



RS-2024



Consolidated Financial Statement

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1. General information

1.1. Information about the Group of Companies

The Apator Capital Group (the “Capital Group”) consists of the parent company Apator S.A. (the “parent company”) and its directly and indirectly held subsidiaries.

1.1.1. Information about the parent company

The parent company, Apator Spółka Akcyjna with its registered office in Toruń (Poland), ul. Gdańska 4a, unit C4, was established by employees of the dissolved state-owned enterprise operating under the name Pomorskie Zakłady Aparatury Elektrycznej Apator in Toruń. Registration in the District Court in Toruń (Poland), 5th Commercial Division, took place on 14 January 1993 under number RHB 1364. On 24 October 2001, an entry was made in the Register of Entrepreneurs of the District Court in Toruń, 6th Commercial Division of the National Court Register, under number 0000056456. The parent company Apator S.A. conducts its business activity in the territory of Poland on the basis of the provisions of the Commercial Companies Code.

Address of the registered office of the entity - ul. Gdańska 4a unit C4, 87-100 Toruń, Poland.

Principal place of business – Ostaszewo 57C, 87-148 Łysomice, Poland.

1.1.2. Core activity of the parent company and the Group of Companies

According to the articles of association of the parent company, the core activity consists of the production and service activity in the field of electricity distribution and control equipment, as well as the sale of measurement equipment and systems. Shares of Apator S.A. are listed on the main market of the Warsaw Stock Exchange, sector according to the WSE classification – electromechanical industry.

The entities comprising the Group of Companies are generally focused on activities related to the production and sale of measuring instruments and devices, control and measurement, distribution and control equipment, SCADA class IT systems and telemechanical devices cooperating with them, protections and other network devices for distributed systems, providing the possibility of remote control and supervision of the power network in the full range of voltages and devices reading and transmitting data.

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1.1.3. Composition of the Group of Companies

The entities comprising the capital group that are subject to full consolidation are presented in the table below as at 31 December 2024 and 31 December 2023.

Company	Registered office	Core business activity	Competent court/ registering authority	Share in equity (corresponds to the share in voting rights)	Method of consolidation	Comments
APATOR MINING Sp. z o.o.	Katowice	Manufacture of distribution and control equipment, electricity, electric equipment, lifting devices, pumps and compressors and related service activities	The Regional Court in Katowice, 8th Commercial Division of the National Court Register; KRS (National Court Register) number 0000047770	100.00%	Full	Subsidiary
APATOR METRIX S.A.	Tczew	Manufacture of measuring, control, navigation, and other instruments and devices	The Regional Court in Gdańsk, 9th Commercial Division of the National Court Register; KRS [National Court Register] number: 0000046259	100.00%	Full	Subsidiary
FAP PAFAL S.A.	Świdnica	Manufacture of control and measurement instruments, electric and electronic equipment, commercial activities, maintenance services	The Regional Court for Wrocław – Fabryczna in Wrocław, 9th Commercial Division of the National Court Register; KRS (National Court Register) number 0000057162	100.00%	Full	Subsidiary
APATOR RECTOR Sp. z o.o.	Zielona Góra	Information technology, publishing activities, printing and reproduction of recorded media	The Regional Court in Zielona Góra, 8th Commercial Division of the National Court Register; KRS [National Court Register] number: 0000297413	100.00%	Full	Subsidiary
APATOR POWOGAZ S.A.	Jaryszki	Manufacture of measuring, control, research, and navigation instruments and devices, manufacture of other general-purpose machinery	The Regional Court Poznań – Nowe Miasto and Wilda in Poznań, 8th Commercial Division of the National Court Register; KRS [National Court Register] number: 0000028129	100.00%	Full	Subsidiary
APATOR GmbH	Berlin	Sale of prepayment systems for electricity and gas meters	HRB 123670B Charlottenburg	100.00%	Full	Subsidiary

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Company	Registered office	Core business activity	Competent court/ registering authority	Share in equity (corresponds to the share in voting rights)	Method of consolidation	Comments
APATOR TELEMETRIA Sp. z o.o.	Ślupsk	Manufacture of data reading and transmission devices, manufacture of system IT applications	The Regional Court Gdańsk – Północ in Gdańsk, 8th Commercial Division of the National Court Register; KRS [National Court Register] number: 0000290726	92.69%	Full	Subsidiary Direct and indirect share
APATOR METRA S.R.O.	Sumperk Czech Republic	Manufacture of cost allocator systems, thermometers, and thermostats	Krajský soud v Ostravě, 268 34 073	100.00%	Full	Subsidiary Indirect share
GEORGE WILSON INDUSTRIES Ltd*	Coventry United Kingdom	Manufacture and sale of domestic and industrial gas meters; smart metering in gas metering	Companies House, 02873275	100.00%	Full	Subsidiary Indirect share
APATOR Miitors ApS.	Aarhus Denmark	Design and development of ultrasonic technologies in the area of water and heat metering	The Central Business Register, 32763286	100.00%	Full	Subsidiary Indirect share

*) in accordance with note 1.1.4., the loss of control over GWI Ltd. occurred on 12 April 2024

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1.1.4. Loss of control over a subsidiary

On 5 April 2024, The Management Board of Apator S.A. announced that the company GWi Ltd. ("GWI") with its registered office in Coventry, United Kingdom (a company belonging to the Gas Segment and 100% owned by Apator Metrix S.A.), intended to cease its operations due to the unfavourable developments in the British gas market.

Following an analysis of the provisions of IFRS 10, the definition of control was no longer met, as:

- The investor, Apator Metrix S.A., does not exercise power over the investee,
- as a result of its involvement with the investee, it is not exposed to variable returns nor does it have rights to variable returns,
- it does not have the ability to use its power over the investee to influence the amount of its returns.

There were no representatives of the Apator Group in the management or supervisory bodies of the company, and therefore the Group had no influence over the functioning of the entity.

Apator Metrix S.A. (the direct shareholder) had no ability to influence the financial performance or any current significant actions taken by GWi from 12 April 2024. From that date, a pre-pack procedure was conducted (preparation for liquidation understood as an arrangement regarding the sale of the entire enterprise, part of it, or specific assets, negotiated with the purchaser before the appointment of an administrator and confirmed by them upon or shortly after their appointment), the aim of which was to maintain GWi's financial liquidity, with the administrator deciding on any debt repayments. Apator Metrix S.A., as the direct owner, legally had no ability to manage GWi from 12 April 2024. Any potential acquisition of GWi's assets by another entity was at the sole discretion of the administrator (insolvency practitioner) and not the sole shareholder (Investor – Apator Metrix S.A.). Therefore, in the opinion of the Apator Group, Apator Metrix S.A. did not have control over GWi from 12 April 2024.

Following the completed administration proceedings, i.e. the so-called "pre-pack insolvency strategy", on 10 June 2024, GWi Ltd. was officially placed into administration by the British court and two joint administrators were appointed to conduct the proceedings.

On 7 January 2025, the joint administrators issued a report on the actions undertaken, which included the following:

- the sale of the company's assets for up to GBP 600 thousand (the final amount depending on the future results achieved by the new owner),
- the transfer of all employees to the new owner of the sold assets,
- the allocation of proceeds from the sale, in accordance with British law, in the first instance towards the repayment of preferred creditors (e.g. tax authorities).

Following the conclusion of the administration proceedings, GWi Ltd. will be dissolved.

As a result of the loss of control over GWi Ltd., the assets and liabilities of this entity were excluded from the consolidated financial statements. Consequently, in the financial results for 2024, the derecognition of the negative net asset value of GWi Ltd. resulted in a one-off increase in the consolidated net result by PLN 4,283 thousand.

The result from the loss of control over the GWi entity was recognised as the difference between the company's assets and liabilities on the date control was lost and was presented under a separate line item titled "Loss of control over a subsidiary". A detailed reconciliation is presented in the table below.

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ITEM	Impact of the loss of control over GWI Ltd. on current profit
Fixed assets	6,236
Tangible fixed assets	(138)
Right-of-use assets	6,366
Non-current receivables	8
Current assets	2,288
Inventory	(918)
Trade receivables	2,161
Other short-term receivables	(1)
Cash and cash equivalents	1,046
Total assets	8,524
Liabilities	(12,807)
Long-term liabilities and provisions	(8,712)
Short-term liabilities and provisions	(4,095)
Net assets (recognised in the income statement under "Loss of control over a subsidiary")	(4,283)

The table below presents the impact of GWI Ltd.'s results on the Group's result from 1 January 2024 until the date of loss of control, i.e. 12 April 2024:

ITEM	Value
Sales revenue of products and services	4,715
Cost of goods and services sold	(5,406)
Gross loss on sales	(691)
Cost of sales	(92)
General administrative costs	(548)
Loss on sales	(1,331)
Other operating revenue	2
Loss on operating activities	(1,329)
Financial expenses	(354)
Loss before tax	(1,683)
Income tax	(6)
Net loss	(1,689)

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1.1.5. Members of the Management Board and the Supervisory Board as at 30 December 2024

Management Board

Maciej Wyczęsany – President of the Management Board (since 1 March 2023)

Łukasz Zaworski – Member of the Management Board (from 22 November 2023)

Supervisory Board

Janusz Niedźwiecki – Chairman of the Supervisory Board

Mariusz Lewicki – Deputy Chairman of the Supervisory Board

Janusz Marzygliński – Member of the Supervisory Board

Danuta Guzowska – Member of the Supervisory Board

Marcin Murawski – Member of the Supervisory Board

Kazimierz Piotrowski – Member of the Supervisory Board

Tadeusz Sosgórnik – Member of the Supervisory Board

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2. Information about the basis for preparation of the consolidated financial statements, the reporting currency and the applied rounding level

2.1. Basis for the preparation of the annual consolidated financial statements

The presented annual consolidated financial statements of Apator S.A. as at and for the year ended 31 December 2024 were prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union and the related interpretations published in the form of European Commission regulations.

The annual consolidated financial statements of Apator S.A. cover the year 2024 and include comparative data for the year 2023.

2.2. Accounting principles

The annual consolidated financial statements were prepared according to the historical cost principle (concept), except for the valuation of certain fixed assets (investment property) and financial instruments (derivatives), which are measured at fair value. In preparing the annual consolidated financial statements for the period from 1 January 2024 to 31 December 2024, the same accounting policies and calculation methods were applied as in the most recent consolidated financial statements for the year ended 31 December 2023, except for the application of new or amended standards and interpretations applicable to annual periods beginning on or after 1 January 2024.

2.3. Applied International Financial Accounting Standards

CONSIDERATION OF STANDARDS, AMENDMENTS TO ACCOUNTING STANDARDS AND INTERPRETATIONS IN FORCE AS AT 1 JANUARY 2024

The following standards adopted by the European Union have been applied by the Group as at 1 January 2024:

- Amendments to IFRS 16 "Leases" – Lease obligations in sale and leaseback transactions;
- Amendments to IAS 1 "Presentation of Financial Statements" – Current and Non-current Classification Of Liabilities and Non-current Liabilities with Covenants;
- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" – Supplier Financing Agreements.

The above standards did not have a significant impact on the consolidated financial statements for 2024. The main change concerned the disclosure of information on supplier financing arrangements. The standard requires the disclosure of information that enables users of the financial statements to understand the impact of supplier financing arrangements on liabilities and cash flows.

STANDARDS PUBLISHED BY THE INTERNATIONAL ACCOUNTING STANDARDS COMMITTEE, WHICH ARE NOT YET IN FORCE AND HAVE NOT BEEN ALREADY APPLIED BY THE COMPANY

The Apator Group has not opted to apply in this consolidated financial statement any standards, interpretations or amendments that have not yet come into force.

The following standards, amendments to standards and interpretations have not been adopted by the EU or are not yet in force for periods beginning on 1 January 2024 and have not been applied in the annual consolidated financial statements:

- Annual Improvements to IFRSs - Volume 11 (issued 18 July 2024). This includes amendments to five standards under the annual improvement project issued by the IASB. The amendments apply to IFRS 1, IFRS 7,

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IFRS 9, IFRS 10 and IAS 7 and will be effective for annual periods beginning on or after 1 January 2026; the amendments address differences between IFRS 9 and IFRS 15 in the initial measurement of trade receivables and the manner in which a lessee ceases to recognise a lease liability;

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" – Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025 – not yet approved by the EU as of the date of this financial statements); the amendment concerns the use of the spot exchange rate when translating foreign currency transactions in situations where the currency is non-convertible;
- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" – changes to classification and measurement of financial instruments (effective for annual periods beginning on or after 1 January 2026 – not yet approved by the EU as of the date of this financial statements); the amendment concerns the timing of recognition and derecognition of financial assets and financial liabilities, in particular when settled through electronic payment systems;
- Amendments to IFRS 9 and IFRS 7 Nature-Dependent Energy Contracts (Effective for annual periods beginning on or after 1 January 2026, earlier application is permitted); the amendments improve the financial reporting of contracts for the purchase of electricity from natural sources;
- IFRS 18 "Presentation and Disclosures in financial statements" (effective for annual periods beginning on or after 1 January 2027 – not yet approved by the EU as of the date of this financial statements); IFRS 18 replaces IAS 1 "Presentation of financial statements"; introduces a more structured income statement;
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (effective for annual periods beginning on or after 1 January 2027 – not yet approved by the EU as of the date of this financial statements); the amendment allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements if certain conditions are met;
- Amendments to IFRS 10 "Consolidated financial statements" and IAS 28 "Investments in Associates and Joint Ventures" – effective date deferred indefinitely. Available for optional adoption in full IFRS financial statements. The European Commission has decided to postpone approval indefinitely; it is unlikely that it will be approved by the EU in the foreseeable future; the amendments clarify that, in the case of a transaction involving an associate or joint venture, the scope of recognition of the gain or loss depends on whether the asset sold or contributed constitutes a business.

Regarding IFRS 18, the Group is currently assessing its future impact on the financial statements. The Group assesses that the introduction of the other aforementioned amendments to the standards will not have a material impact on the financial statements.

2.4. Reporting and functional currency and the rounding level applied

The reporting currency of this annual consolidated financial statements is Polish zloty (PLN), and all the amounts are expressed in PLN thousand (unless otherwise stated).

The functional currencies of the foreign subsidiaries are respectively:

- Apator GmbH – EUR,
- Apator Metra – CZK,
- George Wilson Industries Ltd. – GBP,
- Miitors ApS. – DKK.

As of the reporting date, the assets and liabilities of these foreign subsidiaries and their statements of comprehensive income are converted into the Group's reporting currency at the average exchange rate of the leading bank, namely ING, prevailing on that day. Foreign exchange differences arising from such conversions are directly recognised in equity as a separate component. The functional currency of the remaining companies is the Polish zloty (PLN).

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2.5. Duration of the group's activity

The duration of the activity of the parent company Apator S.A. and the entities covered by consolidation is indefinite.

The consolidated financial statements have been prepared on a going concern basis for the foreseeable future, i.e. for a period of not less than 12 months from the end of the reporting period.

2.6. Approval of the financial statements

These annual consolidated financial statements were approved and signed by the parent company's Management Board on 24 April 2025.

3. Consolidated financial statements of the Apator Group of Companies

3.1. Consolidated statement of financial position

ITEM	NOTE	as at	as at
		31 December 2024	31 December 2023
		in thous. PLN	in thous. PLN (restated in accordance with note 9)
Fixed assets	-	497,947	492,647
Intangible assets	7.4	88,444	94,114
Goodwill	7.5	120,004	120,672
Tangible fixed assets	7.6	215,334	196,811
Right-of-use assets	7.7	47,386	54,800
Investment property	7.8	1,019	2,234
Non-current receivables	7.11	2,367	3,536
Other long-term assets	7.14	210	303
Deferred tax assets	7.24	23,183	20,177
Current assets	-	467,410	481,474
Inventory	7.10	225,460	241,902
Trade receivables	7.11	185,495	188,117
Receivables from corporate income tax	7.11	1,198	6,285
Receivables from other taxes, customs duties and social insurance	7.11	9,804	7,703
Other short-term receivables	7.11	9,421	2,120
Other short-term financial assets	7.9	1,155	5,152
Cash and cash equivalents	7.13	17,716	22,939
Other short-term assets	7.14	11,208	7,256
Assets classified as held for sale	7.12	5,953	-
TOTAL ASSETS	-	965,357	974,121

The annual consolidated statement of financial position should be analysed in conjunction with the explanatory notes, which form an integral part of the financial statements.

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ITEM	NOTE	as at	
		31 December 2024	31 December 2023
		in thous. PLN	in thous. PLN (restated in accordance with note 9)
Equity	-	592,502	539,023
Equity attributable to the shareholders of the parent company	-	590,290	536,965
Share capital	7.15	3,265	3,265
Own shares	7.16	-3,522	-3,522
Other capital	7.17	574,829	600,182
Capital from the revaluation of a defined benefit plan	-	607	894
Capital from valuation of hedging transactions	-	389	1,645
Exchange rate differences on consolidation	-	6,132	7,200
Undistributed financial result	7.18	8,590	-72,699
Non-controlling interests	7.19	2,212	2,058
Liabilities	-	372,855	435,098
Long-term liabilities and provisions	-	63,274	81,146
Long-term credits and loans	7.20	24,621	29,545
Other long-term liabilities	-	-	2,750
Long-term contract liabilities	7.23	-	1,040
Long-term lease liabilities	7.22	28,954	37,608
Provision for deferred income tax	7.24	2,565	3,684
Long-term liabilities due to employee benefits	7.21	5,567	5,315
Other long-term provisions	7.21	1,567	1,204
Short-term liabilities and provisions	-	309,581	353,952
Short-term credits and loans	7.20	90,226	162,511
Trade liabilities	7.22, 7.32	101,768	103,592
Short-term contract liabilities	7.23	5,940	1,568
Liabilities due to corporate income tax	7.22	5,427	3,241
Liabilities due to other taxes, customs duties, and social insurance	7.22	19,722	15,880
Other short-term liabilities	7.22	16,853	22,182
Short-term lease liabilities	7.22	11,950	11,110
Short-term liabilities due to employee benefits	7.21	22,854	20,954
Other short-term provisions	7.21	29,785	12,914
Liabilities related to assets classified as held for sale	7.12	5,056	-
TOTAL LIABILITIES	-	965,357	974,121

The annual condensed statements of financial position is to be analysed in conjunction with explanatory notes which form an integral part of the financial statements.

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3.2. Consolidated statements of profit or loss or other comprehensive income

ITEM	NOTE	for the period	for the period
		from 1 January 2024	from 1 January 2023
		to 31 December 2024	to 31 December 2023
		in thous. PLN	in thous. PLN
Sales revenue of products and services	7.3	1,227,799	1,137,174
Cost of goods sold	7.25	-913,065	-881,346
Gross profit from sales	-	314,734	255,828
Cost of sales	7.25	-48,381	-44,903
General administrative costs	7.25	-162,894	-153,655
Sales profit	-	103,459	57,270
Change in write-downs on receivables	7.11	-280	-2,132
Result on other operating activity, including:	-	-18,045	-14,975
Revenue	7.26	2,365	3,020
Costs	7.26	-20,410	-17,995
Operating profit	-	85,134	40,163
Result on financial activity, including:	-	-7,599	-12,619
Revenue	7.27	7,001	8,048
Costs	7.27	-14,600	-20,667
Loss of control over a subsidiary	1.1.4	4,283	-
Profit before tax	-	81,818	27,544
Income tax	7.24	-8,604	-19,040
Net profit, of which attributable to:	-	73,214	8,504
the company's shareholders	-	73,060	8,138
non-controlling shareholders	-	154	366
Net profit per ordinary share:	-		
- basic	-	2.52	0.28
- diluted	-	2.52	0.28
Weighted average number of shares	7.15	29,047,073	29,047,073
Other comprehensive income	-		
Other net comprehensive income	-	-2,261	5,887
Items that may be reclassified to the financial result in the future:	-	-1,974	6,140
Foreign exchange differences on translation of foreign operations	-	-718	2,839
Result on hedge accounting with tax effect	-	-1,256	3,301
Items that will not be reclassified to profit or loss in the future:	-	-287	-253
Actuarial gains and losses	-	-287	-253
Total comprehensive income, of which attributable to:	-	70,953	14,391
the company's shareholders	-	70,799	14,025
non-controlling shareholders	-	154	366

The annual consolidated statement of profit or loss and other comprehensive income should be analysed in conjunction with the explanatory notes, which form an integral part of the financial statements.

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3.3. Consolidated statement of changes in equity

ITEM	Share capital	Own shares	Other capital	Capital from the revaluation of a defined benefit plan	Capital from valuation of hedging transactions	Exchange rate differences on consolidation	Undistributed financial result	Total equity attributable to equity holders of the parent company	Non-controlling interests	Total equity
	in thous. PLN	in thous. PLN	in thous. PLN	in thous. PLN	in thous. PLN	in thous. PLN	in thous. PLN	in thous. PLN	in thous. PLN	in thous. PLN
NOTE	7.15	7.16	7.17	-	7.30	-	7.17, 7.18	-	7.19	-
Balance as at 1 January 2024	3,265	-3,522	600,182	894	1,645	7,200	-72,699	536,965	2,058	539,023
Changes in equity in the period from 1 January 2024 to 31 December 2024	-	-	-25,353	-287	-1,256	-1,068	81,289	53,325	154	53,479
Net profit for the period from 1 January 2024 to 31 December 2024	-	-	-	-	-	-	73,060	73,060	154	73,214
Other comprehensive income	-	-	-	-287	-1,256	-718	-	-2,261	-	-2,261
Items that may be reclassified to the financial result in the future:										
Result on hedge accounting with tax effect	-	-	-	-	-1,256	-	-	-1,256	-	-1,256
Net foreign exchange differences on the translation of financial statements into presentation currency	-	-	-	-	-	-718	-	-718	-	-718
Items that will not be reclassified to the financial result in the future										
Revaluation of the defined benefit plan provision including tax effect	-	-	-	-287	-	-	-	-287	-	-287
Total comprehensive income recognised in the period from 1 January 2024 to 31 December 2024	-	-	-	-287	-1,256	-718	73,060	70,799	154	70,953
Transactions with owners recognised directly in equity	-	-	-25,353	-	-	-350	8,229	-17,474	-	-17,474
Dividends	-	-	-	-	-	-	-17,428	-17,428	-	-17,428
Distribution of result to supplementary	-	-	29,158	-	-	-	-29,158	-	-	-
Loss coverage from supplementary	-	-	-54,511	-	-	-	54,511	-	-	-
Exclusion of a subsidiary (GWI) from consolidation	-	-	-	-	-	-350	304	-46	-	-46

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Balance as at 31 December 2024	3,265	-3,522	574,829	607	389	6,132	8,590	590,290	2,212	592,502
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ITEM	Share capital	Own shares	Other capital	Capital from the revaluation of a defined benefit plan	Capital from valuation of hedging transactions	Exchange rate differences on consolidation	Undistributed financial result	Total equity attributable to equity holders of the parent company	Non-controlling interests	Total equity
	in thous. PLN	in thous. PLN	in thous. PLN	in thous. PLN	in thous. PLN	in thous. PLN	in thous. PLN	in thous. PLN	in thous. PLN	in thous. PLN
NOTE	7.15	7.16	7.17	-	7.30	-	7.17, 7.18	-	7.19	-
Balance as at 1 January 2023	3,265	-3,522	562,967	1,147	-1,656	4,361	-29,215	537,347	1,801	539,148
Changes in equity from 1 January 2023 to 31 December 2023	-	-	37,215	-253	3,301	2,839	-43,484	-382	257	-125
Net profit for the period from 1 January 2023 to 31 December 2023	-	-	-	-	-	-	8,138	8,138	366	8,504
Other comprehensive income	-	-	-	-253	3,301	2,839	-	5,887	-	5,887
Items that may be reclassified to the financial result in the future:										
Result on hedge accounting with tax effect	-	-	-	-	3,301	-	-	3,301	-	3,301
Net foreign exchange differences on translation of financial statements into presentation currency	-	-	-	-	-	2,839	-	2,839	-	2,839
Items that will not be reclassified to the financial result in the future										
Revaluation of the defined benefit plan provision, including tax effect	-	-	-	-253	-	-	-	-253	-	-253
Total comprehensive income recognised in the period from 1 January 2023 to 31 December 2023	-	-	-	-253	3,301	2,839	8,138	14,025	366	14,391
Transactions with owners recognised directly in equity			37,215				-51,622	-14,407	-109	-14,516
Dividends	-	-	-	-	-	-	-14,525	-14,525	-109	-14,634
Distribution of result to supplementary	-	-	37,215	-	-	-	-37,215	-	-	-
Other changes in capital	-	-	-	-	-	-	118	118	-	118
Balance as at 31 December 2023	3,265	-3,522	600,182	894	1,645	7,200	-72,699	536,965	2,058	539,023

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The annual consolidated statement of changes in equity should be analysed in conjunction with the explanatory notes, which form an integral part of the financial statements.

