	shares (%)	votes (%)	shares	votes	shares (%)	votes (%)	purchase	sales
SB Mariusz Lewicki	2 312 000	5 874 128	7.05%	10.72%	2 314 000	5 876 128	7.06%	10.73%	2 000	-
SB Tadeusz Sosgórnik	1 466 738	5 377 544	4.47%	9.82%	1 466 738	5 377 544	4.47%	9.82%	-	-
SB Danuta Guzowska	1 520 279	4 382 921	4.64%	8.00%	1 520 279	4 382 921	4.64%	8.00%	-	-
SB Janusz Marzygliński	571 247	2 019 023	1.74%	3.69%	571 247	2 019 023	1.74%	3.69%	-	-
SB Kazimierz Piotrowski	587 147	2 107 853	1.79%	3.85%	587 147	2 107 853	1.79%	3.85%	-	-
SB Janusz Niedźwiecki	255 810	945 117	0.78%	1.73%	255 810	945 117	0.78%	1.73%	-	-
Summary	6 713 221	20 706 586	20.47%	37.81%	6 715 221	20 708 586	20.48%	37.82%	2 000	0

6.7.5. 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 9 823 208.40

*the advance dividend payment did not include shares bought back under the buyback.

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

6.8. Summary

The Management 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:	01.01.2022 – 31.03.2022	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 March 2022 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 2021.

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:	01.01.2022 – 31.03.2022	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 as at 31 March 2022 is 29,125,854 (as at 31 December 2021 it was 29,178,619) and includes the shares held by the subsidiary.

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

The weighted average number of shares as at 31 March 2022 is 32,725,854 (as at 31 December 2021 it was 32,778,619).

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 quarter 2022	year 2021	I quarter 2021
	EUR/PLN	EUR/PLN	EUR/PLN
Statement of comprehensive income	4.6472	X	4.5721
Statement of cash flows	4.6525	X	4.6603
Statement of financial position	4.6525	4.5994	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:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

SPECIFICATION	Assets		Provisions	
	31.03.2022	31.12.2021	31.03.2022	31.12.2021
Tangible fixed assets	2 439	2 413	11 120	11 116
Financial assets	-	-	1 466	1 482
Derivative instruments	1 295	1 140	144	214
Stocks	3 796	3 359	-	-
Liabilities arising from employee benefits	5 580	4 783	-	-
Provisions	2 763	3 119	-	-
Write-downs on receivables	654	725	-	-
Tax loss	11 048	11 001	-	-
Tax relief to be accounted for in future periods	10 517	10 517	-	-
Other	3 557	3 093	481	515
Total	41 649	40 150	13 211	13 327
Netting of assets and reserves	(9 962)	(8 895)	(9 962)	(8 895)
Deferred tax assets/provisions disclosed in the statement of financial position	31 687	31 255	3 249	4 432

Effective tax rate

SPECIFICATION	for period	
	01.01.2022	01.01.2021
	31.03.2022	31.03.2021
Gross profit:	(1 385)	54 031
Income tax calculated at the applicable tax rates:	(553)	9 998
Adjustments	3 013	2 679
Tax on income exempt from taxation (fixed differences)	(79)	1 006
Unrecognized asset for losses on zone operations	1 201	-
Tax on non-deductible costs (fixed differences)	1 961	119
Tax on internal transactions in the group (fixed differences)	310	764
Tax on items not included in financial result of the period	(1)	(23)
Adjustment of tax losses from previous years	(57)	996
Other tax additions	65	17
Other tax deductions	(387)	(200)
Income tax disclosed in the statement of comprehensive income	2 460	12 677
Effective tax rate	- *	23.46%

* - Not calculated as of 31.03.2022 due to different tax jurisdictions and financial losses of Apator CG companies.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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	190	-	-	190
Stocks	17 971	2 242	(3)	20 210
Receivables	4 610	1 808	2	6 420
Total	23 106	4 050	(1)	27 155

