Report of the Management Board on the activity of the Apator Group in 2025

Including the Report of the Management Board on the activity of Apator S.A.

Toruń, 29 April 2026

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Name of the organisational unit:	Apator Group		
Period covered by the financial statements:	1 January 2025 – 31 December 2025	Reporting currency:	Polish zloty (PLN)
Rounding level:	all amounts are expressed in PLN thousand (unless otherwise indicated)		

Apatar Group as of 2025

PLN 1,202 million
Sales revenue

PLN 102,8 million
CAPEX

PLN 164,3 million
EBITDA*

PLN 227 million
Working capital

PLN 72,8 million
Net profit*

0,48 x
Net debt/EBITDA*

Business segments

electricity

- PLN 567 million revenue
- PLN 82 million EBITDA*
- 87% of national revenue
- execution of contracts as part of the ongoing rollout;
- an increase in orders resulting from power grid automation and the energy transition;

water and heat

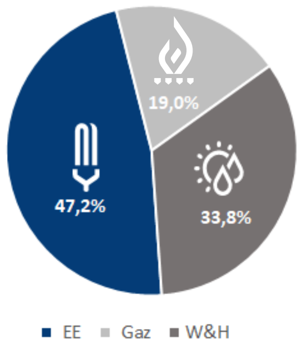
- PLN 406 million revenue
- PLN 66 million EBITDA
- 55% of revenue from export
- main foreign markets: Czech Republic, Germany, Romania, Spain
- an upward sales trend in Poland and EMEA markets;

APATOR

Gas

- PLN 228 million revenue
- PLN 20 million EBITDA
- 59% of revenue from export
- main foreign markets: Ukraine, Romania, Turkey
- a significant increase in domestic revenues driven by the delivery of e-gas meters

Segment share in total sales



*) EBITDA and net profit adjusted by the impact of one-off events (for more information, see section 4.1).

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1. Business model and organisation of the group of companies [ESRS 2 SBM-1]

1.1. Organisation of the Apator Group

The Apator Group is an international group of manufacturers and distributors of measuring devices and systems and suppliers of innovative solutions for the automation of power, water and gas networks.

12 national and international companies

9 production facilities

2,300 employees

7 R&D offices

The companies of the Apator Group are part of the electromechanical sector and focus their activity on manufacturing and sales of measuring equipment (electricity meters, gas meters, water meters, and heat meters), control and measurement instruments, distribution and control equipment, IT systems of SCADA class and their supporting telemechanics devices, security and other network devices for distributed systems ensuring the possibility of remote control and supervision of the power grid in the full voltage range, as well as data reading and transmission devices. The Apator Group also implements solutions supporting energy transformation and the development of renewable energy (i.a. automation equipment, RES supervision systems, energy storage systems).

The parent entity of the Apator Group of Companies is Apator S.A. with its registered office in Toruń.

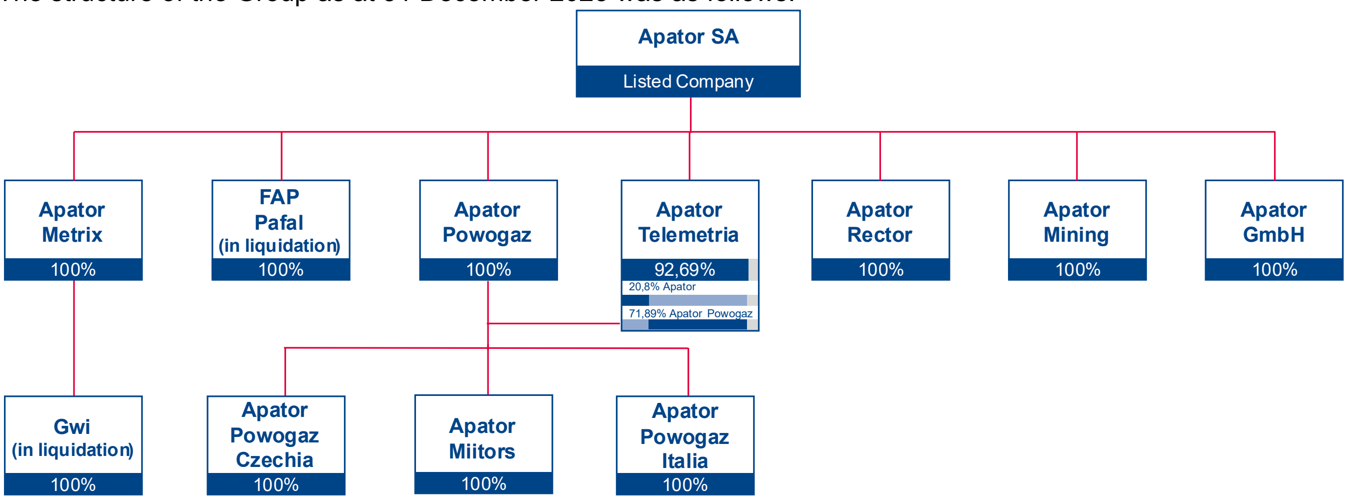
listed on the saw Stock Exchange for 29 years