3.4. Consolidated statement of cash flow

ITEM	NOTE	for the period	for the period
		from 1 January 2024	from 1 January 2023
		to 31 December 2024	to 31 December 2023 (restated in accordance with note 9)
		in thous. PLN	in thous. PLN
Cash flows from operating activities			
Profit before tax	-	81,818	27,544
Adjustments:	-	67,757	88,773
Amortisation of intangible assets	7.4	16,268	16,807
Amortisation of tangible fixed assets	7.6	30,172	30,882
Depreciation of right-of-use assets	7.7	10,872	8,725
Revaluation write-downs for tangible fixed assets depreciation	7.6	453	3,408
Profit on sale of tangible fixed assets and intangible assets	-	-867	-1,365
Impairment write-downs on intangible assets	7.4	3,969	-
Profit on fair value measurement of investment property	7.8	-716	-57
Profit (loss) due to change in fair value of derivatives	7.28	2,115	-920
Interest costs	7.28	9,877	15,676
Loss of control over a subsidiary	1.1.4	-4,283	-
Interest revenue	-	-377	-336
Other adjustments	7.28	274	15,953
Cash from operating activity before changes in working capital	-	149,575	116,317
Change in inventories	7.28	17,454	8,090
Change in receivables	7.28	-8,434	9,782
Change in other assets	7.28	-2,109	2,192
Change in liabilities	7.28	-18,739	-27,088
Change in provisions	7.28	19,005	6,788
Other adjustments	-	-6	-
Cash generated in the course of operating activities	-	156,746	116,081
Tax return	-	7,070	7,277
Income tax paid	-	-12,623	-15,423
Net cash from operating activities	-	151,193	107,935
Cash flows from investment activities			
Expenditure on the acquisition of intangible assets	7.28	-13,631	-17,803
Expenditure on the acquisition of tangible fixed assets	7.28	-43,691	-18,499
Proceeds from the sale of tangible fixed assets	7.28	1,758	12,196
Cash at date of loss of control over a subsidiary (GWI)	1.1.4	-1,046	-
Other expenditure	7.28	-2,058	-1,119
Net cash used from investment activities	-	-58,668	-25,225
Cash flows from financial activities			
Proceeds from credits and loans	7.28	31,396	24,706
Repayment of credits and loans	7.28	-88,845	-71,482
Interest paid	7.28	-8,157	-14,168
Dividends paid	7.28	-17,428	-14,612

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Repayment of lease liabilities	7.28	-13,257	-11,582
Other expenditure	7.28	-1,457	-1,613
Net cash from financial activities	-	-97,748	-88,751
Net decrease in cash	-	-5,223	-6,041
Opening balance of cash	7.13	22,939	28,980
Closing balance of cash	7.13	17,716	22,939

The annual consolidated statement of cash flows should be analysed together with the explanatory notes, which form an integral part of the financial statements.

4. Significant accounting principles used

4.1. Basis for preparation (general principles)

The consolidated financial statements have been prepared according to the historical cost principle, except for the valuation of certain fixed assets (investment properties) and financial instruments (derivatives), which are measured at fair value.

The most significant accounting principles applied by the Group are presented in section from 4.2.1 to 4.3.16.

The accounting principles and policies presented below were applied to all periods presented in the consolidated financial statements by the Group.

4.2. Consolidation

4.2.1. Consolidation principles

The consolidated financial statements include the financial statements of the parent company Apator S.A. and its subsidiaries.

As at the date of acquisition of a subsidiary (obtaining control), the assets and liabilities of the acquired entity are measured at their fair value. The surplus of the acquisition price over the fair value of identifiable acquired net assets of the entity is recognised in the assets of the statement of financial position as goodwill. If the acquisition price is lower than the fair value of the identifiable acquired net assets of the entity, the difference is recognised in the result of the period in which the acquisition took place.

Subsidiaries over which the parent company has lost control during the year are consolidated from the beginning of the financial year to the date of loss of control. Financial results of entities acquired during the year are recognised in the consolidated financial statements from the date of acquiring control.

4.2.2. Goodwill

Goodwill is an asset representing the future economic benefits arising from assets acquired in a business combination that cannot be individually identified or separately recognised.

Goodwill is recognised as an asset and is subject to impairment testing at least once a year. The effects of impairment are recognised in profit or loss and are not reversed in subsequent periods.

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4.3. Detailed principles for the valuation of assets and liabilities applied in the Group

4.3.1. Intangible assets

Research and development

Expenses incurred during the research phase with the intention of acquiring new scientific or technical knowledge are recognised in profit or loss for the current period as they are incurred. Development work refers to the group of companies' own efforts in the field of innovation, which are focused on creating new products and services or improving existing products, processes or services.

Expenditure incurred on development work, the results of which find application in the development or manufacture of a new or substantially improved product, is subject to capitalisation when the prerequisites of IAS 38 are met:

- it is technically feasible and economically viable to complete the development of the new product (or process),
- the Group has the technical, financial and other necessary resources to complete the development work,
- the product will generate future economic benefits and will be available for use or sale,
- throughout the course of the research and development work, the assumptions regarding the ability to sell the products generated under the project are maintained,
- it is possible to reliably measure the expenditure attributable to the project during the development phase.

As at the balance sheet date, the Group reviews projects in progress for compliance with IAS 38.

Development work is recognised as an intangible asset based on its cost or acquisition price reduced by accumulated amortisation write-downs and impairment write-downs.

Costs to be capitalised include: costs of materials, remuneration of employees directly involved in the development work, costs of outsourced services, a reasonable portion of the costs indirectly related to the generation of the intangible asset, and capitalised borrowing costs. Other development costs are recognised in profit or loss for the current period as they are incurred.

Other intangible assets

Other intangible assets acquired by the Group with a specified useful economic life are reported based on their acquisition price, reduced by amortisation write-downs and impairment loss.

Expenditure incurred at a later date

Subsequent expenditure on existing intangible assets is capitalised only if it increases future economic benefits associated with a given asset. Other expenditure, including internally generated expenditure: trademarks and branding, are recognised as a profit or loss for the current period as they are incurred.

Amortisation and depreciation

Amortisation expense is recognised in operating expenses in the income statement (cost of sales, selling expenses and administrative expenses). The Group applies the straight-line method to amortise intangible assets, other than goodwill, over their estimated useful lives, starting from the date the asset is available for use, in a manner that best reflects the pattern in which the future economic benefits associated with the asset are expected to be realised.

The Group assumes the following useful lives for each category of intangible assets:

- | | |
|---------------------------|-------------------|
| ▪ Patents and licenses | from 2 to 5 years |
| ▪ Development work | from 3 to 5 years |
| ▪ Computer software | from 3 to 5 years |
| ▪ Customer relations | up to 10 years |
| ▪ Other intangible assets | up to 5 years) |

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4.3.2. Tangible fixed assets

Tangible fixed assets are property, plant and equipment held by the Group for use in the production, supply of goods or services, rental to third parties or for administrative purposes, which are expected to be used for more than 12 months. They are measured at the purchase price or production cost less amortisation write-downs and impairment write-downs.

In line with the component-based approach, the Group adopts different depreciation rates for significant components of a tangible fixed asset. Depreciation commences when the item of property, plant and equipment is available for use. The determination of annual depreciation rates takes into account the useful economic life of the tangible fixed asset. The correctness of the application of depreciation periods and rates by the Group is periodically reviewed by the managers. For the depreciation of tangible fixed assets, the straight-line depreciation method is used. Amortisation expense is recognised under operating costs in the statement of profit or loss. The useful lives for individual assets are as follows:

- Buildings and structures from 3 to 40 years
- Machinery and equipment from 2 to 25 years
- Means of transport from 3 to 10 years
- Other tangible fixed assets from 2 to 10 years

If circumstances arise that indicate that the reporting value of the tangible fixed assets may not be recoverable, a review of these assets for possible impairment is performed. If there are indications that an impairment may have occurred and the reporting value exceeds the estimated recoverable amount, then the value of those assets or the cash-generating units to which they belong is reduced to their recoverable amount. The recoverable amount corresponds to the higher of the following two values: fair value less selling costs or value-in-use costs. When determining value in use, estimated future cash flows are discounted to present value using a gross discount rate that reflects current market assessments of the time value of money and the risks associated with the asset. In the case of an asset that does not generate cash inflows in a substantially independent manner, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Profit or loss arising from the sale/liquidation or discontinued use of tangible fixed assets is determined as the difference between the sales revenue and the net value of these assets and are recognised in the result of the period in which the sale occurred.

Property, plant and equipment under construction relate to assets in the course of construction or assembly and are presented at purchase cost or cost of production, including capitalised borrowing costs. Tangible fixed assets under construction are not depreciated until the construction is completed and the asset is handed over for use.

4.3.3. Leases

The recognition of whether a contract contains the characteristics of a lease depends on the content of the contract at the time of its conclusion, indicating whether the performance of the contract depends on the use of a specific asset or whether the contract gives an effective right to use a specific asset, even if this right is not expressly included in the contract.

Contracts may contain lease and non-lease components. The Group allocates the consideration specified in the contract to the lease and non-lease components respectively, based on their relative selling prices.

However, in the case of property leases where the Group is the lessee, the Group has elected not to separate non-lease components from lease components and to account for them as a single lease component. This applies to those parts of the lease payment which form an integral part of the lease agreement and are recognised as part of the lease, including, for example, fixed utility charges determined on a lump-sum basis proportionate to the leased area.

Lease assets and liabilities are measured at initial recognition at present value. Lease liabilities include the net present value of the following lease payments:

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- fixed lease payments (including in-substance fixed lease payments) less any lease incentives receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate according to their value at the commencement date,
- amounts expected to be payable under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- financial penalties for lease termination if the lease terms provide for the option to terminate the lease and there is no reasonable certainty that the lease will not be terminated.

Lease payments are discounted using the lease interest rate. In most cases, the rate follows directly from the terms of the contract. If this rate cannot be easily determined, the lessee's incremental borrowing rate is used, i.e. the interest rate a lessee would have to pay to borrow the funds necessary to obtain an asset of similar value, in a similar economic environment, over a similar term and with a similar security.

To determine the incremental borrowing rate, the Group uses the borrowing costs, consisting of the base rate and a margin.

If a readily observable credit rate is available to an individual lessee (based on recent financial or market data) who has a similar payment profile similar to that of leasing, then the Group uses this rate as the starting point for determining the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they come into effect. When adjustments to lease payments based on an index or rate come into effect, the lease liability is subject to reassessment and adjustment in relation to the right-of-use asset component.

Lease payments are allocated between principal amount and finance costs. Finance costs charge the financial result over the lease term in such a way as to achieve a constant periodic interest rate on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost, which includes:

- the amount of the initial measurement of the lease liability,
- any lease payments made on or before the inception date, less lease incentives received,
- any initial direct costs,
- costs of restoring to original condition.

Right-of-use assets are depreciated on a straight-line basis over the useful life of the assets, not exceeding the lease term. If a Group company is reasonably certain that it will exercise its call option, the right-of-use asset is depreciated over the useful life of the asset.

The Group assumes the following useful lives for the lease assets:

- perpetual usufruct of land – 99 years, i.e. perpetual,
- lease of office space and production building – 3 to 10 years (depending on the purpose of the property),
- machinery and equipment – 4 to 16 years,
- computer hardware – 3 years,
- instruments, tools – 4 years,
- means of transportation – 3 to 4 years.

Payments related to short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis in the profit and loss account. Short-term leases refer to leases of 12 months or less. The Group made use of the exemption allowing it not to recognise low-value assets under the general

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lease model. The materiality threshold has been set at PLN 20 thousand for the value of the right-to-use of an individual leased asset.

Lease periods are negotiated individually and include a wide range of varying conditions. Lease agreements do not impose any other special conditions (the so-called covenants) except for the collateral on leased assets in favour of the lessor. The leased assets cannot be used as collateral for credits and loans.

As a rule, the lease agreements concluded by the Group do not include an extension option, but this does not exclude extending the agreement for another period. These agreements, however, generally contain termination clauses, used to ensure the greatest possible operational flexibility with regard to the management of assets used in the Group's operating activities. Most lease termination options can be exercised by both the Group and the lessor.

4.3.4. Investment property

Investment property is considered to be property that is treated as a source of rental income and/or is held due to expected appreciation in value. Nieruchomości inwestycyjne początkowo ujmowane są w cenie nabycia. As at the reporting date, investment property is measured at fair value, based on historical experience as well as market assumptions and judgements regarding its potential. Profit and loss arising from changes in the fair value of investment properties is recognised in the financial result in the period in which it arises.

4.3.5. Fixed assets and groups of net assets held for sale

Fixed assets classified as held for disposal as well as groups of net assets held for sale are measured at the lower of the following two values: the reporting value or fair value less costs to sell. These assets are not subject to amortisation.

Non-current assets and groups of net assets are classified as held for sale when:

- their carrying amount will be recovered principally through a sale transaction rather than through their continued use,
- the asset (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), and the sale is highly probable,
- the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value.

4.3.6. Inventory

Materials and goods are valued at acquisition price (purchase price plus transport costs, border charges, customs, unloading and loading costs). The release of materials and goods is valued at a weighted average.

Products are valued on an ongoing basis at their manufacturing cost, and the inventory of products and goods is valued at a production cost not higher than their net selling prices obtainable if the sale had taken place at the reporting date. The manufacturing cost consists of the sum of direct costs (materials, wages) and a reasonable proportion of the indirect costs associated with the manufacture of the product, comprising the indirect costs of production and the proportion of fixed indirect costs corresponding to the level of these costs at normal capacity utilisation.

The inventory is reviewed at the end of each reporting period. A 100% write-down is made on economically unusable inventory. In addition, to make inventory values realistic, an age structure analysis is carried out, with the decisive factor being the date of acceptance and release from the warehouse. This way of statistically calculating write-downs includes an element of estimation that affects the reporting value of the inventory. An inventory write-down adjusts the value of individual inventory items to their net realisable value and is recognised in operating expenses, increasing the cost of sales.

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4.3.7. Financial instruments

The Group classifies as a financial instrument any agreement which results in the simultaneous creation of a financial asset for one party and a financial liability or equity instrument for the other party, provided that there are clear economic effects from a contract between two or more parties.

The classification of financial assets depends on the financial asset management model adopted by the Group and the contractual terms of the cash flows.

Financial assets are classified into one of the following categories:

- assets measured at amortised cost - debt instruments held for the purpose of collecting contractual cash flows, which include only principal and interest payments. In this category, the Company classifies and presents in the statement of financial position particularly:

- trade, investment receivables,
- cash;

Trade and other receivables of the Group primarily include trade receivables from unrelated entities arising from the Company's performance of deliveries under concluded contracts. Należności handlowe, których termin zapadalności wynosi zazwyczaj od 14 do 90 dni, ujmowane są w wartości nominalnej, tj. according to the amounts originally invoiced. As at the balance sheet date, trade receivables are measured at amortised cost, taking into account a write-down calculated using the expected credit loss model.

- assets measured at fair value through financial result - assets that do not meet the criteria for measurement at amortised cost or at fair value through comprehensive income are measured at fair value through financial result. The Group includes derivatives (in particular swap and forward contracts) in this category.

Financial liabilities are classified into one of the following categories:

- presented at fair value through financial result – are recorded under "Trade liabilities and other short-term liabilities" and include derivatives held by the Group (in particular swap and forward contracts),
- measured at amortised cost – financial liabilities not classified as "recognised at fair value through financial result"; are primarily recorded under the item "Trade liabilities and other short-term liabilities", "Lease liabilities", "Long-term credits and loans" and "Short-term credits and loans".

Recognition and measurement of a financial asset and a financial liability at recognition and derecognition

The Group recognises a financial asset or liability in its statement of financial position if, and only if, it becomes a party to the contract concerning that instrument.

They are initially measured at fair value, except for trade receivables without a significant financing component, which are recognised at the transaction price. Costs of transaction allocated directly to the purchase or issue of financial assets and liabilities (except for financial assets and liabilities valued at fair value through profit and loss) are added to or deducted from, respectively, fair value of financial assets or liabilities at their initial recognition.

Costs of transaction allocated directly to the purchase of financial assets or taking over of financial liabilities measured at fair value through profit and loss are recognised directly in the result.

Financial assets are derecognised when the rights to receive cash flows from them have expired or have been transferred, and the Group has transferred substantially all the risks and benefits resulting from their ownership. Where the Group does not transfer or retain all the risks and benefits resulting from the ownership rights but continues to control the transferred asset, it recognises the retained interest in the asset and the associated liabilities it will have to pay.

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If the Group retains all the risks and benefits resulting from the ownership of the transferred asset, it continues to recognise the asset and the borrowing secured for the benefits received.

The Group ceases to recognise financial liabilities only when they are met, cancelled or expire. The difference between the carrying amount of a derecognised financial liability and the amount paid or payable is recognised in the result.

Valuation after initial recognition

Assets measured at amortised cost are recognised (after initial recognition) at amortised cost, using the effective interest rate method.

Financial liabilities, other than those measured at fair value through financial result, are recognised at amortised cost using the effective interest rate method.

Financial assets and liabilities classified as measured at fair value through financial result (including derivatives) are revalued to fair value with the effects of the valuation recognised in profit or loss.

Impairment of financial assets

The Group uses the expected credit loss model (ECL) for the following categories of financial assets measured at amortised cost:

- trade receivables - represent amounts due from customers for goods sold or services rendered in the ordinary course of business. If the repayment can be expected within one year (or in the normal business cycle of the enterprise if longer), the receivables are classified as current assets. Otherwise, they are reported as fixed assets.
- cash.

The Group assesses expected credit loss associated with financial assets measured at amortised cost, irrespective of whether there is an indication of impairment.

Impairment write-down on trade receivables

For short-term trade receivables, the Group applies the simplified approach (in accordance with IFRS 9) and measures impairment write-down at the amount of credit loss expected over the life of the receivable from its initial recognition.

An impairment write-off is recognised for current receivables, overdue (doubtful) receivables, receivables in debt collection and disputed receivables at gross amounts (including VAT). Impairment write-off on overdue receivables is recognised after taking into account the accumulated write-offs for disputed receivables and receivables in debt collection.

Impairment write-off is made based on an estimate of the probability of recoverability of assets, based on historical data. In addition, the Group creates specific write-downs for receivables at risk of uncollectibility (i.e. subject to litigation or bankruptcy proceedings).

Bank loans

Bank loans are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, such liabilities are measured at amortised cost using the effective interest method.

Reverse factoring liabilities

Reverse factoring liabilities are measured at amortised cost.

The factor repays trade liabilities on behalf of the Group in exchange for interest paid for the financing period. The Group presents interest costs under finance costs in the income statement.

Trade liabilities to the supplier submitted to the factor are still recognised as trade payables at the time the obligation is financed by the factor, due to their original nature being retained and the similar payment terms.

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Cash flows to the factor are recognised within operating activities in the statement of financial position, as they remain part of the Group's normal operating activities. Financing costs are recognised under financing activities.

Trade liabilities and other liabilities

After initial recognition, all liabilities, except those measured at fair value, are measured at adjusted acquisition price, using the effective interest method.

Hedge accounting

Cash flow hedging

The Group has elected to remain with the hedge accounting requirements of IAS 39, rather than those of IFRS 9. Derivative financial instruments, such as fx forward exchange contracts, are used to hedge the risk of changes in exchange rates. The level of hedging adopted in a given period may not exceed 50% of the annual currency exposure in the case of import hedging, while in the case of export hedging, the level of hedging is in the range of 50-80% of the annual currency exposure. Relying on the planned exposure is a type of estimation that affects the value of the instruments.

In order to hedge against the risk of rising interest rates, the Group uses Interest Rate Swap (IRS) hedging transactions. IRS transactions make it possible to manage interest rate risk, allowing to, e.g. to swap the interest rate on a loan from a floating rate to a fixed rate, providing an opportunity to hedge against increases in the cost of borrowing.

In addition, the Company uses Swap hedging transactions to hedge against the risk of changes in raw material prices.

As future scheduled sales or purchase payments are not recognised in the Company's financial statements, while fx forward hedging instruments without hedge accounting are measured at fair value through profit or loss, a potential accounting mismatch arises. In order to eliminate it, the Group introduced hedge accounting from 1 July 2011.

If a derivative financial instrument is designated as a hedge of the variability of cash flows relating to the specific risks associated with a recognised asset, a recognised liability or a highly probable forecast transaction that could affect the profit or loss for the current period, the portion of the gain or loss on the hedging instrument that is an effective hedge is recognised in other comprehensive income and presented, as a separate hedge item, in equity. Profit or loss previously recognised in equity is transferred to profit or loss of the current period in the same period and under the same heading as the hedged cash flows are recognised in profit or loss. The ineffective portion of changes in the fair value of the derivative is recognised immediately as profit or loss of the current period.

If a hedging instrument no longer meets the criteria for hedge accounting, it expires, is sold, terminated, exercised or its designation is changed, the Group discontinues hedge accounting. Accumulated profit or loss previously recognised in other comprehensive income and presented in equity remain in equity until the forecast transaction is realised and recognised as profit or loss of the current period. Where the hedged item is a non-financial asset, profit or loss previously recognised in other comprehensive income adjust the reporting value of this asset when it is recognised. If a forecast transaction is not expected to occur, profit or loss recognised in the statement of financial position is recognised immediately as profit or loss for the current period. Otherwise, amounts previously recognised in other comprehensive income are recognised as profit or loss of the current period, in the same period or periods during which the hedged forecast transaction affects profit or loss of the current period.

At the inception of the hedge, the Group formally designates and documents the hedging relationship, as well as the risk management objective and strategy for undertaking the hedge. The documentation includes the identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure

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to changes in the hedged item's fair value or cash flows attributable to the hedged risk. The hedge is expected to be highly effective in offsetting changes in fair value or cash flows arising from the risk being hedged. The effectiveness of the hedge is assessed on an ongoing basis to verify that it is highly effective throughout all reporting periods for which it is established.

4.3.8. Provisions

Provisions are created when the Group has an obligation (legal or customary) arising from past events and when it is likely that the fulfilment of this obligation will necessitate funds outflow, and the amount of the liability can be reliably estimated.

Where the effect of the time value of money is material, the amount of the provision is determined by discounting the projected future cash flows to their present value, using a gross discount rate, which reflects current market assessments of the time value of money and the risks, if any, associated with the liability. If the discounting method is used, any increase in the provision due to the passage of time is recognised as a financing cost.

The Group also creates a provision for warranty repairs. This provision is estimated on the basis of historical data on the share of defective products in the sales revenue of these products (statistical provision) and on the basis of complaints actually made about completed contracts (individual provision). The statistical provision is calculated using an index based on a cost base less the cost of using the individual provision. The provision for warranty repairs is charged to the core business - as a special cost related to the production of the product.

4.3.9. Employee benefits

In accordance with the remuneration systems, employees are entitled to retirement benefits and, in some companies of the Group, to jubilee awards. Jubilee awards are paid to employees after they have worked a certain number of years. Retirement benefits are paid as a one-off payment upon retirement. The amount of retirement benefits and jubilee awards depends on the length of service and the fixed base specified in the corporate collective labour agreements. Companies create a provision for future liabilities in respect of retirement benefits and jubilee awards in order to allocate costs to the periods to which they relate. According to IAS 19, jubilee awards are other long-term employee benefits, while retirement benefits are defined post-employment benefit plans.

The provisions created for jubilee and retirement benefits are determined on the basis of the projected unit credit method using actuarial techniques. The basis for a reliable estimate of provisions is:

- criteria for entitlement to the said benefits;
- actuarial assumptions.

In accordance with IAS 19, the cost of the defined benefit plan (provision for retirement and disability benefits) includes the following components:

- employee benefit costs - recognised in profit or loss (within operating expenses);
- net interest on the net defined benefit liabilities – recognised in profit or loss (within operating expenses);
- revaluation of net defined benefit liabilities Actuarial profit/loss – recognised in other comprehensive income (capital from remeasurement of defined benefit plan).

Costs of other long-term employee benefits (jubilee awards) are recognised under general administrative expenses.

The Group creates a provision for the costs of accumulating paid absences, which it will have to incur as a result of the employees' unused entitlement that is due at the reporting date. The provision for the costs of accumulated paid absences is recognised as a liability after deducting any amount already paid. The provision for the costs of accumulated paid absences is a short-term provision, is not discounted and is charged to the core business.