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

Provisions for liabilities

PROVISIONS FOR LIABILITIES		PAID EMPLOYEE BENEFITS			OTHER PROVISIONS		TOTAL
SPECIFICATION		RETIREMENT SEVERANCE PAY, JUBILEE AWARDS	BONUSES	ANNUAL LEAVES	GUARANTEES	OTHER	
Value of provisions at the beginning of the period		8 231	11 487	5 117	11 285	1 144	37 264
	Increase - creation of a provision charged to the current result	-	1 969	2 121	810	-	4 900
	Decrease - write-down of unused amounts in revenues	-	-	-	(577)	-	(577)
	Use of the provision - settlement of costs	-	(939)	(41)	(1 028)	(147)	(2 148)
	Net exchange differences translated from financial statement to currency presented	-	7	12	13	-	32
Value of provisions at the end of the period, including		8 231	12 524	7 209	10 510	997	39 471
	- long term provisions	7 227	-	-	439	-	7 666
	- short-term provisions	1 004	12 524	7 209	10 071	997	31 805

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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 quarter 2022	I quarter 2021	I quarter 2022	I quarter 2021
Revenues from sales of products, goods and materials	80 203	69 595	17 258	15 222
Profit (loss) from operating activities	(5 413)	4 864	(1 165)	1 064
EBITDA	1 328	9 371	286	2 050
Gross profit	7 892	3 613	1 698	790
Net profit	7 966	1 559	1 714	341
Net profit attributable to shareholders of the Group's parent company	7 966	1 559	1 714	341
Weighted average number of shares	32 725 854	32 787 007	32 725 854	32 787 007
Net profit (loss) per one ordinary share [PLN/ share]	0.24	0.05	0.05	0.01
Cash flows from operating activities	5 436	(10 623)	1 168	(2 279)
Net cash flow from investment activities	(3 728)	(5 870)	(801)	(1 260)
Cash flows from financial activities	(2 102)	16 628	(452)	3 568
Total cash flows	(394)	135	(85)	29
SPECIFICATION	31.03.2022	year 2021	31.03.2022	year 2021
Assets in total	557 166	540 654	119 756	117 549
Fixed assets	368 805	402 920	79 270	87 603
Current assets	188 361	137 734	40 486	29 946
Equity capital with non-controlling interests	351 012	363 238	75 446	78 975
Share capital	3 278	3 278	705	713
Long-term liabilities and provisions	19 879	18 677	4 273	4 061
Short-term liabilities and provisions	186 275	158 739	40 038	34 513
Weighted average number of shares	32 725 854	32 778 619	32 725 854	32 778 619
Net book value per ordinary share [PLN/ share].	10.73	11.08	2.31	2.41

The above financial figures for the 3 months of 2022 and 2021 have been translated into EUR as follows:

- individual items of the statement of comprehensive income - according to the exchange rate constituting the arithmetic mean of the average EUR exchange rates determined by the National Bank of Poland as at the last day of each month of the reporting period: from 1 January to 31 March 2022 - 4.6472 EUR/PLN and from 1 January to 31 March 2021 - 4.5721 EUR/PLN;
- individual items of the cash flow statement - at the average EUR exchange rate set by the National Bank of Poland as at 31 March 2022 - 4.6525, as at 31 March 2021 - 4.6603;
- individual items of the statement of financial position - at the average EUR exchange rate set by the National Bank of Poland as at 31 March 2022 - 4.6525, as at 31 December 2021 - 4.5994;

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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	
	31.03.2022	31.12.2021
Fixed assets	368 805	402 920
Intangible assets	28 060	10 751
Goodwill of the company	34 506	-
Tangible fixed assets	108 927	96 899
Right to use assets under lease	10 793	9 626
Investment property	1 011	1 011
Other long-term financial assets	170 957	270 495
- <i>in related entities</i>	170 957	270 495
Assets by virtue of deferred income tax	14 551	14 138
Current assets	188 361	137 734
Stocks	115 034	91 811
Commercial receivables	53 483	39 038
- <i>from related entities</i>	5 660	2 025
- <i>from other entities</i>	47 823	37 013
Receivables from corporate income tax	481	540
Receivables from other taxes, customs duties and social security	1 257	1 245
Other short-term liabilities	11 763	206
- <i>from related entities</i>	11 104	-
- <i>from other entities</i>	659	206
Other short-term financial assets	307	166
- <i>in other entities</i>	307	166
Cash and cash equivalents	2 013	2 407
Short-term interim settlements	4 023	2 321
TOTAL ASSETS	557 166	540 654