included in the sWIG80 and WIGdiv indexes

dividend company

1.2. Composition of the Apator Group and its business segments

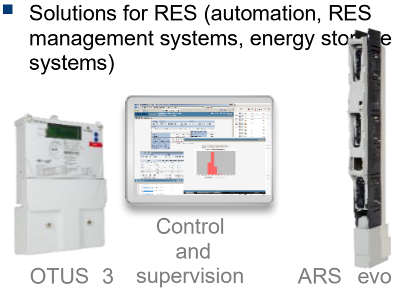
The structure of the Group as at 31 December 2025 was as follows:



Control over GWi Ltd. has been lost (in accordance with IFRS 10), and as a result, as of 12 April 2024, it is no longer subject to consolidation. (for more details, see item 6.5. of this report).
On 10 July 2025, Apator Metra s.r.o, based in the Czech Republic, was renamed to Apator Powogaz Czechia s.r.o. Since 29 October 2025, FAP Pafal S.A. has been in liquidation (for further details, see item 6.5 of this report).

1.3. Business model of the Apator Group

The operation of the Apator Group is organised into three segments:

Business segments	electricity	gas	water and heat
Business Lines	electricity metering switchgear automation ICT		
Companies forming the Segment	▪ Apator S.A. (Toruń, Łódź, Poznań) ▪ Apator Rector (Zielona Góra) ▪ FAP Pafal (Świdnica) – in liquidation since 29 October 2025 ▪ Apator GmbH (Germany)	▪ Apator Metrix (Tczew) ▪ Apator GmbH (Germany)	▪ Apator Powogaz (Jaryszki) ▪ Apator Telemetria (Słupsk) ▪ Apator Powogaz Czechia (Czech Republic) ▪ Apator Miitors (Denmark) ▪ Apator Powogaz Italia (Italy) ▪ Apator GmbH (Germany)
Solutions	▪ Electronic electricity meters (household, residential, industrial, prosumer), including smart class solutions (with remote reading function) ▪ Energy distribution devices ▪ Control and supervision systems ▪ Measurement data management systems ▪ Solutions for RES (automation, RES management systems, energy storage systems)  OTUS 3 meter Control and supervision systems ARS evo disconne	▪ Bellows gas meters (domestic, industrial), including smart class solutions (with remote reading function) ▪ Remote reading services, a system enabling stopping and resuming gas supply via the GSM network ▪ Production of machines for the automation of industrial processes  iSMART 2 gas meter hybridSMART	▪ Mechanical water meters (residential, household, industrial), including smart class solutions (with remote reading function) ▪ Ultrasonic water meters ▪ Heat meter and heat cost allocators ▪ Remote reading and utility billing services, systems supporting network infrastructure management  ULTRIMIS W water meter JS Smart + E-ITN allocator
Main customers	▪ electricity distribution network operators ▪ electricity grid wholesalers, electrical assembly , and electrical installation companies ▪ construction, industry and railway companies ▪ photovoltaic and wind farms, energy clusters and cooperatives, other RES sector entities	▪ gas companies/gas distributors and gas suppliers	▪ water, sewerage and heating companies ▪ housing cooperatives ▪ construction ▪ industry
Main markets	Poland, Germany, Brazil, Romania, Turkey, Hungary	Poland, Belgium, Ukraine, Turkey, Germany	Poland, Czech Republic, Germany, Romania, Spain
Sales volume in 2025	PLN 567,1 million	PLN 228,4 million	PLN 406,4 million
Share of exports in revenues in	12.9%	59.3%	54.9%

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

2025			

1.4. Changes in the organisation of the Apator Group

In 2025, there was a change in the organisation of the Apator Group:

Sale of tangible and intangible assets and contractual relationships related to IT activities in the gas segment by Apator S.A. to Apator Rector sp. z o.o.