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4.3.10. Revenue

Sales revenue of products and services

In accordance with the requirements of IFRS 15 "Revenue from Contracts with Customers", the Group recognises revenue following the five-step model:

1. Identification of the contract (definition of the contract(s), definition of rights and obligations)
2. Identification of performance obligations (separating the individual benefits for the customer)
3. Determination of the transaction price
4. Assigning the transaction price to performance obligations
5. Fulfilment of performance obligations and revenue recognition.

Revenue is recognised when the obligations to perform are fulfilled, i.e. when control over the goods or services is transferred to the customer. This may occur at a single point in time (when all conditions of the contract are met) or on a continuous basis (when performance takes place in stages). The Group determines the revenue recognition method individually for each contract, based on an analysis of the following factors:

- the nature of the goods and services provided (whether on a one-off basis or continuously),
- the terms of the contract (delivery terms, timing of performance, pricing arrangements),
- progress in the performance of the contract (whether performed on a one-off basis or in stages).

The table below presents the sources of revenue, together with information on the nature and timing of the satisfaction of performance obligations and the revenue recognition principles:

Type of revenue	Nature and time limit for performance of obligations	Rules of revenue recognition
<i>Sales of products - measuring instruments</i>	The customer obtains control of the goods when the products are delivered and accepted at the customer's premises. If products are found to be defective during the warranty period, the customer is entitled to return	Revenue is recognised at the moment the goods are delivered to the customer, when the customer obtains physical possession and control of the goods (e.g. delivery of goods to the customer's warehouse confirmed by an acceptance report).
<i>Sale of products - switchgear</i>	The customer obtains control of the goods at the moment the products are released from the manufacturer's warehouse. Discounts are granted on the products once the customer reaches a specified purchase volume. If products are found to be defective during the warranty period, the customer is entitled to return the product. The defective product is either repaired or replaced with a new one.	Revenue is recognised at the moment the goods are released from the warehouse.
<i>Subscription services (e.g. access to the Lew-System) and maintenance services</i>	Invoicing in accordance with the contract on a monthly basis, with payment due within 14 to 60 days.	Revenue is recognised proportionally over the service period (e.g. revenue for services recognised monthly, in proportion to the duration of the subscription).
<i>Implementation projects within the Industrial Automation and ICT Division</i>	The customer obtains benefits in accordance with the schedule of execution or successive stages of work specified in the contract. Revenues relate to contracts for the supply of equipment, software licences, modification services, along with implementation at the end customer's site, or any combination of the above categories.	Revenue is recognised proportionally to the progress of the implementation works (e.g., completion of a planned stage within a long-term project). This revenue is defined as subsequent milestones arising from the work schedule or contract.
<i>Services provided within the Measurement Instruments and Industrial Automation</i>	The customer obtains benefits upon completion of the service (after project finalisation or upon customer confirmation of work acceptance).	Revenue is recognised at the point of service completion.

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Transaction price

Revenue is recognised at the transaction price in such a way as to reflect the transfer of promised goods or services to the customer in an amount corresponding to the expected remuneration. The transaction price includes consideration only to the extent that it is probable that a significant reversal of revenue recognised to date will not occur.

For contracts that include multiple performance obligations, the transaction price is allocated to each individual obligation based on the standalone selling price, i.e. the price at which the Group would separately sell the product or service to the customer. If these prices cannot be determined from direct observations, they are estimated based on expected costs plus a mark-up.

Cena transakcyjna może być stała lub zmienna, w zależności od zapisów umowy.

For fixed-price contracts, the customer pays a fixed amount according to the payment schedule.

The fixed component of consideration is calculated as the product of the price and the quantity of goods sold.

The variable component of consideration includes:

- discounts for regular customers, calculated as a percentage of the product list prices,
- bonuses for regular customers for achieving significant purchase volumes, calculated as a percentage of the turnover achieved,
- the time value of money, in cases of advance payments or deferred payments,
- compensation payable to the customer as a penalty for late delivery, calculated strictly in accordance with the contract terms,
- index-linked price adjustments, where indexation is provided for in the contract.

If the value of services provided by the Group exceeds the amount of payment received, contract assets are recognised. If the amount of payment exceeds the value of services provided, contract liabilities are recognised.

Estimates of revenue, costs or completion rates are reviewed when circumstances have changed. The resulting increases or decreases in estimated income or expenses are recognised in profit or loss for the period during which management became aware of the circumstances giving rise to the review of the estimates.

Guarantees and payment terms

Payment terms applied by the Group:

- domestic sales of measurement equipment – 30 days from the date of receipt of the invoice,
- domestic sales of measurement equipment – 45 to 60 days from the date of invoice issuance,
- export sales – up to 90 days from the date of invoice issuance,
- other cases – no more than 90 days from the date of invoice issuance; no significant financing component is present

The Group provides warranties on products sold, which serve as an assurance to the customer that the product conforms to the specifications agreed by the parties. As these do not constitute a separate service under IFRS 15, the Group recognises such warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Product warranties are granted depending on the business line. The standard warranty period is 1 to 2 years or is determined on an individual basis. In determining the warranty period, public procurement requirements or specific customer requirements are taken into account.

Performance guarantees for services and contracts are generally granted for periods of 12 months.

Other revenue

Interests

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Interest revenue is recognised successively as it accrues, with reference to the net reporting value of a given financial asset, in accordance with the effective interest rate method.

Interest income is recognised progressively as it accrues (taking into account the effective interest rate method, which is the rate that discounts future cash receipts over the expected life of the financial instruments) relative to the net carrying amount of the given financial asset. Interest on bank deposits and current accounts, which constitutes financial income, is presented within investing activities in the consolidated statement of cash flows.

Dividends

Dividends are recognised when the shareholders' rights to receive them are established.

4.3.11. Costs

Cost of goods sold – includes the cost of goods and services sold, including ancillary activities.

Sales costs – include sales agency costs, commercial costs, advertising and promotion costs and distribution costs.

General administrative costs – include costs associated with the management and administration of the Group as a whole.

Other costs

Interests

Interest on loans, bonds and leases, which constitute finance costs, is recognised within financing activities in the consolidated statement of cash flows.

4.3.12. Transactions in foreign currencies

In the financial statements of entities in the Apator Group of Companies, foreign currency transactions are translated according to the exchange rate applicable on the transaction date. At the reporting date, monetary assets and liabilities are recorded at the exchange rate of the leading bank applicable at the end of the reporting period. Profit and loss resulting from currency conversion is recognised directly in financial result.

The functional currency of the foreign subsidiary Apator GmbH is EUR, of the subsidiary Apator Metra – CZK, of the subsidiary Miitors ApS – DKK, and of the former subsidiary GEORGE WILSON INDUSTRIES Ltd. – GBP. As at the reporting date, the assets and liabilities as well as the statements of comprehensive income of these foreign subsidiaries are translated into the Group's presentation currency at the exchange rate of the lead bank. Equity items are translated at historical exchange rates applicable on the balance sheet date of each year in which they arose. Exchange differences arising from the translation are recognised directly in equity as a separate component.

Upon the loss of control over a foreign entity, the accumulated deferred exchange differences recognised in equity relating to that foreign entity are recognised in the financial result.

4.3.13. Taxes

Income tax includes both the current and the deferred part. Current and deferred income tax is recognised in a profit or a loss incurred in the current period, except for situations when it involves business combinations and items recognised directly in equity or as other comprehensive income.

Current tax is the expected amount of tax liabilities or receivables on taxable income for a given year, determined using tax rates legally or actually in force as of the reporting date and adjustments to the tax liability relating to previous years.

Deferred tax is recognised in connection with:

- temporary differences between the carrying amounts of assets and liabilities and their amounts determined for tax purposes,

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- tax loss that can be deducted in the future,
- tax reliefs available under the special economic zone (SEZ) programme for new investments.

Deferred tax is measured at the tax rates which are expected to become applicable when the temporary differences reverse, based on tax laws that have been legally or actually in force by the reporting date. Assets on account of deferred income tax and deferred income tax provisions are offset if the Group has an enforceable legal right to offset current tax liabilities and assets, and provided that the deferred tax assets and provisions relate to the income tax imposed by the same tax authority on the same taxpayer or different taxpayers that intend to settle income tax liabilities and receivables on a net basis or to simultaneously realise the receivables and settle the liability.

Deferred tax assets related to an unsettled tax loss, unused tax credit and deductible temporary differences are recognised to the extent that it is probable that taxable profit will be available against which they can be utilised. Deferred tax assets are reassessed at each reporting date and reduced to the extent that it is not probable that the related income tax benefits will be realised.

Companies in the Apator Group apply tax rates in accordance with the regulations applicable in the country where they conduct business (Czech Republic 19%, Germany 15%, United Kingdom 19%, Denmark 22%).

4.3.14. Grants

Government grants are assistance by a government that takes the form of a transfer of resources to an economic entity in return for past or future compliance with certain conditions relating to its operating activity.

In accordance with IAS 20, government grants are recognised when there is reasonable assurance that the entity will comply with the conditions attached to the grant and that the grant will be received.

As a general rule, when a subsidy relates to a cost item, it is recognised as a deduction from the relevant costs. Conversely, where these resources relate to an asset, their fair value reduces the initial value of that asset.

In individual cases, the subsidy may also be recognised as other operating income.

4.3.15. Zone tax relief resulting from doing business in a Special Economic Zone

The parent company Apator S.A. benefits from an income tax exemption due to new investment costs by virtue of its permit to conduct business activities in the Pomeranian Special Economic Zone (PSEZ), obtained on 28 December 2010. The subject of the exemption under the obtained permit is zone income, i.e. the income obtained from the business activities conducted within the territory of the PSEZ.

Apator S.A. recognises the tax relief resulting from its activities in the Special Economic Zone (exemption from corporate income tax) in accordance with IAS 12, i.e. it recognises it as a deferred tax asset up to the amount of public assistance that can be obtained. Eligibility for the relief is conditional upon meeting quantitative requirements, i.e. incurring eligible costs (making the investment), as well as qualitative requirements set out in the permit. By analogy, the Group applies IAS 12 Income Taxes to the recognition of such reliefs, under which the Group recognises a deferred tax asset on the granted relief, with a corresponding entry in income tax in the profit or loss account for the period in which the conditions specified in the relevant support decision are met (i.e. in particular upon incurring the required amount of eligible costs). The recognition of a deferred tax asset is subject to judgement as to the likelihood of generating sufficient taxable profits in future periods to utilise the granted relief. The maximum amount of assistance available is calculated by multiplying the assistance intensity applicable in the province by the value of the investment expenditure considered eligible. Deferred tax assets relating to unused tax credits are recognised to the extent that it is probable that taxable profit will be available against which they can be utilised. These assets are reassessed at each reporting date and reduced to the extent that it is not

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probable that the related income tax benefits will be realised.

4.3.16. Equity

The Group's equity includes: share capital, own shares, other capital, capital from the revaluation of the defined benefit plan, capital from the valuation of hedging transactions and exchange rate differences from consolidation, undistributed financial result from previous years, the result of the current year. Items reducing the amount of equity consist of write-downs from the current year's financial result, representing payments of advances for dividends.

Share capital

Share capital is recognised at nominal value, in an amount consistent with the Company's Articles of Association and the entry in the National Court Register. Subscribed but unpaid share capital contributions are recognised as contributions receivable, which reduce the value of equity.

Own shares

Own shares are recognised at purchase cost and reduce the value of equity.

Other capital

The item "Other capital" includes other reserves created from profit appropriation, revaluation reserves, and other reserves established by separate resolutions.

Capital from the revaluation of a defined benefit plan

This capital is created from the revaluation of net defined benefit obligations, such as actuarial gains. It results from changes to IAS 19 "Employee Benefits" effective from 2013.

Capital from valuation of hedging transactions

This capital comprises changes in the fair value of cash flow hedging instruments, to the extent they are recognised as effective hedges. It arises from the application of hedge accounting.

Exchange rate differences on consolidation

Translation differences arising from the conversion of the equity of foreign subsidiaries into Polish zloty.

Retained earnings

Retained earnings from prior periods represent the undistributed portion (or entirety) of the net profit earned in financial years preceding the reporting period for which the financial statements have been prepared.

Current year result

The current year result comprises the accumulated profit or loss for the current financial year.

5. Segment reporting

An operating segment is a part of the Group engaged in business activities in relation to which it may earn revenue and incur costs, including revenue and costs related to transactions with other parts of the Group. The operating results of each operating segment are regularly reviewed by the main decision-making body responsible for operational decisions in the Group, which decides on the allocation of resources to the segment and assesses its performance, with separate financial information available for each segment (see note 7.2). Revenue and cost data by segment are provided to the Management Board for analysis

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after the elimination of revenue between segments. The Management Board analyses the results of each segment at the individual result level, i.e. gross profit on sales, result on sales, result on operations and EBITDA (see note 7.1 for the calculation of EBITDA). The contribution of the individual segments to generating the Group's operating margin (at EBITDA level) is also a factor influencing strategic and operational decisions. Segment revenue and costs are analysed after eliminating inter-segment transactions. When making operational decisions, however, balance sheet items related to individual segments are not subject to analysis. Balance sheet data is analysed at the level of individual companies of the Group.

Segment results consist of the results of the following companies:

- Electricity – results of Apator S.A. in the part related to electricity metering and switching apparatus, and the part originating from the acquired Apator Elkomtech S.A.; results of Apator Rector Sp. z o.o.; results of FAP Pafal S.A.; results of Apator Mining Sp. z o.o.; part of the results of Apator GmbH;
- Gas – results of Apator Metrix S.A. along with controlled entities, results of Apator S.A. in the gas metering section, part of results of Apator GmbH;
- Water and Heat – results of Apator Powogaz S.A. along with controlled entities, results of Apator S.A. in the part concerning water and heat metering;

Internal turnover between companies of the Group is eliminated for business segment reporting purposes.

6. Basic judgements and basis for uncertainty estimation

Preparing a consolidated financial statement in accordance with EU IFRS requires the Parent Company's Management Board to make estimates, judgements and assumptions that affect the adopted principles and the presented values of assets, liabilities, revenue and expenses.

The estimates and related assumptions are based on historical experience and various factors that are considered reasonable in given circumstances. The results of these estimates provide a basis for professional judgement of the book value of assets and liabilities. For significant issues, the Management Board relies on the opinions of independent experts when making estimates. The actual value may differ from the estimated value.

The estimates and related assumptions are verified on an ongoing basis. A change in accounting estimates is recognised in the period in which the change was made.

In applying accounting policies, the Management Board has made the following judgements that have the most significant effect on the carrying amounts of assets and liabilities:

- asset arising from the zone relief; in order to benefit from the relief, quantitative conditions must be met, i.e. incurring eligible costs (making the investment), as well as qualitative requirements set out in the permit. By analogy, the Group applies IAS 12 Income Taxes to the recognition of such reliefs, under which the Group recognises a deferred tax asset on the granted relief, with a corresponding entry in income tax in the profit or loss account for the period in which the conditions specified in the relevant support decision are met (i.e. in particular upon incurring the required amount of eligible costs). The recognition of a deferred tax asset is subject to judgement as to the likelihood of generating sufficient taxable profits in future periods to utilise the granted relief.
- revenue recognition and transaction price allocation for contracts with several contract liabilities for which revenue is recognised over time,
- classification of reverse factoring agreements; the Management Board assesses whether such arrangements alter the nature of the liability.

The areas requiring significant estimates include:

- recognition of deferred tax assets on tax loss from previous periods (notes: 4.3.13, 4.3.15; note 7.24),
- uncertainty regarding estimates of useful lives and discount rates in respect of lease transactions (note 4.3.3, note 7.7),
- estimated useful lives of intangible assets (note 4.3.1, note 7.4),

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- estimated useful lives of property, plant and equipment (note 4.3.2, note 7.6),
- estimated fair value of investment property, based on an external expert valuation report (note 4.3.4, note 7.8),
- estimation of retirement benefit obligations under defined benefit plans (note 4.3.9; note 7.21),
- estimation of other provisions (note: 4.3.8, note 7.21),
- impairment of financial assets (note 4.3.7, note 7.9),
- impairment of property, plant and equipment and development work (notes: 4.3.1, 4.3.2; notes 7.4, 7.6),
- impairment of inventories (note 4.3.6, note 7.10),
- impairment of receivables (note 4.3.7, note 7.11),
- fair value of derivative instruments based on the designated level of hedge coverage of future cash flows (note 4.3.7, note 7.29).

Estimates and assumptions that have a significant effect on the values disclosed in the Group's consolidated financial statements are included in the following notes:

- Intangible assets and development work (note 4.3.1, note 7.4),
- Property, plant and equipment (note 4.2.2, note 7.5),
- Property, plant and equipment (note 4.3.2, note 7.6),
- Right to use assets (note 4.3.3, note 7.7),
- Investment properties (note 4.3.4, note 7.8),
- Other financial assets (note 4.3.7, note 7.9),
- Inventories (note 4.3.6, note 7.10),
- Trade and other receivables (note 4.3.7, note 7.11),
- Provisions for liabilities (notes: 4.3.8, 4.3.9; note 7.21),
- Factoring liabilities (notes 4.3.7, 7.22),
- Deferred income taxes (notes: 4.3.13, 4.3.15; note 7.24),
- Derivatives (note 4.3.7, note 7.29).

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7. Explanatory notes to the financial statements

7.1. Alternative performance measures

EBITDA is a measure that shows the net profit earned by the Group after eliminating the impact of income tax, financial income and financing costs, result on loss of control over a subsidiary, and amortisation. The Management Board of Apator S.A. considers it an important additional performance measure and, therefore

, EBITDA is presented in the report alongside measures defined by EU IFRS. EBITDA is not a measure defined by EU IFRS and does not constitute a standardised metric; thus, it should not be considered in isolation or as a substitute for measures defined by EU IFRS. Additionally, for financial reporting purposes, the Group applies an adjusted EBITDA measure that excludes the impact of one-off events.

The method of calculating EBITDA is presented in the table below.

ITEM	for the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Net profit for the reporting period	73,214	8,504
(+) Income tax	8,604	19,040
Profit before tax	81,818	27,544
(+) Financial costs	14,600	20,667
(-) Financial revenues	7,001	8,048
(+) Amortisation and depreciation	57,312	56,414
(-) Loss of control over a subsidiary (GWI)	4,283	-
EBITDA	142,446	96,577
One-off events	-	17,517
Adjusted EBITDA	-	114,094

Due to the difficult situation in the UK market, unsatisfactory financial results, and the assessment of asset impairment at the British company GWI, as at 31 December 2023 the Apator Group recognised one-off events. The EBITDA ratio was adjusted for write-downs related to GWI – impairment of intangible and other assets (PLN 12.9 million) and an inventory write-down (PLN 4.6 million). As at 31 December 2024, no one-off events were identified that would affect the EBITDA measure.

7.2. Operating segments

Based on the criteria set out in IFRS 8 "Operating Segments", the Group has determined that the Management Board of the Parent Company is its chief operating decision maker. The Management Board of the Parent Company evaluates the Group's operations and makes decisions on the allocation of its resources on the basis of regularly reviewed management information prepared at the consolidated level.

Accordingly, and in line with the definition of an operating segment under IFRS 8, the Management Board of the Parent Company identifies the following operating and reportable segments, distinguished based on differences in the range of products and services:

- Electricity
- Gas
- Water and heat

The Management Board of the Parent Company analyses the performance of each segment at the level of individual results, that is, gross profit on sales, profit on sales, operating profit and EBITDA. Activities conducted outside these segments are presented as other.

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ITEM	Electricity	Gas	Water and Heat	Other	Adjustments	Total
Financial results of operating segments for the period from 1 January 2024 to 31 December 2024						
Total revenues, including:	592,744	273,958	373,648	-	(12,551)	1,227,799
Revenues from other segments	12,545	6	-	-	(12,551)	-
Revenues from external customers	580,199	273,952	373,648	-	-	1,227,799
Cost of goods sold	431,205	224,146	261,284	-	(3,571)	913,065
Cost of goods sold from other segments	3,566	4	-	-	(3,571)	-
Cost of goods sold to external customers	427,639	224,142	261,284	-	-	913,065
Gross profit from sales	152,560	49,810	112,364	-	-	314,734
Cost of sales	23,001	6,366	18,742	272	-	48,381
General administrative costs	69,466	29,511	61,225	2,692	-	162,894
Sales profit	60,093	13,933	32,397	(2,964)	-	103,459
Change in write-downs on receivables	419	(775)	76	-	-	(280)
Other operating revenue	1,604	139	(512)	1,134	-	2,365
Other operating expenses	(6,286)	(11,024)	(3,100)	-	-	(20,410)
Result on other operating activities	(4,682)	(10,885)	(3,612)	1,134	-	(18,045)
Operating profit	55,830	2,273	28,861	(1,830)	-	85,134
Amortisation and depreciation	25,277	10,772	21,263	-	-	57,312
EBITDA	81,107	13,045	50,124	(1,830)	-	142,446
Financial revenue	888	461	5,652	-	-	7,001
Financial expenses	(2,084)	(2,990)	(9,526)	-	-	(14,600)
Result on financial activities	(1,196)	(2,529)	(3,874)	-	-	(7,599)
Loss of control over a subsidiary	-	4,283	-	-	-	4,283
Profit before tax	54,634	4,027	24,987	(1,830)	-	81,818
Fixed assets of the segment	225,815	37,923	234,209	-	-	497,947
Current assets of the segment	217,174	62,522	187,714	-	-	467,410
Expenditure on the acquisition of tangible fixed assets	25,643	7,478	10,570	-	-	43,691
Expenditure on the acquisition of intangible assets	5,111	-	8,520	-	-	13,631
Liabilities of the segment	140,101	165,892	66,862	-	-	372,855

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ITEM	Electricity	Gas	Water and Heat	Other	Adjustments	Total
Financial results of operating segments for the period from 1 January 2023 to 31 December 2023						
Total revenues, including:	524,906	242,576	379,620	-	(9,928)	1,137,174
Revenues from other segments	9,928	-	-	-	(9,928)	-
Revenues from external customers	514,978	242,576	379,620	-	-	1,137,174
Cost of goods sold	403,984	213,313	267,058	-	(3,009)	881,346
Cost of goods sold from other segments	3,009	-	-	-	(3,009)	-
Cost of goods sold to external customers	400,975	213,313	267,058	-	-	881,346
Gross profit from sales	114,003	29,263	112,562	-	-	255,828
Cost of sales	18,951	6,829	18,851	272	-	44,903
General administrative costs	61,735	31,279	55,846	4,795	-	153,655
Sales profit	33,317	(8,845)	37,865	(5,067)	-	57,270
Change in write-downs on receivables	(139)	(1,697)	(296)	-	-	(2,132)
Other operating revenue	2,308	183	529	-	-	3,020
Other operating expenses	(1,388)	(13,060)	(3,547)	-	-	(17,995)
Result on other operating activities	920	(12,877)	(3,018)	-	-	(14,975)
Operating profit	34,098	(23,419)	34,551	(5,067)	-	40,163
Amortisation and depreciation	26,823	12,268	17,323	-	-	56,414
EBITDA	60,921	(11,151)	51,874	(5,067)	-	96,577
Financial revenue	954	1,692	5,402	-	-	8,048
Financial expenses	(3,535)	(5,836)	(11,296)	-	-	(20,667)
Result on financial activities	(2,581)	(4,144)	(5,894)	-	-	(12,619)
Profit before tax	31,517	(27,563)	28,657	(5,067)	-	27,544
Fixed assets of the segment	207,863	51,149	233,635	-	-	492,647
Current assets of the segment	212,911	82,158	186,405	-	-	481,474
Expenditure on the acquisition of tangible fixed assets	5,604	5,413	7,481	-	-	18,499
Expenditure on the acquisition of intangible assets	4,294	923	12,586	-	-	17,803
Liabilities of the segment	158,750	100,975	175,373	-	-	435,098

Information regarding geographic areas in terms of sales revenues is presented in note 7.3.

The table below shows the percentage share of sales revenues from individual external customers whose revenues account for more than 10% of the revenues of each segment.

Main customers	Unit	Percentage share of segment revenue
Customer 1	Electricity	21%
Customer 2	Electricity	16%
Customer 3	Gas	35%

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7.3. Revenue

The following table presents the specification of sales revenue.