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

SPECIFICATION	as of	
	31.03.2022	31.12.2021
Equity capital	351 012	363 238
Equity capital attributable to equity holders of the parent company	351 012	363 238
Share capital	3 278	3 278
Own shares	(1 632)	(450)
Other capitals	333 630	342 759
Capital from the revaluation of a defined benefit plan	(862)	(862)
Capital from valuation of hedging transactions	19	77
Undistributed financial result	16 579	18 436
- undistributed result from previous years	18 436	-
- result of the current period	7 966	18 436
- write-offs from the current year's result	(9 823)	-
Liabilities	206 154	177 416
Long-term liabilities and provisions	19 879	18 677
Long-term loans and borrowings	6 000	7 000
- from other entities	6 000	7 000
Long-term liabilities	295	300
- towards other entities	295	300
Long-term liabilities due to the right to use assets under lease	8 329	7 542
Long-term liabilities arising from employee benefits	5 255	3 835
Short-term liabilities and provisions	186 275	158 739
Short-term loans and borrowings	115 051	98 691
- from related entities	10	-
- from other entities	115 041	98 691
Commercial liabilities	43 748	34 949
- towards affiliated entities	1 154	1 220
- towards other entities	42 594	33 729
Liabilities due to other taxes, customs duties and social security	5 691	3 254
Other short-term liabilities	6 389	10 093
- towards affiliated entities	116	372
- towards other entities	6 273	9 721
Short-term liabilities due to the right to use assets under lease	2 195	1 551
Short-term liabilities arising from employee benefits	6 390	4 159
Other short-term provisions	6 811	6 042
LIABILITIES TOTAL	557 166	540 654

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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	
	31.03.2022	31.12.2021
Contingent receivables	250	250
Contingent receivables from other companies	250	250
Contingent liabilities	30 884	27 953
Contingent liabilities relating to related parties	6 448	6 369
- due to guarantees and securities granted to related entities	6 448	6 369
Contingent liabilities towards other companies	24 436	21 584
- due to guarantees and sureties granted	24 436	21 584
Other off-balance sheet items	110 125	122 235
Mortgage	35 900	35 900
Security over assets	74 225	86 335
Total off balance sheet items	141 259	150 438

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 of PLN 190 million, including 10 million for non-revolving working capital credit for Apator S.A.):
 - contractual mortgage on the property of Apator S.A. in Ostaszewo up to the amount of 35,9 M PLN (taken into consideration 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 a long-term investment loan 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 8.4 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:	01.01.2022 – 31.03.2022	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 the provision of contractual guarantees within a revolving limit (limit for the Group of PLN 25 million), 1 promissory note to secure a factoring agreement for financing "confirming" supplies, concluded with Santander Faktoring Sp. z o.o., 1 promissory note to secure a leasing agreement concluded with mLeasing Sp. z o.o., 3 bills of exchange as collateral for the contractual guarantee agreement with PZU SA and 5 bills of exchange as collateral for the contract guarantee agreement with KUKE S.A.

In addition, as of March 31, 2022, Apator S.A. was a party to the following intra-group guarantees and sureties (included in the table above):

- guarantee of return of advance payment by Apator Metrix S.A. in the amount of EUR 1.2 millio (PLN 5.8 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.

In addition, as of March 31, 2022, Apator S.A. was the beneficiary of a payment guarantee for the amount of PLN 250 thousand, issued by Bank Millennium S.A., with the term to 31 August 2022.

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

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

SPECIFICATION	for period	
	01.01.2022	01.01.2021
	31.03.2022	31.03.2021
Revenue from sales and services	80 203	69 595
- to related entities	21 084	20 929
- other entities	59 119	48 666
Cost of sales of goods and services	(70 322)	(54 279)
- to related entities	(14 147)	(12 649)
- other entities	(56 175)	(41 630)
Gross sales profit	9 881	15 316
Sales costs	(2 602)	(1 620)
General administrative costs	(13 263)	(10 233)
Profit (loss) from sales	(5 984)	3 463
Other operating income, including	571	1 401
- including result on impairment of receivables	(135)	-
Result on sale and liquidation of property, plant and equipment and intangible assets	81	-
Result on revaluation of non-financial current assets	(135)	(3)
Result on other operating activities	625	1 404
Profit (loss) from operating activities	(5 413)	4 864
Financial revenues (costs), including:	13 305	(1 251)
Dividends and shares in profits	15 214	-
- from related entities	15 214	-
Interest on loans and borrowings	(1 042)	(97)
Net profit (loss) on other interest	(44)	(51)
Result on exchange rate differences	(904)	(802)
Result on foreign exchange transactions	291	(85)
Other financial costs	(210)	(216)
Profit before tax	7 892	3 613
Current income tax	(770)	(1 364)
Deferred income tax	844	(690)
Net profit	7 966	1 559