ITEM	for the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Sales revenue	1 227 799	1 137 174
Revenue from sale of products and services	1,162,221	1,065,651
Revenue from sale of goods and materials	65,578	71,523

The Group identifies the moment when control over a good is acquired by a customer on the basis of the following indications:

- unconditional commitment to pay the price by the customer
- transfer of title to the customer
- physical delivery of the product to the customer
- transfer of the risks and rewards of ownership to the customer
- possession by the Group of evidence of acceptance of the goods by the customer

Revenue recognised at the point in time the Group includes:

- product sales (relates to switchgear) - revenue recognised when the product is released from the warehouse.
- sales of products (concerns switchgear) - revenue recognised at the moment of delivery of goods to the customer, when the customer obtains physical possession and control over the goods, e.g. delivery of goods to the customer's warehouse confirmed by an acceptance protocol
- sales of services (provided within the measuring instruments and industrial automation division) - revenue recognised at the time of completion of services, when the customer may use the results of these services (e.g. recognition of revenue from a service upon completion of a project, once the customer has confirmed receipt of the work).

Revenues recognised over time include:

- subscription services (provided within the measuring instruments and industrial automation division, including access to Lew-System) - revenue recognised in proportion to the period of service provision (e.g. recognition of revenue from the service on a monthly basis, proportionally to the duration of the subscription)
- implementation projects (within the Industrial Automation and ICT division) - revenue relates to contracts for the supply of software licences and modification services together with implementation at the end user. Revenue is recognised proportionally to the progress of the implementation works (e.g., completion of a planned stage within a long-term project). This revenue is defined as subsequent milestones arising from the work schedule or contract.

Revenue from sales is recognised to the extent that it is probable that the Group will obtain economic benefits from the given transaction and when the amount of revenue can be measured reliably.

During 2024, the vast majority of revenue from the sale of goods was recognised by the Group at the point in time.

ITEM	for the period	
	from 1 January 2024	from 1 January 2023
	to 31 December	to 31 December 2023
Total sales revenue in line with the statement of comprehensive income, including:	1,227,799	1,137,174
<i>revenue recognised at point in time</i>	1,211,219	1,098,273

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revenue recognised over time	16,580	38,901
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Contract settlement

The value of deferred income from contracts presented in the balance sheet as at 31 December 2024 amounts to PLN 5.9 million. Details of the contracts can be found in explanatory note 7.23.

The following table presents the revenue recognised in 2024, which was included in the balance of contract liabilities as at 31 December 2023

ITEM	as at	
	31 December 2024	31 December 2023
Contract liabilities - opening balance	2,608	-
Previous year's contract liabilities included in current period's total income	(784)	-
Contracts concluded in the current year	4,116	2,608
Contract liabilities - closing balance	5,940	2,608

During the reporting periods presented, the Group did not identify any revenue recognised in a given reporting period relating to performance obligations satisfied (or partially satisfied) in previous reporting periods.

Geographical information

The Apator Group of Companies distinguishes the following three areas of activity:

- Country – covering sales within the country
- European Union – sales in EU countries
- Exports – sales made in other countries

ITEM	Domestic	Export	EU	Total
Sales revenues of geographical segments for the period from 1 January 2024 to 31 December 2024				
Total revenues	721,065	94,393	412,341	1,227,799
External sales	721,065	94,393	412,341	1,227,799
Sales revenue of geographical segments for the period from 1 January 2023 to 31 December 2023				
Total revenues	640,513	112,354	384,307	1,137,174
External sales	640,513	112,354	384,307	1,137,174

Poland remains the Apator Group's primary sales market. The European Union remains the Group's second-largest trading region (with the most significant markets being Belgium, Germany, the Czech Republic, Greece, Romania, and Ukraine), followed by the United Kingdom.

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The table below presents the value of EU and export sales revenues, broken down by key sales countries.

Countries	Sales revenue	
	for the period	for the period
	from 1 January 2024 to 31 December 2024	from 1 January 2023 to 31 December 2023
Belgium	94,854	39,024
Germany	94,414	78,007
Czech Republic	61,949	62,789
Greece	24,854	24,882
Romania	24,028	33,345
United Kingdom	23,384	38,282
Ukraine	21,931	16,132
Turkey	18,917	27,963
Spain	15,176	18,220
Netherlands	15,097	14,069
Hungary	11,499	12,281
Lithuania	10,540	9,579
Italy	10,349	9,552
Other	79,742	112,536
Total EU and export sales	506,734	496,661

Presented below are the non-current assets held by the Apator Group, broken down by geographical location:

Countries	Fixed assets	
	balance as at	
	31 December 2024	31 December 2023
Poland	475,711	458,817
Denmark	8,910	10,637
Czech Republic	13,241	13,140
United Kingdom	-	10,019
Germany	85	34
Total	497,947	492,647

7.4. Intangible assets

Data concerning intangible assets are presented in the tables below.

ITEM	as at	
	31 December 2024	31 December 2023
Customer relations	1,805	2,106
Patents and licences, computer software	10,786	8,808
Costs of development works	60,853	48,520
Other intangible assets (excluding development work)	645	928
Unfinished investment in intangible assets	14,355	33,752
Total	88,444	94,114

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ITEM	CUSTOMER RELATIONS	PATENTS AND LICENCES, COMPUTER SOFTWARE	DEVELOPMENT WORK COSTS	OTHER INTANGIBLE ASSETS (EXCLUDING DEVELOPMENT WORK)	UNCOMPLETED INVESTMENTS IN INTANGIBLE ASSETS	TOTAL
Net value as at 1 January 2023	5,757	7,579	45,212	1,051	46,232	105,831
Increase resulting from reclassification	-	(293)	293	-	260	260
Expenditure on intangible assets	-	-	-	-	17,645	17,645
Decrease due to liquidation	-	(282)	(6,973)	-	-	(7,255)
Decrease due to abandonment of investments	-	-	-	-	(1,798)	(1,798)
Settlement of expenditure on intangible assets (acceptance in stock)	-	3,414	25,100	73	(28,587)	-
Other impairment write-downs on assets	-	-	(9,175)	-	-	(9,175)
Amortisation and depreciation	(3,651)	(1,755)	(11,205)	(196)	-	(16,807)
Decrease in accumulated amortisation due to liquidation	-	282	5,285	-	-	5,567
Net foreign exchange differences on translation of financial statements into presentation currency	-	(137)	(17)	-	-	(154)
Net value as at 31 December 2023	2,106	8,808	48,520	928	33,752	94,114
Net value as at 1 January 2024	2,106	8,808	48,520	928	33,752	94,114
Expenditure on intangible assets	-	-	-	-	14,856	14,856
Decrease due to liquidation	-	(312)	(1,479)	-	-	(1,791)
Decrease due to abandonment of investments	-	-	-	-	(196)	(196)
Settlement of expenditure on intangible assets (acceptance in stock)	-	3,071	28,470	47	(31,588)	-
Other impairment write-downs on assets	-	-	(1,500)	-	(2,469)	(3,969)
Amortisation and depreciation	(301)	(1,067)	(14,695)	(205)	-	(16,268)
Decrease in existing depreciation due to liquidation	-	312	1,479	-	-	1,791
Net foreign exchange differences on translation of financial statements into presentation currency	-	(26)	58	(125)	-	(93)
Net value as at 31 December 2024	1,805	10,786	60,853	645	14,355	88,444

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ITEM	CUSTOMER RELATIONS	PATENTS AND LICENCES, COMPUTER SOFTWARE	DEVELOPMENT WORK COSTS	OTHER INTANGIBLE ASSETS (EXCLUDING DEVELOPMENT WORK)	UNCOMPLETED INVESTMENTS IN INTANGIBLE ASSETS	TOTAL
As at 31 December 2023						
Gross value	29,809	32,678	133,741	15,838	36,028	248,094
Total accumulated depreciation and write-downs to date	(27,703)	(23,870)	(85,221)	(14,910)	(2,276)	(153,980)
Net value	2,106	8,808	48,520	928	33,752	94,114
As at 31 December 2024						
Gross value	29,809	35,411	129,670	7,421	19,100	221,411
Total accumulated depreciation and write-downs to date	(28,004)	(24,625)	(68,817)	(6,776)	(4,745)	(132,967)
Net value	1,805	10,786	60,853	645	14,355	88,444

Unfinished investments in intangible assets primarily relate to development projects not completed at the balance sheet date. Development projects constitute the Group's internal work on innovations aimed at creating new products or services, or improving existing products or processes. The largest portion of expenditures on development work consists of personnel costs for employees directly involved in carrying out the tasks. Apator Group places great emphasis on development activities, continuously improving its offered products and solutions in response to a competitive economic environment and ongoing technological advancement.

The table below provides information on write-downs for intangible assets.

ITEM	WRITE-DOWN FOR DEVELOPMENT COSTS
Value of write-downs as at 1 January 2023	11,945
Increase - creation of a write-down charged against current result (other operating expenses)	9,175
Value of write-downs as at 31 December 2023	21,120
Value of write-downs as at 1 January 2024	21,120
Change due to loss of control of a subsidiary GWI (note 1.1.4)	(18,956)
Increase - creation of a write-down charged against current result (other operating expenses)	3,969
Value of write-downs as at 31 December 2024	6,133

In 2024, development work was subject to a write-down totalling PLN 3,969 thousand, including: development projects in progress in the amount of PLN 2,469 thousand, completed development work in the amount of PLN 1,500 thousand.

The write-down relates to projects for which commercialisation will not occur to the extent or within the timeframe originally assumed by the Group.

ITEM	as at	
	31 December 2024	31 December 2023
Gross value of all fully amortised intangible assets still in use	81,523	76,452
Value of research and development expenditure recognised as an expense during the period	18,784	16,215
Amount of borrowing costs capitalised during the period	319	320
Capitalisation rate used to calculate the above amount	5.32%	6.98%

The gross value of fully amortised intangible assets still in use consists primarily of the ERP system, applications and licences, development work, and customer relationships.

Expenditure incurred on the Group's internal development facilities that did not result in capitalisation as development work in 2024 amounted to PLN 18,784 thousand. This amount includes all costs related to the maintenance of development offices, which could not be directly linked to ongoing development

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projects under IAS 38: salaries and related expenses, amortisation, materials and energy, all maintenance and administrative costs, as well as other general expenses.

7.5. Goodwill

The data concerning goodwill are presented in the tables below.

Specification	as at	
	31 December 2024	31 December 2023
Apator Rector Sp. z o.o.	43,106	43,106
Automation and ICT business line in Apator S.A.	34,506	34,506
Apator Powogaz S.A.	17,513	17,855
Apator Telemetry Sp. z o.o.	5,546	5,546
APATOR METRA S.R.O.	693	717
Miitors ApS	18,640	18,942
Net goodwill	120,004	120,672

ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Gross goodwill at the beginning of the period	124,925	126,528
Change due to loss of control of a subsidiary (GWI)	(3,918)	-
Net foreign exchange differences on the translation of financial statements into presentation currency	(326)	(1,603)
Other	(342)	-
Gross goodwill at the end of the period	120,339	124,925
Impairment write-down at the beginning of the period	(4,253)	(4,253)
Change due to loss of control of a subsidiary (GWI)	3,918	-
Impairment write-down at the end of the period	(335)	(4,253)
Net goodwill at the end of the period	120,004	120,672

As at 31 December 2024, the Management Board of the Company carried out an impairment test for goodwill allocated to the following cash-generating units (CGUs):

- Centrum A.P.S.
- Apator Powogaz S.A.
- Apator Telemetry Sp. z o.o.
- Apator Metra S.R.O.
- Apator Miitors ApS.

The tests were conducted because goodwill, which is not subject to amortisation, is required to undergo annual impairment testing regardless of the presence of any indicators of impairment.

Based on the tests carried out, no impairment of assets was identified within any of the cash-generating units in the Apator Group. The Management Board is not aware of any assumptions that could reasonably result in a significant impairment.

In the Apator Group of Companies, cash-generating units are direct subsidiaries of Apator S.A., except the Automation and ICT Business Lines in Apator S.A. (former Apator Elkomtech S.A.) and Apator Rector Sp. z o.o., which are hereinafter referred to collectively as the Network Automation Centre. Due to the merger of Apator S.A. with Apator Elkomtech S.A., the impairment test covers fixed assets allocated to the Network Automation Centre, i.e. the difference between the assets and liabilities of the Automation and ICT Business Units and the goodwill of Apator Rector Sp. z o.o.

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ITEM	A.P.S. Centre	Apator Powogaz S.A.	APATOR TELEMETRIA Sp. z o.o.	Apator Metra S.R.O	APATOR Miitors ApS.
Carrying value of CGU	142,613	299,718	50,036	26,603	75,891

For the Network Automation Centre, the impairment test was conducted assuming that the assets of the companies (Apator Rector Sp. z o.o. and part of Apator S.A.'s assets) constitute a single cash-generating unit. This approach is primarily justified by the high level of operational integration arising from the complementary nature of the offerings of these two entities, as well as the Apator Group's business strategy aimed at consolidating hardware and ICT solutions and leveraging new market opportunities in the areas of renewable energy and energy efficiency. Both entities share the same customer base in the hardware, ICT and renewable energy segments and rely on the same assets. At the same time, regardless of formal legal and organisational changes, the Apator Group has been systematically optimising its organisational structures and implementing initiatives to increase synergies within the segment. As part of these initiatives, projects are jointly carried out within the CGU, whereby the Automation and ICT Business Units of Apator S.A. (formerly Apator Elkomtech S.A.) draw on the knowledge and experience of Apator Rector Sp. z o.o. in the area of IT project management and execution. In this sense, the earlier-than-planned merger of Apator Elkomtech S.A. with Apator S.A. has in no way undermined the current or target level of integration of the Network Automation Centre.

The recoverable amount was based on the value in use of the assets.

The goodwill impairment test was carried out on the basis of an estimate of the present value of future free cash flows generated by each cash-generating unit, taking into account tax, changes in the balances of working capital, and necessary capital expenditures on fixed and intangible assets to maintain current production capacity.

The assumptions (presented below) adopted for the impairment tests for 2024 (which do not differ significantly from those used in 2023) reflect the Management Board's past experience and are consistent with assumptions derived from external sources of information:

- The weighted average cost of capital (WACC) was adopted at the level of 11.7% (in 2023 – 10.8%) for domestic companies; for the Danish company Miitors, a WACC of 6.7% was applied, and for the Czech company Metra, 9.5%,
- The average annual growth rate for the residual value beyond the projection period (2025–2029) was set at 3% – a conservative value for future, indefinite residual periods, based on historically minimal growth periods,
- The projection for the year 2025 is based on the budgets of the Apator Group companies approved by resolutions. The years 2026–2028 are based on the current updated business strategy of the Apator Group up to 2028 (Supervisory Board Resolution No. 33/2024 of Apator S.A. dated 10 June 2024). The outlook for 2029 is based on minimal growth in reference to the adopted year 2028.

ITEM	A.P.S. Centre	Apator Powogaz S.A.	Apator Telemetria Sp. z o.o.	Apator Metra S.R.O	APATOR Miitors ApS.
Change in EBIT in the years 2024–2028 (Compound Annual Growth Rate – CAGR)	62.10%	20.20%	0.20%	0.00%	73.20%

- The assumptions adopted for the development of the APS Centre CGU are based on significant increases both in terms of revenues (assumed average annual growth rate – CAGR of 22.2%) and margins, due to documented market growth prospects for this business line, particularly with respect to renewable energy (energy storage), and considering the historical success in acquiring market tenders,
- Capital expenditures (Capex) represent investments required to maintain the current production capacity, and not for improvement.

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7.6. Tangible fixed assets

The most significant expenditures on tangible fixed assets in 2024 related to investments in machinery and equipment, as well as other tangible fixed assets (including production machines and tools, tooling, and workstations).

Ongoing investments in tangible fixed assets are associated with investment processes involving new technical infrastructure across the entire Group (moulds and tooling). The Group intends to settle the incurred expenditures during 2025.

ITEM	as at	
	31 December 2024	31 December 2023
Land, buildings and structures	92,295	93,420
Machinery and equipment	56,316	48,262
Means of transport	5,963	2,780
Other tangible fixed assets	39,191	41,125
Unfinished investment in tangible fixed assets	21,569	11,224
Total	215,334	196,811

Data on tangible fixed assets, grouped in accordance with the classification of fixed assets, are presented in the tables below.

ITEM	LAND, BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	MEANS OF TRANSPORT	OTHER TANGIBLE FIXED ASSETS	INVESTMENTS NOT YET COMPLETED IN TANGIBLE FIXED ASSETS	TOTAL
Net value as at 1 January 2023	95,537	55,794	1,912	46,944	12,657	212,844
Increase due to reclassification - from right to use leased assets to tangible fixed assets	-	1,951	450	1,144	-	3,545
Increase due to reclassification - from assets held for sale	35	-	-	-	-	35
Expenditures on tangible fixed assets	-	-	-	-	18,745	18,745
Decrease due to disposal	(1,707)	(6,054)	(614)	(224)	-	(8,599)
Decrease due to liquidation	-	(5,488)	(238)	(4,373)	-	(10,099)
Decrease due to abandonment of investments	-	-	-	-	(52)	(52)
Decrease due to reclassification - from tangible fixed assets to right to use leased assets	-	(124)	-	-	(1,846)	(1,970)
Decrease due to reclassification - other	-	-	-	-	(62)	(62)
Settlement of expenditure on tangible fixed assets (acceptance)	3,005	8,114	1,651	5,448	(18,218)	-
Other impairment write-downs on assets	(596)	(1,842)	-	(52)	-	(2,490)
Amortisation and depreciation	(3,736)	(14,241)	(1,016)	(11,889)	-	(30,882)
Increase in existing depreciation due to reclassification - from right to use leased assets to tangible fixed assets	-	(619)	(224)	-	-	(843)
Decrease in existing depreciation due to disposal	1,706	6,676	649	198	-	9,229
Decrease in existing depreciation due to liquidation	-	4,660	237	4,368	-	9,265
Decrease in accumulated depreciation due to reclassification - from tangible fixed assets to right to use leased assets	-	(231)	-	(324)	-	(555)
Net foreign exchange differences on the translation of financial	(845)	(451)	(2)	-	-	(1,298)

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statements into presentation currency						
Other changes - gross	21	-	(62)	(123)	-	(164)
Other changes - depreciation	-	117	37	8	-	162
Net value as at 31 December 2023	93,420	48,262	2,780	41,125	11,224	196,811

ITEM	LAND, BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	MEANS OF TRANSPORT	TOOLS AND INSTRUMENTS	UNFINISHED INVESTMENT IN TANGIBLE FIXED ASSETS	TOTAL
Net value as at 1 January 2024	93,420	48,262	2,780	41,125	11,224	196,811
Loss of control over a subsidiary GWI	(28)	166	-	-	-	138
Increase due to reclassification - from right to use leased assets to tangible fixed assets	-	1,483	348	3,053	-	4,884
Expenditures on tangible fixed assets	-	-	-	-	47,322	47,322
Decrease due to disposal	-	(455)	(972)	(811)	-	(2,238)
Decrease due to liquidation	(729)	(5,723)	(461)	(1,286)	-	(8,199)
Decrease due to abandonment of investments	-	-	-	-	(45)	(45)
Settlement of expenditures on tangible fixed assets under construction (acceptance)	3,147	21,297	4,490	7,776	(36,710)	-
Other impairment write-downs on assets	-	(340)	-	(112)	-	(452)
Amortisation and depreciation	(3,653)	(13,651)	(1,403)	(11,465)	-	(30,172)
Increase in existing depreciation due to reclassification - from right to use leased assets to tangible fixed assets	-	(686)	(211)	(1,175)	-	(2,072)
Decrease in existing depreciation due to disposal	-	439	952	808	-	2,199
Decrease in existing depreciation due to liquidation	211	5,616	461	1,278	-	7,566
Net foreign exchange differences on the translation of financial statements into presentation currency	(270)	(92)	(21)	-	(1)	(384)
Other changes - gross	197	-	-	-	(221)	(24)
Net value as at 31 December 2024	92,295	56,316	5,963	39,191	21,569	215,334

ITEM	LAND, BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	MEANS OF TRANSPORT	TOOLS AND INSTRUMENTS	UNFINISHED INVESTMENT IN TANGIBLE FIXED ASSETS	TOTAL
As at 31 December 2023						
Gross value	131,023	192,978	13,824	183,887	11,224	532,936
Total accumulated depreciation and impairment loss	(37,603)	(144,716)	(11,044)	(142,762)	-	(336,125)
Net value	93,420	48,262	2,780	41,125	11,224	196,811
As at 31 December 2024						
Gross value	128,054	195,380	17,208	185,791	21,569	548,002
Total accumulated depreciation and impairment loss	(35,759)	(139,064)	(11,245)	(146,600)	-	(332,668)
Net value	92,295	56,316	5,963	39,191	21,569	215,334

Additional information regarding tangible fixed assets is presented below.

ITEM	as at	
	31 December 2024	31 December 2023
Reporting value of temporarily unused tangible fixed assets	7,724	6,724

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Gross value of all fully amortised tangible fixed assets still in use	153,115	155,946
Amount of borrowing costs capitalised during the period	138	17

As at 31 December 2024, the following securities were established on tangible fixed assets:

- Contractual mortgage on the real estate of Apator S.A. in Ostaszewo up to the amount of PLN 40 million, (including the assignment of rights under the insurance contract) as collateral for the Multi-product Agreement concluded between the companies of the Group and ING Bank Śląski S.A.
- Mortgage of CZK 51,7 million (together with the assignment of rights under the insurance agreement) established on the property of the subsidiary Apator Metra in the Czech Republic, in connection with the concluded credit agreement,
- Joint mortgage on the Żerniki and Tczew property up to PLN 182.8 million (together with the assignment of rights under the insurance contract) in connection with the concluded loan agreements in PKO BP S.A.,
- Registered pledge over fixed assets (together with the assignment of the insurance policy) with the value of PLN 30 million (machinery and equipment) being the property of Apator S.A., Apator Powogaz S.A., Apator Metrix S.A., Apator Telemetria Sp. z o.o., in connection with a multi-product Agreement with ING Bank Śląski S.A.,
- registered pledge over fixed assets of Apator S.A. with the value of PLN 2.8 million (together with the assignment of the insurance policy), in connection with the agreement with CITI Bank Handlowy S.A. Contract on long-term credit for financing the purchase of shares of Apator Telemetria Sp. z o.o. for the amount of PLN 13 million, in connection with the repayment of the credit, was removed from the Pledge Register on 26 January 2024,
- Registered pledge on fixed assets (together with the assignment of the insurance policy) in the amount of PLN 12.4 million, being the collateral in relation to the concluded multi-purpose agreement with PKO BP S.A. .

7.7. Right-of-use assets

The Group's capitalised leased assets include:

- land in perpetual usufruct,
- office space and production buildings,
- machinery and equipment,
- computer hardware,
- instruments, tools
- means of transport.

The discount rate for property leases corresponds to the interest rate the Group would pay for external financing if it wanted to purchase the same asset on credit. To calculate the discount rate, the Company adopts the reference rate (WIBOR 1M) plus a fixed margin. Currently, the discount rate is in the range of 1% to 6.6% (due to different contract periods and high interest rate volatility). For other lease liabilities, the discount rate follows directly from the terms of the contract.

Data on the right to use leased assets is presented in the tables below.

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	31 December 2024	31 December 2023
Land, buildings and structures	23,673	32,590
Machinery and equipment	17,546	14,891
Means of transport	1,807	1,179
Other tangible fixed assets	4,360	6,140
Total	47,386	54,800

ITEM	LAND, BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	MEANS OF TRANSPORT	TOOLS AND INSTRUMENTS	TOTAL
Net value as at 1 January 2023	30,021	9,792	1,271	5,606	46,690
Increase due to modernisation	-	-	93	-	93
Increase due to leasing acceptance	6,739	8,544	498	2,154	17,935
Increase due to reclassification - from tangible fixed assets to right to use assets under lease	-	124	-	-	124
Increase due to reclassification - other	303	-	-	-	303
Decrease due to disposal	-	-	(290)	-	(290)
Decrease due to liquidation	-	-	(584)	-	(584)
Decrease due to reclassification - from right to use leased assets to tangible fixed assets	-	(2,276)	(494)	(1,145)	(3,915)
Amortisation and depreciation	(5,002)	(2,504)	(420)	(799)	(8,725)
Decrease in existing depreciation due to disposal	-	-	230	-	230
Decrease in existing depreciation due to liquidation	-	-	584	-	584
Decrease in existing depreciation due to reclassification - to assets held for sale	-	325	57	-	382
Decrease in existing depreciation due to reclassification - from right to use leased assets to tangible fixed assets	-	850	224	324	1,398
Net foreign exchange differences on the translation of financial statements into presentation currency	(448)	-	-	-	(448)
Other changes - gross	208	(1,003)	(215)	-	(1,010)
Other changes - depreciation	769	1,039	225	-	2,033
Net value as at 31 December 2023	32,590	14,891	1,179	6,140	54,800

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Rounding level:	all amounts are expressed in PLN thousand (unless otherwise indicated)		

ITEM	LAND, BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	MEANS OF TRANSPORT	TOOLS AND INSTRUMENTS	TOTAL
Net value as at 1 January 2024	32,590	14,891	1,179	6,140	54,800
Loss of control over a subsidiary GWI	(6,366)	-	-	-	(6,366)
Increase due to leasing acceptance	7,114	6,962	1,290	719	16,085
Increase due to reclassification - from tangible fixed assets to right to use assets under lease	166	-	-	-	166
Increase due to reclassification - other	194	-	-	-	194
Decrease due to disposal	(876)	-	-	-	(876)
Decrease due to liquidation	(1,856)	(4)	(97)	-	(1,957)
Decrease due to reclassification - to assets held for sale	(4,056)	-	-	-	(4,056)
Decrease due to reclassification - from right to use leased assets to tangible fixed assets	-	(1,482)	(347)	(3,054)	(4,883)
Amortisation and depreciation	(6,281)	(3,511)	(459)	(620)	(10,871)
Decrease in existing depreciation due to disposal	838	-	-	-	838
Decrease in existing depreciation due to liquidation	1,744	1	29	-	1,774
Decrease in existing depreciation due to reclassification - from right to use leased assets to tangible fixed assets	-	686	211	1,175	2,072
Net foreign exchange differences on the translation of financial statements into presentation currency	54	-	-	-	54
Other changes	376	3	1	-	380
Other changes - depreciation	32	-	-	-	32
Net value as at 31 December 2024	23,673	17,546	1,807	4,360	47,386

ITEM	LAND, BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	MEANS OF TRANSPORT	TOOLS AND INSTRUMENTS	TOTAL
As at 31 December 2023					
Gross value	54,562	20,228	2,576	8,572	85,938
Total accumulated depreciation and write-downs to date	(21,972)	(5,337)	(1,397)	(2,432)	(31,138)
Net value	32,590	14,891	1,179	6,140	54,800
As at 31 December 2024					
Gross value	38,450	25,124	3,423	6,237	73,234
Total accumulated depreciation and write-downs to date	(14,777)	(7,578)	(1,616)	(1,877)	(25,848)
Net value	23,673	17,546	1,807	4,360	47,386

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Rounding level:	all amounts are expressed in PLN thousand (unless otherwise indicated)			

The statement of profit or loss and other comprehensive income shows the following lease amounts.

ITEM	as at	
	31 December 2024	31 December 2023
Depreciation of right-of-use assets	10,871	8,725
Buildings	6,281	5,002
Machinery and equipment	3,511	2,504
Means of transport	459	420
Tools and instruments	620	799
Interest costs (included in financial costs)	2,434	2,558
Costs associated with short-term leases (included in cost of goods sold and general administrative costs)	136	181
Means of transport	136	181
Costs associated with leases of low-value assets not shown above as short-term leases (included in general administrative costs)	280	303
Buildings	47	112
Machinery and equipment	149	116
Other	84	75

As at 31 December 2024, the number of lease agreements concluded within the Apator Group amounted to 54, of which 7 lease agreements are eligible for extension. Should the Group decide to extend these agreements, the value of the lease liability would increase by approximately PLN 20 million.

7.8. Investment property

The Apator Capital Group classified purchased land with buildings, which it leased to unrelated entities, as investment property.

On 30 August 2018, Apator S.A. concluded a lease agreement under which it transferred part of its investment property to an unrelated entity for use. The lessee undertook to pay monthly rent based on VAT invoices issued by Apator S.A. The agreement was concluded for an indefinite period. In 2024, the decision was made to sell the property in question. On 5 September 2024, a preliminary contract for the sale of the investment property was concluded in the form of a notarial deed. On 30 September 2024, an agreement was concluded to terminate the property lease agreement, effective no later than 30 March 2025.

In connection with the concluded sale agreement, the investment property was reclassified to assets held for sale (note 7.12).

As at 31 December 2024, the Apator Group's investment property with a value of PLN 1,019 thousand comprised a building located on the premises of Apator Metra s.r.o. in the Czech Republic.

ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Value — opening balance	2,234	2,282
Decrease due to reclassification - to assets held for sale	(1,897)	-
Net foreign exchange differences on the translation of financial statements into presentation currency	(34)	(105)
Increase in fair value	716	57
Value at the end of the period	1,019	2,234

These properties were measured at fair value by an independent property valuer holding recognised professional qualifications.

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Income and expenses from the investment property are presented in the table below

ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Rental income included in current result	194	196
Direct operating costs relating to an investment property that generated rental income during the period	68	69

As at 31 December 2024, the Group valued investment property by referring to market transaction prices for similar property. Due to the low revaluation value, valuations are updated once a year.

The Group classifies investment property at Level II of the fair value hierarchy.

7.9. Other financial assets

Data on other financial assets is presented in the table below.

ITEM	as at	
	31 December 2024	31 December 2023
Other long-term financial assets	-	-
Derivatives	-	-
Other short-term financial assets, including:	1,155	5,152
Derivatives	1,155	5,152
Total other financial assets, including:	1,155	5,152
- in other entities	1,155	5,152

7.10. Inventory

Information on the reporting value of inventory is presented in the table below.

ITEM	as at	
	31 December 2024	31 December 2023 (restated in accordance with note 9)
Materials	127,091	144,605
Work in progress	46,838	47,489
Finished products	46,863	44,515
Goods	4,668	5,293
Total value of inventory	225,460	241,902

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Rounding level:	all amounts are expressed in PLN thousand (unless otherwise indicated)		

Changes in inventory write-downs are presented below.

ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Total inventory write-down		
Value of write-downs at the beginning of the period	35,717	20,799
Change due to disposal of an entity (GWI)	(4,657)	-
Increase - creation of a write-down charged against current result	19,384	17,316
Decrease- as a reduction of cost of sales	(12,934)	(1,405)
Exercise of a write-down - write-off	(11,226)	(952)
Net foreign exchange differences on the translation of financial statements into presentation currency	(8)	(41)
Value of write-downs at the end of the period	26,276	35,717

The Apator Group companies periodically review their current assets in terms of their potential use in further manufacturing processes. In 2024, the Group entities recognised write-downs on non-rotating inventories, the majority of which related to materials and semi-finished goods. The reason for establishing write-downs for work in progress was also the exceeding of project cost values during the ongoing work, resulting from an increase in labour intensity.

A portion of the previously established write-downs, amounting to PLN 11.226 thousand, was recognised as an expense in the form of scrapping of materials that permanently lost their usefulness.

The amount of the inventory write-down increases the cost of sales.

Additional information on inventory is presented in the table below.

ITEM	as at	
	31 December 2024	31 December 2023
Value of inventories recognised as cost of sales during the period	807,175	766,196

A registered pledge on inventories owned by Apator S.A., Apator Telemetria Sp. z o.o., Apator Powogaz S.A. and FAP Pafal S.A. was established with a book value not lower than PLN 148.8 million (along with an assignment of rights under an insurance policy), in connection with a multi-product agreement concluded with ING Bank Śląski S.A. (on 23 January 2025, the pledge registered on the inventories of Pafal S.A. was removed from the pledge register).

A registered pledge was established on inventories owned by Apator Metrix S.A. with a book value not lower than PLN 18.2 million, in connection with a bank guarantee facility granted by Bank Handlowy. Following the termination of the agreement, the pledge was removed from the register on 20 March 2024. A new registered pledge on inventories with a book value not lower than PLN 27.1 million (along with an assignment of rights under an insurance policy) was established in connection with a multi-purpose agreement concluded with PKO BP S.A.

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7.11. Trade receivables and other receivables

ITEM	as at	
	31 December 2024	31 December 2023 (restated in accordance with note 9)
Non-current receivables	2,367	3,536
Deposits, bid bonds, sureties	826	1,862
Write-down on long-term receivables	-	(1,078)
Long-term trade receivables	1,541	2,031
Other	-	721
Short-term receivables, including:	205,918	204,225
Trade receivables	185,495	188,117
Gross trade receivables	195,561	192,110
Impairment loss on trade receivables	(10,066)	(3,993)
Receivables from corporate income tax	1,198	6,285
Receivables from other taxes, customs duties and social insurance	9,804	7,703
Receivables from other taxes, customs duties and social insurance	9,804	7,703
Other short-term receivables	9,421	2,120
Receivables from sold tangible fixed assets and intangible assets	6,737	1,081
Dividend receivables	990	990
Deposits, bid bonds, sureties	2,329	956
Other receivables	565	924
Impairment loss on other short-term receivables	(1,200)	(1,831)
Total receivables, including:	208,285	207,761
- from other entities	208,285	207,761

The increase in receivables from the sale of property, plant and equipment as well as intangible assets is related to the sale of capital expenditures on fixed assets. This results from the conclusion of a technological partnership agreement by Apator S.A., which will enable the introduction to the market of newly designed innovative products used in comprehensive switchgear solutions.

The data below presents the age structure and write-downs of trade receivables.

ITEM	31 December 2024		31 December 2023	
	Gross value	Impairment loss on financial assets	Gross value	Impairment loss on financial assets
Not due	161,143	(33)	167,944	-
Overdue from 0 to 30 days	20,460	(1)	15,141	-
Overdue from 31 to 180 days	3,936	(10)	5,084	(52)
Overdue from 180 days to one year	1,679	(1,679)	427	(427)
Overdue more than 1 year	8,343	(8,343)	3,514	(3,514)
Total	195,561	(10,066)	192,110	(3,993)

The following table shows data regarding total write-downs of receivables.

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ITEM	as at	
	31 December 2024	31 December 2023
Value of write-downs at the beginning of the period	6,902	4,808
Creation of individual write-downs (step 3 of the impairment model)	4,200	3,196
Creation/reversal of write-downs according to the write-down matrix	657	(795)
Reversal of individual write-downs	-	(261)
Exercise of individual write-downs	(493)	(46)
Value of write-downs at the end of the period	11,266	6,902
Individual write-down	11,213	6,849
Write-down calculated based on matrix	53	53

The increase in write-downs on trade receivables in 2024 compared to 2023 is related to the deconsolidation of the British company GWI (see note 1.1.4).

The table below presents the impact of the creation and reversal of impairment allowances on the financial result.

ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Release of impairment losses on principal receivables	883	-
Release of impairment losses on interest receivables	12	31
Creation of impairment losses on principal receivables	(1,154)	(2,163)
Creation of impairment losses on interest receivable	(21)	-
Change in the balance of impairment losses on receivables, recognised in the statement of profit or loss	(280)	(2,132)

7.12. Assets held for sale

As at 31 December 2024, in the electricity segment, the Group classified an investment property and a land under perpetual usufruct as assets held for sale, in connection with the fulfilment of the criteria for recognising assets in accordance with IFRS 5:

- their carrying amount will be recovered principally through a sale transaction rather than through their continued use,
- the asset (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), and the sale is highly probable,
- the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value.

The basis for the classification of the assets as held for sale was the conclusion of a sale agreement. On 5 September 2024, Apator S.A. signed a preliminary sale agreement in the form of a notarial deed. The subject of the agreement was an investment property and the right of perpetual usufruct of land located in Toruń, at ul. Marii Skłodowskiej – Curie. The sale date specified in the deed was set for June 2025. On 12 March 2025, an annex to the preliminary sale agreement was signed, pursuant to which the sale date was postponed from June to October 2025.

The following table presents assets that have been classified as held for sale

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ITEM	CARRYING AMOUNT
Building (investment property)	1,897
Right-of-use assets (land in perpetual usufruct)	4,056
Value at the end of the period	5,953

The following table provides additional information, including liabilities related to assets classified as held for sale. The amount of PLN 5,056 thousand relates to the sale agreement for assets (investment property and land in perpetual usufruct) located in Toruń.

ITEM	as at	
	31 December 2024	31 December 2023
Liabilities related to assets classified as held for sale	5,056	-
Long-term lease liabilities	3,959	
Short-term lease liabilities	98	
Other short-term liabilities (deposit)	1,000	-

The table presents changes in fixed assets classified as held for sale.

ITEM	in the period	
	from 1 January	from 1 January
	to 31 December	to 31 December
Value — opening balance	-	12,863
Increase due to reclassification	5,953	(35)
Decrease due to disposal	-	(12,610)
Other	-	(218)
Value at the end of the period	5,953	-

7.13. Cash and cash equivalents

The specification of cash is shown in the table below.

ITEM	as at	
	31 December 2024	31 December 2023
Cash in hand	27	11
Cash at bank	14,360	18,765
Cash in VAT accounts (split payment)	3,329	4,133
Deposit	-	30
Total cash	17,716	22,939

As at the balance sheet date of 31 December 2024, there was no cash with restricted use in the Group. Funds held in VAT accounts are presented as highly liquid assets due to the fact that they are used in the course of operating activities to settle current payments, and their availability is not materially restricted.

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7.14. Other assets

Information on accruals and prepayments is presented in the table below.

ITEM	as at	
	31 December 2024	31 December 2023 (restated in accordance with note 9)
Other long-term assets:	210	303
- Long-term prepayments and accruals, including:	210	303
Insurance	9	2
IT services	131	137
Other prepayments and accruals	70	164
Other short-term assets:	11,208	7,256
- Short-term prepayments and accruals, including:	6,582	5,689
Insurance	1,642	1,383
IT services	2,827	2,705
Marketing services	15	73
Trainings	40	29
Employee Benefit Fund	2	32
Other prepayments and accruals	2,056	1,467
- Short-term advances for purchases, including:	4,626	1,567
Advances for the purchase of services	318	355
Advances on tangible fixed assets	2,518	818
Advances for inventories	1,790	394
Total other assets, including	11,418	7,559
- from other entities	11,418	7,559

The increase in advances for tangible fixed assets is related to the investment process in new technical infrastructure – moulds and tooling. The investment process has been ongoing since autumn 2024. Depending on the investment task, the Group identifies the following stages of the investment:

- acceptance of finished equipment from contractors,
- testing of moulds,
- production corrections at the equipment manufacturing stage.

The Group estimates that the entire investment in new tooling will be completed in the third quarter of 2025.

The increase in advances for inventories is related to the necessity of purchasing electronic components for the production of electricity meters, for which the Group has signed commercial supply agreements.

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7.15. Share capital

The share capital amounts to PLN 3,264,707.30 and is divided into 32,647,073 shares, including:

- 7,326,515 registered voting preference shares at a ratio of 1:4,
- - 25,320,558 bearer shares.

On 31 December 2024, the above shares entitled to the exercise of 54,626,618 votes at the general meeting.

Information concerning share capital is presented in the tables below.

ITEM	as at	
	31 December 2024	31 December 2023
Number of shares issued, fully paid up	32,647,073	32,647,073
Nominal value of shares	0.10	0.10
Share capital	3,265	3,265

The full shareholder structure as at 31 December 2024 is presented in the table below.

First and last name	Registered shares	Bearer shares	Number of shares	Number of votes	Share in capital	Share in votes
Mariusz Lewicki	1,187,376	1,150,624	2,338,000	5,900,128	7.16%	10.80%
Tadeusz Sosgórnik with a closely associated person*	1,555,000	335,500	1,890,500	6,555,500	5.79%	12.00%
Danuta Guzowska	954,214	566,065	1,520,279	4,382,921	4.66%	8.02%
Zbigniew Jaworski	766,348	779,200	1,545,548	3,844,592	4.73%	7.04%
Apator Mining Sp. z o.o.	-	3,600,000	3,600,000	3,600,000	11.03%	6.59%
Aviva OFE Aviva Santander SA/PTE Allianz Polska**	-	4,545,864	4,545,864	4,545,864	13.92%	8.32%
Kazimierz Piotrowski with a closely associated person	664,774	159,181	823,955	2,818,277	2.52%	5.16%
Others	2,198,803	14,184,124	16,382,927	22,979,336	50.18%	42.07%
Total	7,326,515	25,320,558	32,647,073	54,626,618	100.00%	100.00%

*) The shareholding of Tadeusz Sosgórnik is presented together with the shareholding of a person closely associated with him. The total shareholding of Tadeusz Sosgórnik is effective as of 2 July 2020, i.e. from the day of becoming a member of the Supervisory Board of Apator SA.

**) Shares held by PTE Allianz Polska S.A. determined based on a notification from PTE Allianz Polska S.A. of 5 January 2023. The balance includes shares credited to the account of Allianz OFE (due to the liquidation of Drugi Allianz OFE and the transfer of its assets to Allianz OFE) and Allianz DFE. In addition, according to information from PTE Allianz Polska S.A. of 12 May 2023, after the liquidation of Drugi Allianz OFE, 4,539,876 shares, representing 13.91% of the Company's share capital, were credited to Allianz OFE's account, which gives the right to exercise 4,539,876 votes from shares representing 8.31% of the total number of votes at the General Meeting.

The weighted average number of shares used to calculate earnings per share amounts to 29,047,073 and does not include the shares of Apator S.A. held by Apator Mining Sp. z o.o. (3,600,000 shares).

7.16. Own shares

The own shares disclosed in the annual consolidated financial statements are shares of Apator S.A. held by the subsidiary Apator Mining Sp. z o.o. The number of shares held amounts to 3,600,000. These shares were acquired in 2000 and remain within the Apator Group as an acquired right. The Group does not intend to make any changes to this holding.

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7.17. Other capital

Information on other capitals is presented in the table.

ITEM	as at	
	31 December 2024	31 December 2023
Supplementary capital, including:	554,347	579,667
<i>Share premium reserve</i>	15,142	15,142
<i>Other supplementary capital</i>	539,205	564,525
Revaluation capital	1,145	1,146
Reserve capital	19,337	19,369
Total other capitals	574,829	600,182

The remaining supplementary capital arose from the appropriation of profits of individual Group entities (+29,158) and the coverage of losses (-54,511), resulting in a decrease of PLN 25,353 thousand in 2024.

Pursuant to Resolution No. 20/VI/2024 of the Ordinary General Meeting of Shareholders of Apator S.A. dated

26 June 2024, the net profit for the financial year 2023 amounting to PLN 34,615,166.19 was distributed as follows:

Dividend PLN 16,323,536.50, i.e. PLN 0.50 per share
Supplementary capital PLN 18,291,629.69

Last year, in accordance with Resolution No. 17/VI/2023 of the Ordinary General Meeting of Shareholders of Apator S.A. of 28 June 2023, the net profit for the financial year 2022 in the amount of PLN 25,593,156.05

was distributed as follows:

Dividend 9,794,121.90 PLN, i.e. PLN 0.30 per share
Supplementary capital PLN 15,799,034.15

The statement of changes in equity does not include shares of Apator S.A. held by Apator Mining Sp. z o.o. (3,600,000 shares).

ITEM	in the period	in the period
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Dividends recognised as distributions to owners per share (in PLN)	0.30	0.50

Detailed information on the dividend is given in the table below.

ITEM	as at	
	31 December 2024	31 December 2023
Value of dividend in accordance with the resolution approving the distribution of the result for the financial year	16,324	9,795
Dividend attributable to own shares	(1,800)	(1,080)
Dividend outside the group of companies	14,524	8,715
Settlement of the advance dividend paid in 2023	(6,530)	-
Advance attributable to own shares	720	-
Advance dividend paid in the current year	9,794	6,530
Advance attributable to own shares	(1,080)	(720)
Advance outside the group of companies	2,904	5,810
Dividend shown in the consolidated statements of changes in equity	17,428	14,525

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An advance dividend of PLN 6,530 thousand against profit for the financial year 2023 was paid on 21 December 2023. As at 31 December 2023, it was reported under the item "write-downs from current year result".

Pursuant to Resolution No. 20/VI/2024 of the Ordinary General Meeting of Shareholders of Apator S.A. of 26 June 2024, on 11 July 2024 the Company paid shareholders a dividend from the 2023 profit in the amount of PLN 9,794 thousand.

Under Resolution No. 18/VI/2023, the Share Repurchase Programme (adopted under Resolution No. 32/VI/2022) was closed and the related Share Redemption Fund in the amount of PLN 10 million was dissolved. Unused Fund resources were transferred to supplementary capital. No reserve fund was established in 2024.

7.18. Undistributed financial result

The specification of the undistributed financial result is included in the table below.

ITEM	as at	
	31 December 2024	31 December 2023
Undistributed financial result	8,590	(72,699)
- undistributed result from previous years	(55,756)	(75,028)
- result for the current period	73,060	8,138
- write-downs from current year result	(8,714)	(5,809)

In accordance with Resolution No. 117/2024 of the Management Board of Apator S.A. of 30 October 2024 and Resolution No. 47/2024 of the Supervisory Board of Apator S.A. of 30 October 2024, on 12 December 2024 the Company paid shareholders an advance on the expected dividend from the profit for 2024 in the amount of PLN 8,714 thousand.

As of the publication date of this report, the Management Board of Apator S.A. has not made a recommendation on the distribution of the result for 2024. This recommendation will be made closer to the date of the General Shareholders Meeting.

7.19. Non-controlling interests

The table below presents financial information concerning the subsidiary Apator Telemetria Sp. z o.o., which includes non-controlling interests, before the elimination of intra-group balances within the Apator Group.

ITEM	as at	
	31 December 2024	31 December 2023
Non-controlling interests	7.31%	7.31%
Fixed assets	28,092	26,470
Current assets	32,544	35,457
Long-term liabilities and provisions	(9,692)	(7,854)
Short-term liabilities and provisions	(15,457)	(20,691)
Net assets	35,487	33,382
Adjustments	(5,234)	(5,234)
Net assets for the purpose of calculating the share	30,253	28,148
Net assets attributable to non-controlling interests	2,212	2,058
Sales revenue of products and services	78,506	67,961
Net profit	2,105	5,003
Net profit attributable to non-controlling interests	154	366
Cash flows from operating activities	9,513	11,939
Cash flows from investment activities	(3,414)	(4,962)
Cash flows from financial activities	(6,330)	(8,532)
Net decrease in cash	(231)	(1,555)
Dividends paid	-	(109)

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Rounding level:	all amounts are expressed in PLN thousand (unless otherwise indicated)		

7.20. Credits and loans

Information on credits and loans is presented below.

ITEM	as at	
	31 December 2024	31 December 2023
Long-term credits and loans	24,621	29,545
payable over 1 and up to 2 years	4,924	4,924
payable over 2 and up to 5 years	14,773	14,773
payable after 5 years	4,924	9,848
Short-term credits and loans	90,226	162,511
Total credits and loans, including	114,847	192,056
- from other entities	114,847	192,056

The parent company Apator S.A.

As at 31 December 2024, Apator S.A. held credit liabilities totalling PLN 10,649 thousand (as at 31 December 2023: PLN 45,408 thousand). The terms of the credit agreements are presented below.

Credit (1)

Bank name	ING Bank Śląski S.A.
Date of conclusion of the agreement and any annexes thereto	22 June 2016, latest annex no. 18 of 28 October 2024
Amount of credit granted	Limit up to PLN 250 million (maximum limit for the Apator Group of Companies) the limit can be used in the form of revolving credits, bank guarantees and letters of credit
Credit repayment date	30 June 2025
Type of security	Collateral established on all Borrowers: Contractual mortgage on the real estate of Apator S.A. in Ostaszewo of up to PLN 40 million, Registered pledge over inventory of PLN 73.3 million, Registered pledge over fixed assets of PLN 20.6 million, Assignment of rights under an all-risk property insurance policy, Blank promissory note and promissory note declaration.
Interest rate	WIBOR 1M + margin per annum

Credit (2)

Credit line denominated in EUR within the limit defined as Credit (1).

Interest rate: EURIBOR 1M + margin per annum.