SPECIFICATION	for period	
	01.01.2022	01.01.2021
	31.03.2022	31.03.2021
Other comprehensive income		
Other comprehensive income net	(58)	414
Items that may be reclassified to profit or loss in the future		
Result on hedge accounting with tax effect	(58)	414
Total comprehensive income	7 908	1 973
Net profit, of which attributable:	7 966	1 559
shareholders of parent company	7 966	1 559
Total comprehensive income, including accrued income:	7 908	1 973
shareholders of parent company	7 908	1 973

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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 01.01.2022	3 278	(450)	342 759	(862)	77	18 436	363 238
Changes in equity during the period from 01.01.2022 to 31.03.2022							
Comprehensive income							
Net profit for the period from 01.01.2022 to 31.03.2022	-	-	-	-	-	7 966	7 966
Other comprehensive income							
Items that may be reclassified to profit or loss in the future							
Result on hedge accounting including with tax effect	-	-	-	-	(58)	-	(58)
Total comprehensive income recognised in the period from 01.01.2022 to 31.03.2022	-	-	-	-	(58)	7 966	7 908
Transactions with owners recognised directly in equity							
Dividends	-	-	-	-	-	(9 823)	(9 823)
Purchase of treasury shares	-	(1 182)	-	-	-	-	(1 182)
Capital from merger of entities of Apator S.A. and Apator Elkomtech S.A.	-	-	(9 129)	-	-	-	(9 129)
Total transactions with owners in the period from 01.01.2022 till 31.03.2022	-	(1 182)	(9 129)	-	-	(9 823)	(20 134)
Balance as at 31.03.2022	3 278	(1 632)	333 630	(862)	19	16 579	351 012

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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 01.01.2021	3 281	(300)	331 200	(1 026)	(550)	36 799	369 404
Changes in equity during the period from 01.01.2021 to 31.03.2021							
Comprehensive income							
Net profit for the period from 01.01.2021 to 31.03.2021	-	-	-	-	-	1 559	1 559
Other comprehensive income							
Items that may be reclassified to profit or loss in the future							
Result on hedge accounting including with tax effect	-	-	-	-	414	-	414
Total comprehensive income recognised in the period from 01.01.2021 to 31.03.2021	-	-	-	-	414	1 559	1 973
Transactions with owners recognised directly in equity							
Purchase of treasury shares	-	(239)	-	-	-	-	(239)
Total transactions with owners in the period from 01.01.2021 to 31.03.2021	-	(239)	-	-	-	-	(239)
Balance as at 31.03.2021	3 281	(539)	331 200	(1 026)	(136)	38 358	371 138

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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	
	01.01.2022	01.01.2021
	31.03.2022	31.03.2021
Cash flow from operating activities		
Profit before tax	7 892	3 613
Adjustments	(7 339)	4 854
Depreciation of intangible assets	2 076	697
Depreciation of property, plant and equipment	4 665	3 810
Profit on sale of property, plant and equipment and intangible assets	(81)	-
Gains on change in fair value of derivative instruments	(62)	(241)
Cost of interest	1 149	167
Dividend income	(15 214)	-
Other adjustments	128	421
Cash flows from operating activities before changes in working capital	553	8 467
Change in inventories	(2 645)	(20 169)
Change in receivables	5 977	1 500
Change in liabilities	4 540	7 158
Changes in provisions	333	(4 350)
Changes in prepayments and accruals	(1 555)	(1 481)
Cash generated in the course of operating activity	7 203	(8 875)
Income tax paid	(1 767)	(1 748)
Net cash flows from operating activities	5 436	(10 623)
Cash flows from investing activities		
Expenses related to acquisition of intangible assets	(726)	(1 123)
Expenses related to acquisition of fixed assets	(2 221)	(3 791)
Proceeds from the sale of fixed assets	62	1
Investments in subsidiaries	(5 109)	-
Dividends received	4 212	-
Other inflows (expenses)	54	(957)
Net cash provided by investing activities	(3 728)	(5 870)
Cash flows from financing activities		
Purchase of own shares	(1 183)	(239)
Inflows from loans and borrowings taken out	13 767	17 542
Repayment of loans and credits	(3 000)	-
Interest	(1 054)	(117)
Dividends paid	(9 823)	-
Repayment of liabilities under financial lease	(605)	(422)
Other expenses	(204)	(136)
Net cash from financial operations	(2 102)	16 628
Net increase (decrease) in cash and cash equivalents	(394)	135
Opening balance of cash and cash equivalents	2 407	4 488
Closing balance of cash and cash equivalents	2 013	4 623