Credit (3)

Bank name	Powszechna Kasa Oszczędności Bank Polski S.A.
Date of conclusion of the agreement and any annexes thereto	26 May 2023, annex no. 1 of 23 November 2023

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Period covered by the financial statements:	1 January 2024 – 31 December 2024	Reporting currency:	Polish zloty (PLN)
Rounding level:	all amounts are expressed in PLN thousand (unless otherwise indicated)		

Amount of credit granted	Limit up to PLN 80 million (maximum limit for the Apator Group)
Credit repayment date	26 May 2025
Type of security	Collateral established on all Borrowers: Registered pledge on fixed assets PLN 9.6 million, Assignment of rights under an all-risk property insurance policy, Declaration of submission to enforcement up to the amount of PLN 80 million,
Interest rate	WIBOR 1M + margin per annum
	The credit has not been released

Credit (4)

Bank name	CITI Bank Handlowy S.A.
Date of conclusion of the agreement and any annexes thereto	13 August 2021, latest annex no. 4 of 30 November 2023
Amount of credit granted	PLN 13 million - long-term credit for the purchase of shares in Apator Telemetria Sp. z o.o., the credit was converted to EUR by virtue of an annex of 29 June 2022,
Credit repayment date	15 December 2023; credit repaid
Type of security	Registered pledge on acquired shares with a value of PLN 12.1 million and on fixed assets with a value of PLN 2.8 million - collateral released on 26 January 2024. Declaration of submission to enforcement up to PLN 15.6 million – expired due to lack of liability,
Interest rate	WIBOR 3M + margin per annum

Credit (5)

Bank name	CITI Bank Handlowy S.A.
Date of conclusion of the agreement and any annexes thereto	13 January 2017, last annex of 5 April 2022
Amount of credit granted	PLN 10 million – overdraft facility
Credit repayment date	22 March 2023; loan repaid
Type of security	Registered pledge on fixed assets worth PLN 8.4 million – pledge released on 10 and 12 May 2023.
Interest rate	WIBOR 3M + margin per annum

Apator Metrix S.A. Group

As at 31 December 2024, the company held debt from credit facilities amounting to PLN 24,194 thousand (as at 31 December 2023 – PLN 51,425 thousand), under credit agreements, the terms of which are presented below:

Credit (6) – Apator Metrix

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Period covered by the financial statements:	1 January 2024 – 31 December 2024	Reporting currency:	Polish zloty (PLN)
Rounding level:	all amounts are expressed in PLN thousand (unless otherwise indicated)		

Bank name	ING Bank Śląski S.A.
Date of conclusion of the agreement and any annexes thereto	22 June 2016, Annex No. 18 of 28 October 2024
Amount of credit granted	Limit up to PLN 55 million – this limit may be utilised in the form of working capital loans, bank guarantees and letters of credit
Credit repayment date	30 June 2025
Type of security	Collateral established on all Borrowers: Registered pledges on fixed assets with a total value of PLN 30 million Registered pledges on inventories with a total value of PLN 148.8 million Contractual mortgage on the property in Ostaszewo up to PLN 40 million Assignment of rights under an all-risk property insurance policy, Powers of attorney to operate all bank accounts Blank promissory notes together with promissory note declarations of all companies
Interest rate	WIBOR 1M + margin per annum

Credit (7) – Apator Metrix

Bank name	PKO BP SA
Date of conclusion of the agreement and any annexes thereto	26 May 2023, Annex No. 2 of 23 May 2024
Amount of credit granted	Limit up to EUR 4 million
Credit repayment date	26 May 2025
Type of security	Collateral established on all Borrowers: Registered pledges on fixed assets of the companies with a total value of PLN 12.4 million, Registered pledge on inventories with a total value of PLN 27.1 million, a joint mortgage on the Żerniki and Tczew properties up to PLN 182.8 million, Assignment of rights under the insurance policy for the above collateral, Declaration of submission to execution under art. 777 of the Civil Code by Apator S.A., Apator Metrix S.A., Apator Powogaz S.A. up to PLN 80 million
Interest rate	EURIBOR 1M + margin per annum

Apator Powogaz Group

As at 31 December 2024, the Group held debt under credit facilities amounting to PLN 76,130 thousand (as at 31 December 2023 – PLN 87,699 thousand), under credit agreements, the terms of which are presented below:

Credit (8) – Apator Powogaz S.A.

Bank name	ING Bank Śląski S.A.
Date of conclusion of the agreement and any annexes thereto	22 June 2016, Annex No. 18 of 28 October 2024
Amount of credit granted	Limit up to PLN 45 million – this limit may be used in the form of working capital loans, bank guarantees, letters of credit and supplier financing through discount transactions
Credit repayment date	30 June 2025
Type of security	Collateral established on all Borrowers:

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Rounding level:	all amounts are expressed in PLN thousand (unless otherwise indicated)		

Registered pledges on fixed assets with a total value of PLN 30 million
Registered pledges on inventories with a total value of PLN 148.8 million
Contractual mortgage on the property in Ostaszewo up to PLN 40 million
Assignment of rights under an all-risk property insurance policy,
Powers of attorney to operate all bank accounts
Blank promissory notes together with promissory note declarations of all companies

Interest rate WIBOR 1M + margin per annum

Credit (9) – Apator Powogaz S.A.

Bank name PKO BP S.A.
Date of conclusion of the agreement and any annexes thereto 26 May 2023, Annex No. 2 of 23 May 2024
Amount of credit granted PLN 10 million – overdraft facility
Credit repayment date 26 May 2025
Type of security Collateral established on all Borrowers:
Registered pledges on fixed assets of the companies with a total value of PLN 12.4 million,
Registered pledge on inventories with a total value of PLN 27.1 million,
a joint mortgage on the Żerniki and Tczew properties up to PLN 182.8 million,
Assignment of rights under the insurance policy for the above collateral,
Declaration of submission to execution under art. 777 of the Civil Code, by Apator S.A., Apator Metrix S.A., Apator Powogaz S.A. up to PLN 80 million
Interest rate WIBOR 1M + margin per annum

Credit (10) – Apator Powogaz S.A.

Bank name PKO BP S.A.
Date of conclusion of the agreement and any annexes thereto 4 December 2020, Annex No. 6 of 23 November 2023
Amount of credit granted PLN 41.9 million
Credit repayment date From 31 July 2022 to 4 December 2030
Type of security Contractual joint mortgage up to PLN 182.8 million,
Assignment of rights under the insurance policy,
Blank promissory note and promissory note declaration.
Interest rate up to the amount of PLN 39,100 thousand – fixed interest rate of 1.3% p.a. + margin per annum,
above the amount of PLN 39,100 thousand (up to a maximum of PLN 41,000 thousand) – WIBOR 1M + annual margin

Credit (11) - Apator Telemetry Sp. z o.o.

Bank name ING Bank Śląski SA
Date of conclusion of the agreement and any annexes thereto 22 June 2016, Annex No. 18 of 28 October 2024,

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Rounding level:	all amounts are expressed in PLN thousand (unless otherwise indicated)		

Credit (10) – Apator Powogaz S.A.

Amount of credit granted	Limit up to PLN 8 million – this limit may be used in the form of working capital loans, bank guarantees and letters of credit
Credit repayment date	30 June 2025
Type of security	Collateral established on all Borrowers: Registered pledges on fixed assets with a total value of PLN 30 million Registered pledges on inventories with a total value of PLN 148.8 million Contractual mortgage on the property in Ostaszewo up to PLN 40 million Assignment of rights under an all-risk property insurance policy, Powers of attorney to operate all bank accounts Blank promissory notes together with promissory note declarations of all companies
Interest rate	WIBOR 1M + margin per annum

Credit (12) – Apator Metra s.r.o.

Bank name	Raiffeisen Bank a.s.
Date of conclusion of the agreement and any annexes thereto	23 December 2008, latest Annex No. 11 of 18 October 2023
Amount of credit granted	Limit up to CZK 30 million – current account credit facility
Credit repayment date	Agreement for an indefinite period
Type of security	Mortgage on property valued at CZK 51.7 million Assignment of rights from the all-risk property insurance policy
Interest rate	PRIBOR 1D + annual margin

Subsidiary Apator Rector Sp. z o.o.

As at 31 December 2024, the company had credit liabilities amounting to PLN 3,873 thousand (as at 31 December 2023: PLN 7,524 thousand), under a credit agreement, the terms of which are presented below:

Credit (13)

Bank name	ING Bank Śląski SA
Date of conclusion of the agreement and any annexes thereto	22 June 2016, Annex No. 18 of 28 October 2024
Amount of credit granted	Limit up to PLN 13 million – this limit may be used in the form of working capital credits, bank guarantees and letters of credit
Credit repayment date	30 June 2025
Type of security	Collateral established on all Borrowers: Registered pledges on fixed assets with a total value of PLN 30 million Registered pledges on inventories with a total value of PLN 148.8 million Contractual mortgage on the property in Ostaszewo up to PLN 40 million Assignment of rights under an all-risk property insurance policy, Powers of attorney to operate all bank accounts Blank promissory notes together with promissory note declarations of all companies
Interest rate	WIBOR 1M + margin per annum

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Rounding level:	all amounts are expressed in PLN thousand (unless otherwise indicated)		

Subsidiary FAP Pafal S.A.

As at 31 December 2024 (similarly to 31 December 2023), the company had no outstanding credit liabilities:

Credit (14)

Bank name	ING Bank Śląski SA
Date of conclusion of the agreement and any annexes thereto	22 June 2016, Annex No. 18 of 28 October 2024
Amount of credit granted	Limit up to PLN 1 million – this limit may be used in the form of working capital credits, bank guarantees and letters of credit
Credit repayment date	30 June 2025
Type of security	Collateral established on all Borrowers: Registered pledges on fixed assets with a total value of PLN 30 million Registered pledges on inventories with a total value of PLN 148.8 million. Contractual mortgage on the property in Ostaszewo up to PLN 40 million. Assignment of rights under an all-risk property insurance policy, Powers of attorney to operate all bank accounts Blank promissory notes together with promissory note declarations of all companies
Interest rate	WIBOR 1M + margin per annum

In the reporting period the companies in the Apator Group timely settled the liabilities arising from the concluded credit agreements. All Group companies have complied with the established covenants.

Below the covenants introduced in credit agreements are listed:

- maintaining the consolidated ratio: net debt / EBITDA at a level lower than 3.5 (ING Bank Śląski S.A., PKO Bank Polski S.A),
- payment of dividends if the consolidated ratio: net debt / EBITDA is lower than 3 (ING Bank Śląski S.A., PKO Bank Polski S.A),
- maintaining the ratio of equity to total assets at a level higher than 40% (PKO Bank Polski S.A).

Covenants are verified quarterly on consolidated financial data and when dividends are paid.

A summary of liabilities under credit agreements is presented below.

ITEM	Balance in currency	Balance in PLN	Balance in currency	Balance in PLN
	as at	as at	as at	as at
	31 December	31 December	31 December	31 December
Overdraft in PLN – ING Bank Śląski S.A.	53,529	53,529	96,299	96,299
Overdraft in EUR – ING Bank Śląski S.A.	4,288	18,332	5,414	23,507
Investment credit in PLN – ING Bank Śląski S.A.	4,190	4,190	7,322	7,322
Overdraft in PLN – PKO Bank Polski S.A.	9,251	9,251	9,405	9,405
Investment credit in PLN – PKO Bank Polski S.A.	29,545	29,545	34,980	34,980
Overdraft in GBP – PKO Bank Polski S.A.	-	-	3,940	19,663
Overdraft in CZK – Raiffeisen Bank a.s.	-	-	5,014	880
Total	-	114,847	-	192,056

ITEM	LIABILITY	COSTS	LIABILITY	COSTS
	as at	from 1 January 2024	as at	from 1 January 2023

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Rounding level:	all amounts are expressed in PLN thousand (unless otherwise indicated)			

	31 December 2024	to 31 December 2024	31 December 2023	to 31 December 2023
Credits	114,847	7,672	192,056	14,346
Total	114,847	7,672	192,056	14,346

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Rounding level:	all amounts are expressed in PLN thousand (unless otherwise indicated)		

7.21. Provisions for liabilities

Information on provisions for liabilities is presented in the table.

ITEM	PROVISIONS / LIABILITIES			OTHER PROVISIONS		TOTAL
	RETIREMENT BENEFITS, JUBILEE AWARDS	BONUSES	LEAVES	WARRANTIES	OTHER	
Value of provisions as at 1 January 2023	5,625	8,556	5,675	11,606	2,167	33,629
Increase – creation of a provision charged against the current result	1,016	15,773	1,325	1,939	4,517	24,570
Exercise of a provision – cost settlement	(786)	(9,650)	(1,480)	(1,938)	(4,124)	(17,978)
Revaluation of a provision recognized in other comprehensive income	287	-	-	-	-	287
Net foreign exchange differences on the translation of financial statements into presentation currency	-	(30)	(42)	(49)	-	(121)
Value of provisions as at 31 December 2023, including:	6,142	14,649	5,478	11,558	2,560	40,387
- long-term provisions	5,315	-	-	1,204	-	6,519
- short-term provisions	827	14,649	5,478	10,354	2,560	33,868
Value of provisions as at 1 January 2024	6,142	14,649	5,478	11,558	2,560	40,387
Increase – creation of a provision charged against the current result	1,243	18,837	1,241	15,569	5,804	42,694
Decrease — write-down of unused amounts as income	-	-	-	-	(222)	(222)
Exercise of a provision – cost settlement	(889)	(16,837)	(1,364)	(2,429)	(1,470)	(22,989)
Revaluation of a provision recognized in other comprehensive income	(67)	-	-	-	-	(67)
Net foreign exchange differences on the translation of financial statements into presentation currency	-	(6)	(6)	(18)	-	(30)
Value of provisions as at 31 December 2024, including:	6,429	16,643	5,349	24,680	6,672	59,773
- long-term provisions	5,567	-	-	1,567	-	7,134
- short-term provisions	862	16,643	5,349	23,113	6,672	52,639

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Rounding level:	all amounts are expressed in PLN thousand (unless otherwise indicated)			

Employee benefits – actuarial assumptions

The main actuarial assumptions adopted as at 31 December 2024 and 31 December 2023 (expressed as weighted average values) are presented in the table below:

ITEM	as at	
	31 December 2024	31 December 2023
Discount rate	5.5%	5.7%
Wage growth rate	2.7%	3.6%
Future increase in the rate of revalorisation of the basis for calculating jubilee awards	0%	0%
Number of employees	2,294	2,359

Assumptions concerning future mortality and disability are based on published statistics and mortality tables.

The following mobility parameters were also applied:

For people aged up to 40	5%
For people aged 41 and 45	4%
For people aged 46 to 50	3%
For people aged 50 and over	1%

The table below provides an analysis of the changes in provisions for employee benefits, in line with the assumptions made.

ITEM	period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Interest expenses	309	381
Costs of current employment	427	328
Actuarial gains and losses arising from demographic changes	51	57
Actuarial gains and losses arising from financial changes	(130)	806
Costs of past employment	-	-

Retirement severance pays and jubilees

In accordance with the remuneration regulations, the Group makes provisions for employee benefits, which are calculated by an independent actuary – Biuro Usług Aktuarialnych Michał Stańczuk.

Employees who receive a disability or retirement pension are entitled to a one-off severance payment in the amount regulated by the Collective Labour Agreement. Employees who have not worked the minimum period required to acquire severance pay under the Corporate Collective Labour Agreement are entitled to severance pay of one month's salary.

On the other hand, jubilee awards are paid to employees who have worked for at least 25 years, with the minimum salary set out in the Corporate Collective Labour Agreement being the basis of assessment for the period prior to joining the Group, and the basic salary for the period of employment with the Group. The above principles apply to employees hired on 1 April 2017. Employees who were not in employment on that date are not entitled to the jubilee award and severance pay regulated in the Corporate Collective Labour Agreement.

Bonuses

The Group makes provisions for bonus benefits granted to Group employees on the basis of the provisions in the remuneration regulations.

Warranties

The warranty provision is primarily related to the sale of equipment manufactured by the Group during the reporting periods ended 31 December 2022, 31 December 2023, and 31 December 2024. This provision is estimated on the basis of historical data on the share of defective products in the sales revenue of these products and on the basis of the complaints actually made about completed contracts.

The provision for warranty repairs is charged to the core business - as a special cost related to the production of the product. Furthermore, the significant increase in warranty provisions in 2024 results from the estimation

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of individual risks related to the Group's liability for customer claims regarding deliveries made in the gas segment.

7.22. Liabilities

The specification of liabilities is presented in the table below.

ITEM	as at		
	31 December 2024	31 December 2023 (restated in accordance with note 9)	1 January 2023
Long-term liabilities	28,954	40,358	33,351
Other liabilities	-	2,750	52
Long-term lease liabilities	28,954	37,608	33,299
Short-term liabilities, including:	155,720	156,005	192,511
Trade liabilities, including:	101,768	103,592	140,301
Current liabilities	85,095	77,751	105,125
Overdue liabilities	12,665	15,840	16,769
Reverse factoring liabilities	4,008	10,001	18,407
Liabilities due to corporate income tax	5,427	3,241	1,976
Liabilities due to other taxes, customs duties, and social insurance	19,722	15,880	17,107
Other short-term liabilities	16,853	22,182	23,571
Payroll liabilities	9,731	9,579	8,791
Dividend liabilities	89	89	89
Derivative liabilities	35	466	1,935
Investment liabilities	3,455	1,173	2,007
Prepayments - advances received for deliveries	1,666	6,323	4,926
Deferred revenue	-	-	3,380
Other liabilities	1,877	4,552	2,443
Short-term lease liabilities	11,950	11,110	9,556
Total liabilities, including:	184,674	196,363	225,862
- to related entities	612	351	1,006
- to other entities	184,062	196,012	224,856

The liability arising from factoring as at 31 December 2024 results from agreements concluded by Apator Powogaz S.A.:

- Agreement with ING Bank Śląski S.A. – reverse factoring used to finance purchases from foreign suppliers. Under the agreement, the financing limit was set at PLN 5 million, of which PLN 1.4 million was utilised as at 31 December 2024 (compared to PLN 3.3 million as at 31 December 2023),
- Agreement with PKO Faktoring S.A. – reverse factoring used to finance purchases from domestic suppliers. Under the agreement, the financing limit was set at PLN 15 million, of which PLN 2.6 million was utilised as at 31 December 2024 (compared to PLN 6.7 million as at 31 December 2023).

Liabilities arising from reverse factoring are presented under trade liabilities, as based on the analysis carried out, their nature has not changed. The payment terms of liabilities not covered by factoring average 30–60 days, while the payment terms under the factoring agreements do not differ significantly from those described above.

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7.23. Contract liabilities

The table below shows the specification of contract liabilities.

ITEM	as at	
	31 December 2024	31 December 2023 (restated in accordance with)
Long-term contract liabilities:	-	1,040
- arising from software development and implementation agreements	-	1,040
Short-term contract liabilities:	5,940	1,568
- arising from software development and implementation agreements	4,476	1,568
- from fees settled over time	66	-
- from the delivery of devices	1,398	-
Total contract liabilities, of which:	5,940	2,608
- to other entities	5,940	2,608

Contract revenues are defined as subsequent milestones arising from the work schedule or directly from the contract. These contracts are accounted for over time using the percentage of completion method. The degree of completion is measured by comparing the actual incurred costs to the costs assumed for the project.

In December 2023, Apator S.A. signed a total of three contracts for the supply of software licenses together with implementation services.

These contracts cover the implementation and launch of the software, including the necessary configuration work in the system environment, testing, user and administrator training, and the provision of documentation, as well as post-implementation support in the area of operational analysis.

The implementation work under the contracts is expected to be completed by 31 March 2026. Revenue from these three contracts is recognised in accordance with the successive stages of work defined for these contracts, which corresponds to the actual progress of the work.

In December 2024, Apator S.A. concluded a contract for the supply of equipment in the field of industrial automation. The planned completion of the works is 31 May 2025. Revenue from this contract is recognised in accordance with the schedule, which corresponds to the actual progress of the works.

In 2024, Apator Rector Sp. z o.o. concluded a contract for the provision of services related to data collection, measurements, and inspections. Revenue from this contract is recognised based on the stage of completion, determined by the ratio of costs incurred to total estimated costs. The planned completion date of the works is 31 December 2025.

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7.24. Income tax

The specification of income tax for the reporting period is shown in the table below.

ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Profit and loss account		
Current income tax	12,719	7,326
Current income tax burden	12,719	9,341
Adjustments relating to current tax of previous years (continuing operations)	-	(2,015)
Deferred income tax	(4,115)	11,714
Related to the emergence and reversal of temporary differences	(9,922)	7,004
Taking advantage of tax relief due on the grounds of operation in a special economic zone	5,807	6,710
Creation of a deferred tax asset for SEZ activities	-	(2,000)
Tax burden recognised in the condensed consolidated statement of comprehensive income	8,604	19,040
Other comprehensive income		
Deferred income tax	(355)	700
Net deferred income tax on cash flow hedges settled during the financial year	(294)	774
Deferred income tax on actuarial provision revaluation	(61)	(74)
Tax benefit (burden) shown in equity	(355)	700

ITEM	Assets		Provisions	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Tangible fixed assets	2,540	2,212	9,412	9,192
Investment property	-	-	151	-
Financial assets	-	-	-	34
Derivatives	191	324	468	1,244
Inventory	4,902	5,512	-	-
Liabilities arising from employee benefits	5,386	5,029	-	-
Provisions	7,808	4,015	-	-
Write-downs on receivables	736	873	-	-
Tax loss	1,172	869	-	-
Tax credit to be settled in future periods	5,500	5,807	-	-
Other	2,649	2,643	235	321
Total	30,884	27,284	10,266	10,791
Netting of assets and provisions	(7,701)	(7,107)	(7,701)	(7,107)
Deferred tax assets / liabilities recognised in the condensed statement of financial position	23,183	20,177	2,565	3,684

On 28 December 2010, Apator S.A. received Permit No 69/PSEZ to conduct business activities in the Pomeranian Special Economic Zone. At the date of commencement of operations in the PSEZ, deferred tax assets in the amount of PLN 20,357 thousand were recognised due to a tax relief that could be used. As at 31 December 2024, the Company estimated the degree of execution of financial plans in subsequent years, as a result of which it recognised an additional asset in the amount of PLN 5,500 thousand. The maximum estimated value of the asset due to the relief for the activities conducted within PSEZ is PLN 23,564 thousand. The value of the available tax relief for which an asset was not created amounts to PLN 216 thousand.

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The effective tax rate is presented in the table below.

ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Profit before tax	81,818	27,544
Income tax calculated at the applicable rates	14,956	4,935
Adjustments:	(6,572)	14,105
Tax on tax-exempt income (permanent differences), including:	(1,425)	(75)
- Special Economic Zone tax credit recognised outside the tax asset*	(1,353)	-
- other	(72)	(75)
Tax on non-tax-deductible expenses (permanent differences)	2,544	2,224
Tax on intra-group transactions (permanent differences)	(298)	3,908
Tax due to disposal of an entity (GWI)	(814)	-
Tax on items not recognised in the financial result of the period	(111)	(105)
Tax asset for SEZ activities	(5,500)	(2,000)
Adjustment of tax loss from previous years	(261)	11,352
Other tax additions	108	894
Other tax deductions	(815)	(2,093)
Income tax	8,604	19,040
Effective tax rate	10.52%	69.13%

*) The amount corresponds to the tax exemption for income generated from SEZ activities in the current financial year in which no tax asset was created.

Any consumption of the SEZ relief without simultaneous settlement of the asset results in a permanent tax difference.

The value of the eligible zone tax relief for which no deferred tax asset was recognised by the Group amounted to PLN 216 thousand as at 31 December 2024 (Apator S.A.).

7.25. Costs by nature and function

The table presents a summary of costs by function, with the breakdown of cost of sales into costs of products and services as well as goods and materials.

ITEM	for the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Cost of products and services sold, including:	854,221	818,759
<i>cost of manufacturing</i>	845,476	816,392
<i>write-down</i>	(1,064)	(1,165)
<i>breaking</i>	6,318	1,869
<i>inventory differences</i>	738	(91)
<i>warranty repairs</i>	2,761	1,676
<i>provision for employee benefits</i>	(8)	78
Cost of goods and materials sold, including:	58,844	62,587
<i>purchase price</i>	53,436	56,545
<i>write-down</i>	(1,634)	5,379
<i>breaking</i>	8,044	595
<i>inventory differences</i>	(1,002)	68
Total cost of sales	913,065	881,346
Cost of sales	48,381	44,903
General administrative costs	162,894	153,655

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Total costs by function	1,124,340	1,079,904
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The table below presents the costs by nature, reconciling to the costs by function.

ITEM	for the period	
	from 1 January 2024 to 31 December 2024	from 1 January to 31 December
Amortisation and depreciation	57,312	56,414
Consumption of materials and energy	558,392	534,846
External services	144,826	126,093
Employee benefits	278,807	253,362
Other costs	32,417	38,545
Manufacturing costs of products for entity's own purposes	(5,923)	(3,883)
Change in finished goods and work in progress	(335)	11,940
Cost of goods and materials sold	58,844	62,587
Total costs by nature	1,124,340	1,079,904

7.26. Other operating revenues and expenses

ITEM	in the period	
	from 1 January 2024 to 31 December 2024	from 1 January 2023 to 31 December 2023
Operating revenue	2,365	3,020
Result on sales of fixed tangible assets	627	768
Compensations received for property, plant and equipment	-	1,116
Valuation of investment property	716	57
Reimbursement of costs (trade fairs and conferences)	-	2
Compensation received for tangible fixed assets	225	216
Compensation and contractual penalties received	253	370
Donations received	-	22
Other revenue	544	469
Operating expenses	(20,410)	(17,995)
Cost of liquidated tangible fixed assets	(571)	(107)
Cost of liquidated intangible assets	-	(1,688)
Creation of write-downs of tangible fixed assets	(453)	(2,490)
Creation of write-downs on intangible assets	(3,091)	(9,176)
Creation of provisions for liabilities	(14,329)	(328)
Scrapping of inventories	(4)	-
Fortuitous loss and other damage to assets	(191)	(600)
Discontinued investments	(270)	(1,849)
Donations made	(14)	(65)
Penalties, fines, compensation paid	(327)	(819)
Court fees, bailiff's fees, representation in court	(24)	(6)
Optional contributions	(15)	(7)
Other costs	(1,121)	(860)
Result on other operating activities	(18,045)	(14,975)

The increase in costs arising from provisions for liabilities in 2024, compared to 2023, is related to:
- anticipated penalties for delays in contract execution (PLN 3.4 million),

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- anticipated costs of warranty repairs (PLN 10.8 million).