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		

8.6. Generic costs

SPECIFICATION	for period	
	from 01.01.2022	from 01.01.2021
	till 31.03.2022	till 31.03.2021
Depreciation	6 741	4 507
Materials and energy consumption	44 020	36 548
External services	11 407	10 852
Employee benefits	19 703	18 625
Other costs	2 124	2 227
Costs of manufacturing products for the entity's own needs	(2 531)	(873)
Change in finished products, work in progress and prepayments	(2 097)	(7 076)
Cost of goods and materials sold	6 820	1 322
Total costs	86 187	66 132

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	
	31.03.2022	31.12.2021	31.03.2022	31.12.2021
Tangible fixed assets	677	-	4 013	1 543
Financial assets	268	268	-	-
Derivative instruments	109	80	59	32
Stocks	2 931	1 707	-	-
Liabilities arising from employee benefits	2 277	1 490	-	-
Provisions	1 217	1 257	-	-
Write-downs on receivables	478	147	-	-
Tax loss	21	-	-	-
Tax relief to be accounted for in future periods	10 517	10 517	-	-
Other	505	276	377	29
Total	19 000	15 742	4 449	1 604
Netting of assets and reserves	(4 449)	(1 604)	(4 449)	(1 604)
Deferred tax assets/provisions disclosed in the statement of financial position	14 551	14 138	-	-

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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	
	01.01.2022	01.01.2021
	31.03.2022	31.03.2021
Gross profit:	7 892	3 613
Income tax calculated at the applicable tax rates:	1 499	686
Adjustments	(1 573)	1 338
Tax on exempt income (dividends from related parties)	(2 891)	1 025
Unrecognized asset for losses on zone operations	1 201	-
Tax on non-deductible costs (fixed differences)	117	343
Other tax deductions	-	(30)
Income tax disclosed in the statement of comprehensive income	(74)	2 054
Effective tax rate	-0.94%	56.85%

Write-offs revaluing fixed and current assets

SPECIFICATION	At the beginning of the period	Change due to merger of entities of Apator S.A. and Apator Elkomtech S.A.	Change in the period	Closing balance at the end of period
Other financial assets	1 522	-	-	1 522
Stocks	8 982	4 214	2 229	15 425
Receivables	884	1 773	(52)	2 605
Total	11 388	5 987	2 177	19 552

Provisions for liabilities

PROVISIONS FOR LIABILITIES	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	4 482	2 134	1 378	6 042	-	14 036
Change due to merger of entities of Apator S.A. and Apator Elkomtech S.A.	1 493	691	497	263	1 142	4 086
Increase - creation of a provision charged to the current result	-	674	797	748	-	2 219
Decrease - write-off in income of unused amounts	-	(111)	-	(484)	-	(595)
Use of the provision - settlement of costs	-	(353)	(37)	(755)	(145)	(1 290)
Value of reserves at the end of the period, including:	5 975	3 035	2 635	5 814	997	18 456
- long term provisions	5 255	-	-	-	-	5 255
- short-term provisions	720	3 035	2 635	5 814	997	13 201

Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	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 made during 2021, effective as of January 1, 2021, with respect to recognition of costs of inventory write-downs, costs of scrapping inventories and costs of employee provisions, costs were shifted from other operating activities to cost of core operations / overheads (provisions for employee benefits) 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 the Q1 2021 reclassification is presented in the table below.

ITEMS OF THE REPORT / CHANGE TITLE	from 01.01.2021	Effect of change in accounting policy	from 01.01.2021
	till 31.03.2021		till 31.03.2021
	untransformed data		transformed data
Cost of goods sold	(53 961)	(318)	(54 279)
- other entities	(41 312)	(318)	(41 630)
Gross sales profit	15 634	(318)	15 316
Sales profit	3 781	(318)	3 463
Other operating income	1 083	318	1 401

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Entity name:	Apator Group		
Period covered by the financial statements:	01.01.2022 – 31.03.2022	Reporting currency:	Polish zloty (PLN)
Level of rounding:	all amounts are expressed in thousands of Polish zlotys (unless indicated otherwise)		