7.27. Financial revenues and expenses

Financial revenue and costs are presented in the table below.

ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Financial revenue	7,001	8,048
Interest on funds in bank accounts	196	209
Interest on receivables	166	169
Other interest	43	5
Revenue from foreign exchange transactions (including derivatives)	5,694	6,894
Reduction in the discount on receivables	66	399
Discount on liabilities	190	1
Guarantees provided	-	147
Other revenue	646	224
Financial expenses	(14,600)	(20,667)
Interest and commissions on loans and borrowings	(7,172)	(13,871)
Interest payable to the budget	(284)	(44)
Interest on promissory notes (or bonds) paid	-	(140)
Interest on liabilities	(26)	(34)
Interest on lease liabilities	(2,434)	(2,558)
Other interest	(737)	(1,380)
Negative exchange differences	(3,234)	(1,486)
Bank guarantees and commissions (excluding credit commissions)	(590)	(594)
Other costs	(123)	(560)
Result on financial activities	(7,599)	(12,619)

7.28. Explanations regarding the cash flow statement

The Apator Group prepares the cash flow statement for the part relating to operating activities using the indirect method, whereby profit is adjusted for the effects of non-cash transactions, changes in inventory, receivables and liabilities and other items where the cash effects are cash flows from financing or investing activities.

The following table presents an explanation of the inconsistencies between the changes in the balance from the statement of financial position and the changes in the balance of these items as reported in the cash flow statement.

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ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Change in inventories		
Change in inventories	16,442	8,090
Adjustment for inventories of the entity excluded from consolidation (GWI)	918	-
Other changes	94	-
Change in the balance shown in the cash flow statement	17,454	8,090
Change in receivables		
Change in long-term receivables	1,169	2,901
Change in trade receivables	2,622	1,687
Change in corporate tax receivables	5,087	(544)
Change in receivables from other taxes, customs duties and social insurances	(2,101)	3,567
Change in other receivables	(7,301)	3,124
Adjustment for receivables of the entity excluded from consolidation (GWI)	(2,169)	-
Adjustment for income tax receivables	(5,087)	544
Adjustment for investment receivables	(794)	(1,676)
Other changes	140	179
Change in the balance shown in the cash flow statement	(8,434)	9,782
Change in other assets		
Change in other long-term assets	93	(248)
Change in other short-term assets	(3,952)	150
Change in accruals	195	179
Change in advances for tangible fixed assets	-	2,111
Advances on tangible fixed assets	1,538	-
Adjustment for prepayments and accruals of the entity excluded from	17	-
Change in the balance shown in the cash flow statement	(2,109)	2,192
Change in liabilities		
Change in long-term liabilities	(2,750)	2,698
Change in long-term lease liabilities	(8,654)	4,309
Change in trade liabilities	(1,824)	(36,709)
Change in long-term contract liabilities	(1,040)	-
Change in contract liabilities	4,372	(38)
Change in corporate tax liabilities	2,186	1,265
Change in liabilities from other taxes, customs duties and social insurances	3,842	(150)
Change in other liabilities	(5,329)	1,219
Change in short-term lease liabilities	840	1,554
Liabilities related to assets classified as held for sale	5,056	-
Adjustment for liabilities of the entity excluded from consolidation	12,807	-
Adjustment for lease liabilities	7,814	(5,863)
Adjustment for derivative liabilities	432	1,469
Adjustment for income tax liabilities	(2,186)	(1,265)
Adjustment for investment liabilities	(2,321)	327
Transfer of lease liability to liabilities related to non-current assets held for sale	(4,056)	-
Advance payment for the sale of property	(1,000)	-
Adjustment for lease liabilities of the entity excluded from consolidation (GWI)	(6,831)	-
Other changes	(20,097)	4,096
Change in the balance shown in the cash flow statement	(18,739)	(27,088)
Change in provisions		
Change in long-term provisions for employee benefits	252	841
Change in the balance of other long-term provisions	363	(87)
Change in short-term provisions for employee benefits	1,900	5,572
Change in other short-term provisions	16,871	432
Other changes	(381)	30
Change in the balance shown in the cash flow statement	19,005	6,788

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ITEM	in the period	
	from 1 January 2024	from 1 January
	to 31 December 2024	to 31 December
Profit (loss) due to change in fair value of derivatives		
Income / expenses related to the valuation of the hedging position at closing balance	(674)	(2,654)
Income / expenses related to the valuation of the hedging position at opening balance	2,654	1,734
Valuation of SWAP-CU transaction	35	-
Other adjustments	100	-
Total	2,115	(920)

ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Other adjustments to cash flows from operating activity		
Liquidation of tangible fixed assets and intangible assets	571	1,795
Discontinued investments	203	1,215
Grant settlement	(1,090)	(488)
(Profit) loss on settlement of derivatives	40	(349)
Commissions and fees on credits and loans	5	180
Exchange rate differences on consolidation	36	4,235
Negative differences on credits and dividends	-	(396)
Other	509	1,503
Total	274	15,953

ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Proceeds from the sale of tangible fixed assets		
Sales revenue of fixed assets	964	14,749
Change in net receivables from sale of fixed assets	794	1,676
Settlement of deposit on sale of tangible fixed assets	-	(4,200)
Other	-	(29)
Total	1,758	12,196

ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Expenditure on the acquisition of tangible fixed assets		
Purchase of tangible fixed assets	(46,831)	(19,450)
Change in inventory due to own work (internal projects)	(636)	71
Change in net investment liabilities	2,468	252
Other	1,308	628
Total	(43,691)	(18,499)

ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Expenditure on the acquisition of intangible assets		
Purchase of intangible assets	(12,530)	(12,804)
Change in development work under construction	(954)	(4,420)
Change in net investment liabilities	(147)	(579)
Total	(13,631)	(17,803)

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ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Cash inflows / outflows from credits		
Balance sheet change in long-term credits	(4,924)	26,426
Balance sheet change in short-term credits	(72,285)	(74,839)
Accrued interest	68	44
Partial repayment of credits	-	1,527
Transfer of a loan of the entity excluded from consolidation (GWI) to the Group of Companies	19,663	-
Other	29	66
Total	(57,449)	(46,776)

ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Other expenses from investing activity		
Proceeds and expenses related to forward contracts and options	(140)	349
Payment of commissions and other costs related to the sale and disposal of property, plant and equipment	(83)	(138)
Advances on tangible fixed assets intended for sale	(2,846)	(1,308)
Other	1,011	(22)
Total	(2,058)	(1,119)
Other expenses from financing activity		
Lease interest	(1,457)	(1,502)
Commissions and fees on credits and loans	(5)	(180)
Other	5	69
Total	(1,457)	(1,613)

ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Dividends paid		
Dividend from profit distribution for the previous year	(8,714)	(8,802)
Advance dividend on the current year's result	(8,714)	(5,810)
Total	(17,428)	(14,612)

ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Interest expense in operating activities		
Interest on credits and loans	7,443	13,118
Interest on lease liabilities	2,434	2,558
Total	9,877	15,676

ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Interest paid in financing activities		
Interest on credits and loans	(7,443)	(13,118)
Other interest	(714)	(1,050)
Total	(8,157)	(14,168)

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ITEM	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Repayment of lease liabilities		
Increase due to leasing acceptance	(16,085)	(18,028)
Change in liabilities due to leasing	(7,814)	5,863
Change due to loss of control of a subsidiary (GWI)	6,831	-
Transfer of lease liability to liabilities related to non-current assets held for sale	4,056	-
Other	(245)	583
Total	(13,257)	(11,582)

7.29. Financial instruments

In accordance with IFRS 9, the Group classifies financial instruments into the following categories:

- Financial assets and liabilities measured at fair value through financial result – derivatives,
- Financial assets measured at amortised cost – trade and other receivables, cash, and cash on VAT account,
- Financial liabilities measured at amortised cost - trade and other liabilities, liabilities due to credits and loans and lease liabilities.

The table below shows the carrying amount of significant groups of financial assets and liabilities by category. The principles for determining fair value are described in note 4.3.7.

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ITEM	NOTE	Assets measured at fair value through financial result	Assets measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Liabilities measured at amortised cost	Total
Carrying amount as at 31 December 2024						
Derivatives	7.9	1,155	-	-	-	1,155
Trade and other receivables	7.11	-	194,916	-	-	194,916
Cash and cash equivalents	7.13	-	17,716	-	-	17,716
Derivative liabilities	7.22	-	-	35	-	35
Trade liabilities and other liabilities	7.22	-	-	-	105,312	105,312
Liabilities due to credits	7.20	-	-	-	114,847	114,847
Lease liabilities	7.22	-	-	-	40,904	40,904
Carrying amount as at 31 December 2023						
Derivatives	7.9	5,152	-	-	-	5,152
Trade and other receivables	7.11	-	189,198	-	-	189,198
Cash and cash equivalents	7.13	-	22,939	-	-	22,939
Derivative liabilities	7.22	-	-	466	-	466
Trade liabilities and other liabilities	7.22	-	-	-	104,854	104,854
Liabilities due to credits	7.20	-	-	-	192,056	192,056
Lease liabilities	7.22	-	-	-	48,718	48,718

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The table below shows the fair value of financial instruments grouped according to a three-level hierarchy, where:

- Level 1 - fair value is based on (unadjusted) stock exchange prices for identical assets or liabilities in active markets;
- Level 2 - fair value is determined based on observable market data, but not direct market quotations (e.g. determined by direct or indirect reference to similar instruments available in the market);
- Level 3 – fair value is determined based on various valuation techniques that do not rely on observable market data.

ITEM	as at 31 December 2024					as at 31 December 2023				
	Book value	Level 1	Level 2	Level 3	Total	Book value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Derivatives	1,155	-	1,155	-	1,155	5,152	-	5,152	-	5,152
Financial assets measured at amortised cost										
Trade receivables	194,916	-	-	-	(*)	189,198	-	-	-	(*)
Cash and cash equivalents	14,387	-	-	-	14,387	22,939	-	-	-	22,939
Total assets	210,458	-	1,155	-	-	217,289	-	5,152	-	-
Financial liabilities measured at fair value										
Derivatives	35	-	35	-	35	466	-	466	-	466
Financial liabilities measured at amortised cost										
Trade liabilities and other liabilities	105,312	-	-	-	(*)	104,854	-	-	-	(*)
Liabilities due to short-term credits	90,226	-	76,276	-	76,276	162,511	-	153,393	-	153,393
Liabilities due to long-term credits	24,621	-	23,825	-	23,825	29,545	-	29,119	-	29,119
Total liabilities	220,194	-	100,136	-	100,136	297,376	-	182,978	-	182,978

(*) The book value of trade receivables, trade payables, and other liabilities is close to their fair value, particularly due to their short-term nature.

For the periods ended 31 December 2024 and 31 December 2023, there were no transfers of financial instruments between Levels 1 and 2 of the fair value hierarchy.

The fair value of the IRS instrument is the difference between the projected discounted interest cash flows at a fixed interest rate and a variable interest rate based on WIBOR 6M.

The Group measures fx forward derivatives at fair value with the use of financial instrument valuation models, using publicly available exchange rates and volatility curves for currencies. The fair value of these instruments is determined based on future flows from concluded transactions calculated based on the difference between the forward price and the transaction price. Forward exchange rates are not modelled as a separate risk factor, but are derived from the spot rate for the foreign currency against the PLN.

7.30. Derivative financial instruments, hedge accounting

As at 31 December 2024, the Group applies cash flow hedge accounting.

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With effect from 21 June 2023, the Group designated SWAP instruments to hedge accounting against the risk of volatility in copper raw material prices.

Due to the unstable macroeconomic and geopolitical situation in the first half of 2023, including a significant inflation factor, the credit risk associated with the financial instruments still remains at a certain level of volatility.

Foreign exchange inflow hedges are concluded over a time horizon of 24 consecutive months (at the turn of the year, the hedging period may cover three calendar years) and the sum of the hedges for 24 months may not exceed the export plan for the current year.

Foreign exchange outflow hedges are concluded over a rolling 12-month time horizon and the level of hedging over the period cannot exceed 50% of the annual foreign currency exposure.

The Group hedges export inflows exceeding import outflows (EUR) and import outflows exceeding export inflows (USD). As of the balance sheet date of 31 December 2024, there were only import hedges.

The Group measures fx forward derivatives at fair value with the use of financial instrument valuation models, using publicly available exchange rates and volatility curves for currencies. The fair value of these instruments is determined based on future flows from concluded transactions calculated based on the difference between the forward price and the transaction price. Forward exchange rates are not modelled as a separate risk factor, but are derived from the spot rate for the foreign currency against the PLN.

The table below presents details of the hedging relationship in cash flow hedge accounting as at 31 December 2024.

Derivative type	Transaction notional amount	weighted average rate	settlement period	effect on the result	carrying value
Derivatives - foreign exchange (USD / PLN exchange rate)	USD 4,150,000	3.9386 PLN / USD	to 07/2025	01/2025 to 07/2025	725
Derivatives - foreign exchange (EUR / PLN exchange rate)	EUR 8,450,000	4.3612 PLN / EUR	until 06/2025	from 01/2025 to 06/2025	430
Derivatives - Copper (CU price)	50 T	9,000.50 USD / T	until 03/2025	02/2025 to 03/2025	(35)

The table below shows the fair value of the financial instruments as at 31/12/2024.

Derivative type	Financial assets		Financial liabilities		Total
	Long-term	Short-term	Long-term	Short-term	
Hedging instruments:	-	1,155	-	-	1,155
Derivatives - foreign exchange (USD / PLN exchange rate)	-	725	-	-	725
Derivatives - foreign exchange (EUR / PLN exchange rate)	-	430	-	-	430
Instruments excluded from hedge accounting	-	-	-	(35)	(35)
Derivatives - Copper (CU price)	-	-	-	(35)	(35)
Total open derivatives	-	1,155	-	(35)	1,120

The table below shows the fair value of the financial instruments as at 31 December 2023.

Derivative type	Financial assets	Financial liabilities	Total
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	Long-term	Short-term	Long-term	Short-term	
Hedging instruments:	-	5,151	-	(466)	4,685
Derivatives - foreign exchange (USD / PLN exchange rate)	-	5	-	(332)	(327)
Derivatives - foreign exchange (EUR / PLN exchange rate)	-	4,966	-	(134)	4,832
Derivatives - Copper (CU price)	-	180	-	-	180
Total open derivatives	-	5,151	-	(466)	4,685

The table below shows the effect of derivatives and hedging transactions on the result (excluding tax effect).

Statement of result	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Impact on result (excluding tax effect)	6,174	6,514
Costs related to the realisation of the hedged item	(331)	(2,043)
Income related to the realisation of the hedged item	2,182	-
Income / expenses related to the realisation of the hedging instrument	7,625	5,708
Income / expenses related to the valuation of the hedging position	674	2,654
Income / expenses from reclassification related to the realisation of the hedging position	(4,505)	309
Income / expenses from derivative instruments	529	(114)

The table below presents the impact of hedging transactions (excluding the tax effect) on other comprehensive income.

Statement of comprehensive income	in the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Impact of hedging transactions (excluding tax effect)	481	1,851
Impact of hedging transactions (effective portion)	481	1,851

ITEM	period	
	2024	2023
As at 1 January	1,646	(1,655)
Hedging reserve (excluding tax effect) – FX	481	1,851
Tax effect	(91)	(352)
Hedging reserve (excluding tax effect) – FX – reclassification – settlement from opening balance	(1,851)	2,043
Tax effect	351	(388)
Hedging reserve (excluding tax effect) – SWAP – de-designated from hedge accounting	-	181
Tax effect	-	(34)
Hedging reserve (excluding tax effect) – SWAP – de-designated from hedge accounting – settlement from opening balance	(180)	-
Tax effect	34	-
Result on hedge accounting	(1,256)	3,301
Balance as at 31 December	390	1,646

ITEM	period	
	2024	2023

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As at 1 January	3,674	(220)
Impact of hedging transactions (effective portion)	481	1,851
Reclassification to profit or loss due to the realisation of the hedged item	(1,851)	2,043
Balance as at 31 December	2,304	3,674

7.31. Objectives and principles of risk management

In addition to derivatives, the main financial instruments used by the Group include bank credits, including overdraft facilities. The Group also holds financial assets such as trade receivables, cash and other receivables.

Companies in the Apator Group of Companies conclude transactions involving derivatives, which primarily comprise forward exchange contracts. The purpose of these transactions is to manage the foreign exchange risk arising in the course of the companies' business. Agreements for forward contracts are concluded on the basis of exchange rate forecasts, in accordance with a corporate guideline and a resolution of the parent company's Management Board.

The risks to which the companies in the Apator Group of Companies are exposed include market risk (primarily currency risk and to a lesser extent interest rate risk), as well as credit risk and liquidity risk.

At the reporting date of 31 December 2024, monetary assets and liabilities have been converted at an exchange rate which is the arithmetic mean of the closing rates (spot exchange rates at the end of the reporting period): the buying rate and the selling rate of the currency of the leading bank, i.e. ING.

ITEM	as at 31 December 2024	
EUR		4.2750
USD		4.1178
CNY		0.5616
CZK		0.1698

Foreign exchange risk

The Group is exposed to foreign exchange risk from commercial transactions. Such risk results from sales and purchases made by the companies in currencies other than the functional currency. Foreign exchange risk is associated with financial market volatility and high exchange rate volatility and differences. A change in exchange rates can permanently affect the competitiveness and market value of the Company (it can determine a significant increase in costs or a decrease in planned revenue from foreign trade operations).

The Apator Group adopts a prudent approach when entering into new forward contracts. The status of forward contracts as at 31 December 2024 is presented in Note 7.30 and in the table below.

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The Apator Group's exposure to foreign currency risk is presented in the table below.

ITEM	as at 31 December 2024		as at 31 December 2023	
	in currency	in PLN	in currency	in PLN
Items in euro (EUR)	9,754	41,682	5,027	21,512
Trade receivables	13,291	56,711	15,373	66,673
Advances provided for purchase of materials and services	376	1,612	8	35
Loans granted	652	2,788	-	-
Cash and cash equivalents	328	1,401	588	2,385
Trade liabilities	(4,110)	(17,484)	(6,216)	(27,065)
Advances received for deliveries	(1)	(3)	(6)	(27)
Other liabilities	(2,125)	(9,085)	(74)	(318)
Other	1,343	5,742	(4,646)	(20,171)
Items in US dollars (USD)	(3,268)	(13,451)	(2,692)	(10,603)
Trade receivables	525	2,161	605	2,378
Advances provided for purchase of materials and services	38	154	267	1,063
Cash and cash equivalents	137	562	192	753
Trade liabilities	(3,961)	(16,298)	(3,755)	(14,794)
Advances received for deliveries	(7)	(30)	(1)	(3)
Items in British pounds (GBP)	1,528	7,883	1,459	7,285
Trade receivables	1,570	8,101	1,240	6,191
Cash and cash equivalents	-	-	256	1,279
Trade liabilities	(42)	(218)	(37)	(185)
Items in Czech crowns (CZK)	9,035	1,534	(3,713)	(652)
Trade receivables	10,313	1,751	6,935	1,217
Advances provided for purchase of materials and services	31	5	820	144
Cash and cash equivalents	2,687	456	52	9
Trade liabilities	(3,981)	(676)	(6,506)	(1,142)
Advances received for deliveries	(15)	(2)	-	-
Other	-	-	(5,014)	(880)
Items in Danish kroner (DKK)	5,396	3,093	4,944	2,880
Cash and cash equivalents	5,956	3,414	4,445	2,590
Trade liabilities	(560)	(321)	499	290
Items in Chinese yuan (CNY)	125	72	(1,895)	(1,053)
Advances provided for purchase of materials and services	1,114	627	38	25
Trade liabilities	(989)	(555)	(1,903)	(1,061)
Other liabilities	-	-	(30)	(17)

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As at 31 December 2024 and 31 December 2023, the Apator Group had forward currency contracts and SWAP commodity contracts (indirectly affecting currency risk).

ITEM	as at 31 December 2024		as at 31 December 2023	
	in currency	in PLN at the date of the conclusion of the contract	in currency	in PLN at the date of the conclusion of the contract
Cash flow hedging instruments in EUR	8,450	36,852	7,800	39,404
Cash flow hedging instruments in USD	4,150	16,345	5,250	21,068

In accordance with the adopted guideline "Forward Contracts Regulations", forward contracts are used to hedge export inflows exceeding import expenditures and import expenditures exceeding export inflows. Entering into forward contracts requires the approval of the Management Board in the form of a resolution specifying the maximum nominal amount of hedging, determined based on the planned foreign trade balance and the level of existing hedging. The conclusion of a complex hedging structure follows the favourable opinion of the Supervisory Board, which makes its decision after the Management Board has presented the reasons for its intention to apply such hedging and its potential impact on the financial results.

The table below shows the sensitivity of gross financial result and equity to reasonably possible exchange rate fluctuations – the Group expects that all currencies may fluctuate by 10% (in the absence of volatility in other parameters).

ITEM	in the period from 1 January 2024 to 31 December 2024		in the period from 1 January 2023 to 31 December 2023	
	Impact on gross financial result	Direct impact on equity	Impact on gross financial result	Direct impact on equity
EUR / PLN				
+10%	4,168	3,685	772	3,940
- 10%	(4,168)	(3,685)	(1,462)	(3,940)
USD / PLN				
+10%	(1,345)	1,634	(1,037)	2,107
- 10%	1,345	(1,634)	1,049	(2,107)
GBP / PLN				
+10%	788	-	(669)	-
- 10%	(788)	-	(29)	-
CZK / PLN				
+10%	153	-	(65)	-
- 10%	(153)	-	65	-
DKK / PLN				
+10%	309	-	288	-
- 10%	(309)	-	(288)	-
CNY / PLN				
+10%	7	-	(105)	-
- 10%	(7)	-	105	-

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Interest rate risk

Due to its liabilities in the form of credits bearing interest at variable rates, the Apator Group of Companies is exposed to interest rate risk. Financial instruments by variable interest rate are presented below.

ITEM	as at	
	31 December 2024	31 December 2023
Financial instruments with a variable interest rate	(142,043)	(227,837)
Financial assets	17,716	22,938
Cash and cash equivalents	17,716	22,938
Financial liabilities	(159,759)	(250,775)
Credits and loans	(114,847)	(192,056)
Lease liabilities	(40,904)	(48,718)
Trade liabilities	(4,008)	(10,001)

The table below shows the sensitivity of the gross financial result and equity to reasonable possible fluctuations in interest rates. For the purpose of the analysis, it is assumed that the amount of liabilities outstanding at the end of the reporting period was unpaid the entire year.

ITEM	in the period from 1 January 2024 to 31 December 2024		in the period from 1 January 2023 to 31 December 2023	
	Impact on gross financial result	Impact on equity	Impact on gross financial result	Impact on equity
WIBOR				
+ 100 basis points	(1,357)	(1,357)	(4,183)	(4,183)
- 100 basis points	1,357	1,357	4,183	4,183
EURIBOR				
+ 100 basis points	(27)	(27)	(24)	(24)
- 100 basis points	27	27	24	24
PRIBOR				
+ 100 basis points	17	17	94	94
- 100 basis points	(17)	(17)	(94)	(94)
SONIA				
+ 100 basis points	-	-	(450)	(450)
- 100 basis points	-	-	450	450
SOFR				
+ 100 basis points	-	-	(83)	(83)
- 100 basis points	-	-	83	83

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Credit risk

Credit risk is the risk that a counterparty will fail to meet its liabilities under a financial instrument or agreement, resulting in a financial loss for the other party.

The Apator Group of Companies is exposed to credit risk arising from its operating activities, primarily related to the recoverability of trade receivables.

The Apator Group companies enter into transactions only with reputable companies with good credit ratings, using the services of a credit bureau, in order to mitigate this risk. All customers who wish to take advantage of deferred payment terms are subject to an initial verification. The companies have financial control instructions for sales orders. The Group aims to work with all customers on the basis of trade agreements. In addition, thanks to the ongoing monitoring of receivables, the Group's exposure to the risk of uncollectible receivables is negligible. Details of receivables can be found in note 7.11.

Trade receivables consist of amounts owed by a large number of customers, spread across different industries and geographical areas. Sales are also carried out to entities outside the European Union, such as the United Kingdom, Ukraine, and Turkey. There is no counterparty for which the Group's receivables balance would exceed 10% of the total trade receivables balance.

Credit risk related to cash and derivatives is limited as the counterparties of the Apator Group companies are banks with high ratings assigned by international rating agencies.

Liquidity risk

Liquidity risk is understood as the risk that the Apator Group may be unable to meet its financial liabilities as they fall due. The liquidity of the Group's companies is monitored on a weekly basis through the compilation of a net liquidity report (total amount of loans less available funds - cash) by individual companies, and on a monthly basis through the compilation of half-yearly cash flows by individual companies. Comprehensive, aggregate information is reported to the level of directors and Management Board.

In order to enhance financial security and diversify risk, the Apator Group has concluded agreements with two banks for an umbrella credit facility intended for ongoing business financing, as well as guarantee and letter of credit limits, and receivables factoring by the bank. The facility enables flexible liquidity management across the Group, standardisation of pricing conditions for ongoing banking operations, and the use of a virtual cash pooling service, which provides additional financial benefits.

Moreover, to prevent potential irregularities in the management of financial resources, in the companies of the Apator Group, the rules of conduct in such areas as sales, trade credit, monitoring of receivables and current information of the management boards of individual companies about the financial situation are determined.

In order to ensure the proper coordination of the activities in the financial area of the Apator Group, the Financial Committee is established, which is composed mainly of chief accountants and financial directors of individual companies in the Apator Group. The tasks of the Committee include the analysis of the development needs of the financial area in the Group, the analysis and monitoring of the regulatory environment and the development of uniform standards for financial processes. In addition to the Financial Committee, the Financial Risk Committee is also established, the main goal of which is to support the control mechanisms of uniform financial risk management in the Group. The Committee is composed of the employees of financial divisions of Apator S.A. and subsidiaries. The tasks of the Committee are, in particular:

- monitoring the hedging of foreign exchange exposure, interest rate exposure and hedging policy,
- recommending the level of budget exchange rates together with the analysis of changes in spot exchange rates,
- analysis of the risks when hedging IRS rates,
- analysis of the trends and situations in currency markets.

The table below provides information on the contractual due dates of liabilities.

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ITEM	Value as at the reporting date	Contractual cash flows					
		over 6 months	from 6 to 12 months	from 1 to 2 years	from 2 to 5 years	over 5 years	TOTAL
As at 31 December 2024	258,663	171,430	37,029	18,129	25,807	10,985	263,380
Credits and loans	112,411	59,697	30,530	4,924	14,772	4,924	114,847
Lease liabilities	40,905	6,433	6,452	13,205	11,035	6,061	43,186
Derivative liabilities	35	35	-	-	-	-	35
Trade liabilities	101,768	101,768	-	-	-	-	101,768
Investment liabilities	3,455	3,455	-	-	-	-	3,455
Other financial liabilities	89	42	47	-	-	-	89
As at 31 December 2023	353,427	226,999	73,842	28,069	62,237	32,160	423,307
Credits and loans	189,388	106,300	66,611	15,325	45,974	20,249	254,459
Lease liabilities	48,718	5,458	7,151	12,744	16,263	11,911	53,527
Derivative liabilities	466	433	33	-	-	-	466
Trade liabilities	103,592	103,592	-	-	-	-	103,592
Investment liabilities	1,173	1,173	-	-	-	-	1,173
Other financial liabilities	10,090	10,043	47	-	-	-	10,090

Capital management

The main objective of capital management of the Apator Group of Companies is to maintain a good credit rating and safe capital ratios that would support operating and investment activities and increase its value for shareholders.

The Group manages its capital structure and makes changes to it as a result of changes in economic conditions. In order to adjust the capital structure, the companies may pay dividends to shareholders, return capital to shareholders or issue new shares.

Group companies monitor capital using the leverage ratio, which is calculated as the ratio of net debt to total capital plus net debt.

Included in net debt are interest-bearing credits and loans, trade liabilities and other liabilities excluding derivatives, less cash and cash equivalents. Equity comprises the equity disclosed in the statement of financial position.

Climate risk

Climate changes affect the activity of enterprises in all sectors of the economy, including Apator Group. These changes increase the risk of both sudden and long-term physical weather-related events. Environmental disasters, particularly in highly exposed regions (such as Asia), may result in longer lead times for component deliveries, higher production costs, and abrupt changes in demand. The Group mitigates this risk by developing dual sourcing strategies, leveraging purchasing synergies within the Group, and continuously monitoring the geopolitical situation.

The impact of climate change may also include the physical deterioration of the Company's assets as a result of extreme weather events, temporary disruptions to business continuity (e.g. power outages, equipment failures), as well as worsening working conditions due to rising temperatures. The Group has conducted a physical risk analysis for its own operations in terms of threat, vulnerability, and exposure.

The analysis, carried out based on climate models (including Klimada), did not identify any significant risks related to fires caused by the proximity of meadows, forests, other facilities, droughts, heatwaves, cold spells/frost, floods, or long-term water shortages. An analysis based on the Aqueduct Water Risk Atlas - World Resources Institute has identified water scarcity risks for several locations that do not use water in their operations, as well as for a production plant in Jarzyski near Poznań, where water is essential for the technological process, although the company uses a circular water system. Apator SA has launched its own renewable energy installation, which supplies power to the production plant in Ostaszewo. The Group companies are carrying out modernisation efforts and investing in infrastructure to optimise operational

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processes and improve the efficiency of raw material and energy management.

Climate change is driving political, legislative, and financial initiatives within the EU aimed at steering the economy and investments toward climate neutrality, resource conservation, and adapting infrastructure to climate challenges.

The Apator Group develops and delivers solutions for efficient management of energy media and water, as well as renewable energy solutions. Consequently, the company identifies opportunities to increase its market share and sales of solutions aligned with the energy transition and the EU's climate policy focused on improving energy efficiency and expanding renewable energy sources.

At the same time, the company recognises risks related to intensified competitive and price pressure—primarily from Asian suppliers—resulting from the growing demand for transition-supporting solutions and increased funding from EU sources. The Company is gradually expanding its product portfolio and working on improving operational efficiency.

Regulatory changes in the area of climate impose reporting obligations on enterprises — failure to comply with these entails the risk of administrative penalties. The growing impact of climate risks makes it crucial to integrate this area into the organisation's risk management process. In 2025, the Group incorporated climate risks (both physical and transition risks) into its risk management process, monitors and reports its carbon footprint across scopes 1, 2, and 3, actively tracks evolving legal and market requirements regarding climate protection, and adapts its products accordingly.

7.32. Information about related entities

Information on benefits granted to key management personnel, which includes Members of the Management Board and Proxies, is presented in the tables.

ITEM	for the period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Short-term employee benefits	19,726	13,612
Post-employment benefits	517	650
Termination benefits	148	270
Total	20,391	14,532

The following table provides information on the outstanding liabilities as at 31 December 2024 for employee benefits to key personnel.

ITEM	as at	
	31 December 2024	31 December 2023
Payroll liabilities	1,790	2,385
Provision for bonuses	4,081	3,946
Employee benefits payable to key personnel	5,871	6,331

The Group has identified related parties. The following were recognised as related entities:

- Members of the Supervisory Board
- Members of key management personnel (Management Board and Proxies)
- Close family members of members of the Supervisory Board and management personnel living in the same household
- Entities controlled by the persons referred to in point b and c. The entities identified as related parties are Wizamor sp. z o.o. (through a Member of the Supervisory Board), G. Starybrat Advisory sp.k. (through a Management Board Member), Vobacom sp. z o.o. (through a close relative of a Member of the Supervisory Board).

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The Apator Group recognised the following individuals as part of the Group's key management:

- Maciej Wyczesany – President of the Management Board, Apator S.A.
- Łukasz Zaworski – Member of the Management Board, Apator S.A.
- Robert Kowalski – Member of the Management Board (from 19 December 2023 to 14 May 2024)
- Grzegorz Starybrat – President of the Management Board, Apator Powogaz S.A.
- Andrzej Połojko – President of the Management Board, Apator Powogaz S.A.
- Damian Bruderek – Member of the Management Board, Apator Powogaz S.A.
- Ryszard Lippke – President of the Management Board, Apator Metrix S.A.
- Karol Kozłowski – Member of the Management Board, Apator Metrix S.A.
- Jolanta Dombrowska – President of the Management Board, Apator Mining Sp. z o.o.
- Krzysztof Malec – President of the Management Board, FAP Pafal S.A.
- Waldemar Kirsch – President of the Management Board, Apator GmbH
- Andrzej Macuk – President of the Management Board, Apator Telemetry Sp. z o.o.
- Łukasz Nocoń – President of the Management Board, Apator Rector Sp. z o.o.
- Thue Lindballe – President of the Management Board, Apator Miitors ApS.
- Tomas Dus – President of the Management Board, Apator Metra s.r.o.

Other members of the management:

- Małgorzata Mazurek – Chief Accountant, Apator S.A., Proxy
- Jolanta Dombrowska – Management and Promotion Director, Apator S.A., Proxy
- Artur Bratkowski – Metering Equipment & Systems Director, Proxy
- Robert Łuczak – Switchgear Director, Apator S.A., Proxy
- Stanisław Baluk – Automation and ICT Solutions Director, Apator S.A., Proxy
- Krzysztof Kluszczyński – Power and Industrial Automation Director, Apator S.A., Proxy
- Marcin Sołtysiak – Chief Financial Officer, Apator Powogaz S.A., Chief Accountant, Proxy
- Mieczysław Jabłoński – Chief Operating Officer, Apator Powogaz S.A., Proxy
- Mariusz Ditmann – Head of Procurement and Logistics Department, Apator Metrix S.A., Proxy
- Marcin Ormianin – Production Director, Apator Metrix S.A., Proxy
- Renata Dubrawska – Chief Accountant, Apator Mining Sp. z o.o., Proxy
- Joanna Krzewińska-Orzechowska – HR Manager FAP Pafal S.A., Proxy
- Kamil Jesionek – Business Unit Director, Apator Telemetry Sp. z o.o., Proxy
- Małgorzata Komorowska – Director of Manufacturing, Apator Rector Sp. z o.o., Proxy
- Agata Kubak – Chief Accountant, Apator Rector Sp. z o.o.,
- Petr Pros – Chief Financial Officer, Apator Metra s.r.o., Proxy

Transactions with related entities were carried out at arm's length.

Data on transactions with related entities and information on unsettled balances are presented in the table.

ITEM	WIZAMOR SP. Z O.O.	G. STARYBRAT ADVISORY SP.K.	VOBACOM SP. Z O.O.	TOTAL
Balance as at 31 December 2024				
Trade liabilities	540	-	72	612
Balance as at 31 December 2023				
Trade liabilities	351	-	-	351
Transactions from 1 January 2024 to 31 December 2024				
Purchase of products, services, goods and	3,291	146	487	3,924
Transactions from 1 January 2023 to 31 December 2023				
Purchase of products, services, goods and	2,461	-	-	2,461

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7.33. Contingent items and other items not included in the statement of financial position

Warranties

As at 31 December 2024, the Apator Group held active guarantees issued by:

1. TU Euler Hermes S.A.:
 - Performance bond amounting to PLN 6,539 thousand, valid until 22 June 2025,
 - Guarantee for removal of defects and faults amounting to PLN 6,102 thousand, valid until 29 June 2029,
 - Payment guarantee amounting to PLN 68 thousand, valid until 16 April 2025.
2. TU InterRisk S.A.:
 - Guarantee for removal of defects and faults amounting to PLN 157 thousand, valid until 30 April 2028.
3. ING Bank Śląski S.A.:
 - Performance bond amounting to PLN 3,622 thousand, valid until 30 January 2026,
 - Guarantee for removal of defects and faults amounting to PLN 2,264 thousand, valid until 17 July 2028,
 - Bid bond amounting to PLN 17 thousand, valid until 13 June 2025,
 - Payment guarantee under a contract amounting to PLN 801 thousand, valid until 17 November 2028.
4. PZU S.A.:
 - Guarantee for removal of defects and faults amounting to PLN 404 thousand, valid until 17 January 2028.
5. KUKI S.A.:
 - Performance bond amounting to PLN 12 thousand, valid until 15 June 2026.
6. PKO BP S.A.:
 - Bid bond amounting to PLN 1,296 thousand, valid until 17 April 2025,
 - Performance bond amounting to PLN 19,062 thousand, valid until 24 October 2026.

In addition, as at 31 December 2024, Group companies were parties to the following intragroup guarantees and sureties:

1. Apator S.A.:
 - surety for a lease agreement for Apator Rector Sp. z o.o. in the amount of PLN 0.2 million, valid until 14 December 2024 – the surety expired.
2. Subsidiary Apator Metrix S.A.:
 - Guarantee for the subsidiary George Wilson Industrial Ltd. (GWi) in the amount of GBP 4 million, i.e. PLN 20 million, until 31 October 2024, constituting security for the payment of obligations by GWi under the loan to Citibank N.A. Due to the repayment of the loan, the guarantee expired on 6 February 2024.

Additionally, as at 31 December 2024, Apator S.A. was the beneficiary of payment guarantees:

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- In the total amount of PLN 68 thousand, for removal of defects and faults, valid until 30 June 2026,
- In the amount of PLN 4,873 thousand for securing the return of an advance payment, valid until 4 December 2054.

Apator Powogaz S.A. was the beneficiary of a performance bond for PLN 1.1 million issued by Santander Bank Polska S.A., valid until 15 March 2025.

Promissory notes

In addition to promissory notes issued under loan agreements, as at 31 December 2024, the Group's companies had issued 62 blank promissory notes (together with promissory note declarations) in connection with lease agreements, insurance guarantee agreements, factoring agreements, and contracts with counterparties (performance guarantees).

Other

As part of securing the performance of concluded contracts, at the end of 2024 the Apator Group companies submitted voluntary declarations of submission to enforcement for a total amount of PLN 248 million. The submitted declarations correspond to the maximum liability of the companies, including bank-related costs.

7.34. Employment structure

Employment in the Apator Group is presented in the table below.

ITEM	period	
	from 1 January 2024	from 1 January 2023
	to 31 December 2024	to 31 December 2023
Average employment in full-time positions for the period	2,307	2,359
Blue-collar workers	1,328	1,439
White-collar workers	979	920
Employment in full-time positions at the end of the period	2,290	2,299
Blue-collar workers	1,288	1,309
White-collar workers	1,002	990

7.35. Amount of remuneration for the entity authorised to audit the financial statements

On 15 July 2024, Apator S.A. signed with KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. a contract for the audit of the condensed semi-annual separate financial statements, review of the condensed half-yearly consolidated financial statements and audit of the annual separate and consolidated financial statements for 2024-2025. The financial statements for 2023 were audited by PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp. k.

The expert auditor's remuneration is presented in the table below.

ITEM	for the period	
	2024	2023
Audit of the annual separate financial statements of Apator S.A. / Review of the annual consolidated financial statements of the Apator Group	166	100
Audit of the annual separate financial statements of Apator S.A. / Audit of the annual consolidated financial statements of the Apator Group	260	190
Audit of the annual separate financial statements of the other Group	476	293
Remuneration report audit	15	24
Attestation of the ESG report	225	-
Total	1,142	607

In addition to the remuneration specified above, the Apator Group also covers other documented audit-related expenses (including travel and accommodation costs).

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8. Impact of the external environment on the financial position of the Apator Group

The Management Board of Apator S.A. monitors the political and economic situation on a current basis, analyses its impact on the activity of the Company and the Group of Companies and checks the possibilities of protection against risks and takes adequate actions. Factors that will influence results in the coming years are global trends and geopolitical environment conditions.

Key risk factors that may negatively impact results in the near term are presented below:

- the tightening of U.S. trade policy towards, among others, the European Union and China, and the expected retaliatory measures by these governments, which may cause disruptions in supply chains for components and raw materials, including rare earth metals. This, in turn, may directly affect major producers of advanced semiconductor systems used in the production of measuring devices.

The US administration, led by Donald Trump, has announced increased tariffs on imports from a number of countries. In response, the European Union has announced retaliatory action, condemning the protectionist moves by the US and pledging to implement adjusted tariffs. The introduction of new trade barriers could, in the short term, lead to chaos in international trade, disrupted supply chains, longer lead times, increased production costs and sharp changes in demand patterns. In the longer term, there may be a need to change suppliers, reorganise logistics and sustainably increase operating costs.

- increasing price pressure from Asian manufacturers (mainly Chinese) supported by targeted state subsidies and legal actions aimed at their own economic expansion in Europe at the expense of European industrial companies;

- the negative impact of the war in Ukraine and the conflict in the Middle East;

- unstable situation on financial markets, high interest rates and significant fluctuations in exchange rates and raw material prices. The Group strives to minimise financial risks by securing currency positions and commodity price fluctuations, managing working capital, and reducing debt servicing costs;

- inflation, increases in labour costs, unstable prices of energy carriers. In order to mitigate the negative effects of price increases, the Group continuously works on cost optimisation and implements a number of efficiency-improving measures such as production optimisation/automation, improved profitability and dynamic pricing policies;

- climate change and global warming caused by greenhouse gas emissions related to human activity. These changes lead to regulatory and technological shifts, as well as increased reporting obligations imposed on companies. The impact of climate change on a business may include physical deterioration of assets due to extreme weather events, temporary disruptions to business continuity (e.g. energy outages, breakdowns), and deterioration of working conditions due to rising temperatures. The Group has implemented an ESG reporting system where climate-related risks associated with current and future operations have been identified:

- legal regulations,
- increasing customer expectations regarding ESG issues.

Following these requirements, the Group is adjusting internal regulations and implementing mechanisms for conscious environmental risk management. The Company aims to increase process automation. Automation serves to streamline manufacturing processes and optimise them in terms of productivity, costs, quality and work safety. When investing in new machines and technologies, each time pro-environmental premises are also taken into account as very important, i.e. reduced consumption of raw materials, minimisation of manufacturing waste (including elimination of hazardous waste), reduced consumption of utilities. Modernisation of manufacturing technology also affects the reduction of environmental inconvenience of implemented processes and supplied products. This involves the consistent optimisation of manufacturing processes and successive replacement of worn-out, less efficient machinery and equipment.

In addition, the high standards implemented in the Group with regard to the efficient use of resources, raw materials

and utilities make it possible to minimise the negative impact on the environment, and also translate into improved business efficiency. The Company uses and successively implements new technologies and

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processes that are optimised in terms of the consumption of raw materials and utilities, as well as the amount of pollution and waste generated. In the preparation of these condensed semi-annual separate financial statements, the Company's Management Board has assessed the impact of these issues on asset and liability values as of the reporting date, including, among others, reviewing depreciation rates and factors that may indicate potential impairment of significant assets. No significant adjustments were deemed necessary.

9. Adjustment of errors in comparative data

During the work on the preparation of the condensed half-yearly consolidated financial statements for the first half of 2024 and during the auditor's review process of the financial statements, the Group identified errors in

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the recognition of prepayments for supplies of inventory, services and property, plant and equipment and contract liabilities. Moreover, during the work on the annual consolidated financial statements, a decision was made to change the presentation of liabilities arising from factoring.

- 1) In the consolidated financial statements for 2023, advances for inventory supplies were recognised under the balance sheet item "Inventories", while advances for services and tangible fixed assets were recognised under "Other receivables". Due to the incorrect classification of these items, the comparative data for 2023 has been restated by decreasing the inventory value by the advances paid for inventory supplies and decreasing "Other receivables" by the advances paid for services and tangible fixed assets. These advances have been reclassified to "Other short-term assets".
- 2) Liabilities from agreements settled over time were recognised under short-term liabilities in the annual consolidated statements. After analysing the related agreements, it was determined that these liabilities should be reported in a separate balance sheet item "Contract liabilities". Consequently, a decision was made to adjust the comparative data. The presentation of contract liabilities was changed, moving them from other current liabilities to "Contract liabilities", dividing them into short-term and long-term parts. The presentation of liabilities in the consolidated statement of cash flows for 2023 was also revised.
- 3) Offsetting of statutory receivables and liabilities arising from VAT was carried out. Offsetting VAT balances resulted in a reduction of current assets and liabilities, thereby decreasing the balance sheet total by PLN 1,077 thousand.
- 4) The presentation of factoring liabilities was changed by reclassifying them from the line item "Other current liabilities" to "Trade liabilities".

The presentation adjustments had no impact on the financial result for the comparative period and did not significantly affect the balance sheet as at 1 January 2023. The impact of the above adjustments on the consolidated financial statements of the Apator Group is presented in the following tables.

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Annual consolidated statements of financial position as at 31 December 2023

Financial statements item	Value before adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Value after adjustment
		Transfer of advances to other assets	Transfer of contract liabilities to a separate item	VAT balancing	Change in the presentation of reverse factoring	
Fixed assets	492,647	-	-	-	-	492,647
Current assets	482,551	-	-	(1,077)	-	481,474
Inventory	242,296	(394)	-	-	-	241,902
Receivables from taxes, customs duties and social insurance	8,780	-	-	(1,077)	-	7,703
Other short-term receivables	3,293	(1,173)	-	-	-	2,120
Other short-term assets	5,689	1,567	-	-	-	7,256
Other items	222,493	-	-	-	-	222,493
TOTAL ASSETS	975,198	-	-	(1,077)	-	974,121
Equity	539,023	-	-	-	-	539,023
Liabilities	436,175	-	-	(1,077)	-	435,098
Long-term liabilities and provisions	80,106	-	1,040	-	-	81,146
Long-term contract liabilities	-	-	1,040	-	-	1,040
Other items	80,106	-	-	-	-	80,106
Short-term liabilities and provisions	356,069	-	(1,040)	(1,077)	-	353,952
Trade liabilities	93,591	-	-	-	10,001	103,592
Short-term contract liabilities	-	-	1,568	-	-	1,568
Liabilities from taxes, customs duties and social insurance	16,957	-	-	(1,077)	-	15,880
Other short-term liabilities	34,791	-	(2,608)	-	(10,001)	22,182
Other items	210,730	-	-	-	-	210,730
TOTAL LIABILITIES	975,198	-	-	(1,077)	-	974,121

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Annual consolidated statements of cash flows for 2023

Financial statements item	Value before adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Value after adjustment
		Transfer of advances to other assets	Transfer of contract liabilities to a separate item	VAT balancing	Change in the presentation of factoring	
Cash from operating activities before changes in working capital	116,317	-	-	-	-	116,317
Change in inventories	9,321	(1,231)	-	-	-	8,090
Change in receivables	10,624	(880)	-	38	-	9,782
Change in other assets	81	2,111	-	-	-	2,192
Change in liabilities	(27,050)	-	-	(38)	-	(27,088)
Other items	6,788	-	-	-	-	6,788
Cash generated in the course of operating activities	116,081	-	-	-	-	116,081

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10. Events after the balance sheet date

On 1 January 2025, Marcin Dolny joined the key management personnel of Apator S.A. as Chief Financial Officer.

On 23 January 2025, the District Court decided to remove from the register of pledges the pledge on the inventories of FAP Pafal S.A., which served as collateral for the Multi-Product Agreement with ING, due to the low value of the inventories.

On 12 March 2025, an agreement was signed amending the preliminary agreement for the sale of investment property and land in perpetual usufruct, as a result of which the sale date was changed from June to October 2025. Details are presented in Note 7.12.

On 25 March 2025, a resolution was signed by the Management Board of Apator S.A. regarding the intention to merge FAP Pafal S.A. into Apator S.A. A merger plan and timetable were approved, setting the merger date for

2 January 2026. This merger aims to simplify the structure of the Apator Group by concentrating manufacturing competencies and strengthening synergies, which will enhance management efficiency and optimise costs. The merger of FAP Pafal S.A.'s assets into Apator S.A.

On 30 January 2025, the distribution company Apator Powogaz Italia Srl, with its registered office in Padua (Italy), 100% subsidiary of Apator Powogaz SA, was established. The company was established to strengthen Apator's position in the Italian market and develop sales, especially in ultrasonic water meters, due to the ongoing replacement of metering devices in Italy.

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11. Signatures

Management Board

2025-04-24

Maciej Wyczesany

President of the Management Board, General Director

Łukasz Zaworski

Member of the Management Board, Product Development Director

The person responsible for maintaining the accounting records

2025-04-24

Małgorzata Mazurek

Chief Accountant

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