On 2 January 2025, Apator S.A. sold tangible and intangible assets related to IT solutions for the gas sector to Apator Rector sp. z o.o. for PLN 4 million (including CSKDP system). The subject of the transaction were components such as:

- author's property rights to software,
- products with technology and list of customers,
- trademarks,
- contracts covering the gas segment,
- tangible and intangible assets,
- stocks,
- accessories.

Apator Rector Ltd. will continue to develop the CSKDP system (central measurement data collection system) for PSG Ltd. and the production and servicing of cathodic protection devices within its structures.

Establishment of Apator Powogaz Italia Srl (Italy)

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.

Change of name of Apator Metra s.r.o. to Apator Powogaz Czechia s.r.o. with its registered office in Czech Republic

As part of measures aimed at strengthening the uniform identity of the Apator Powogaz SA Group on international markets, the trade name of the subsidiary Apator Metra s.r.o. to Apator Powogaz Czechia s.r.o. (effective from 10 July 2025).

Establishment of a Group of Companies pursuant to Article 21^1 of the CCC.

On 18 July 2025, the Group of Companies was registered in the National Court Register, established pursuant to Article 21^1 of the Commercial Companies Code, with Apator Powogaz SA as the parent company and Apator Telemetria sp. z o.o. as the subsidiary.

The establishment of a group of companies in accordance with the Commercial Companies Code is related to the pursuit of a common strategy to achieve a common interest (the interest of the group of companies), justifying the parent company's exercise of uniform management over the subsidiary. The main objectives of establishing a group of companies are:

- more effective functioning of both companies,
- increasing the competitiveness of products manufactured within the group of companies,
- reducing their operating costs,
- streamlining the communication process,
- simplifying settlement processes.

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

Liquidation of the subsidiary, FAP PAFAL S.A.

On 16 september 2025, the Management Board of Apator S.A. decided to liquidate FAP PAFAL S.A. with its registered office in Świdnica, and therefore on 29 October 2025 an Extraordinary General Meeting of Apator S.A. was held to repeal the resolution on the previously planned merger of Apator S.A. with FAP PAFAL S.A. and an Extraordinary General Meeting of FAP PAFAL S.A. was held, at which the Management Board of Apator S.A. as the sole shareholder of the subsidiary, adopted a resolution on the dissolution of the Company and the commencement of its liquidation. The liquidation proceedings of the company may take approximately one year.

The liquidation of FAP PAFAL S.A. is due to market and business reasons. The scale of the company's operations in Świdnica has been gradually decreasing over the last few years due to the withdrawal of customers on European markets from induction meters and a decline in orders for services (caused, among other things, by the re-legalisation of electricity meters, the period of which has been extended from 8 to 12 years). Along with the reduction in the scale of operations of FAP PAFAL S.A., over the last few years, the team at the Świdnica plant and the size of the property occupied have been adjusted to the scope of the company's operations, which currently consist mainly of providing storage, replacement or re-legalisation services for electricity meters, as well as services provided to entities belonging to the Apator Group. The revenue generated by FAP PAFAL S.A. in 2024 accounted for less than 2% of the Apator Group's revenue.

The main factor behind the change in the decision from the previously planned merger with Apator S.A. to the liquidation of FAP PAFAL S.A. is the loss of the company's source of revenue (including the lost tender for the storage and installation of electricity meters), resulting in a lack of market prospects for further development and coverage of its operating costs. In addition, the ongoing automation processes in the Apator Group mean that maintaining a subsidiary in Świdnica has become economically unjustified. Therefore, after conducting detailed analyses, the Management Board of Apator S.A. concluded that the liquidation of FAP PAFAL S.A. is a more rational solution than the planned merger with Apator S.A.

Furthermore, since 2024, GWI Ltd. has been in the process of liquidation. The status of this company is as follows:

On 5 April 2024, the Management Board of Apator S.A. in the current report mode informed that GWi Ltd. with the registered seat in Coventry in UK (the company of the Gas Segment and 100% subsidiary of Apator Metrix S.A.) intends to terminate its activity as a result of unfavourable development of the situation on the British gas market.

Therefore:

- control over GWi Ltd. has been lost (in accordance with IFRS 10) and, as a result, this company is no longer subject to consolidation as of 12 April 2024;
- following a management procedure of the so-called “pre-pack insolvency strategy”, on 10 June 2024, the so-called administration of GWi Ltd. was announced by the British court, and two co-administrators conducting those proceedings were appointed,
- creditors of GWi Ltd., including Apator Metrix S.A., in accordance with the British law notified their claims against GWi Ltd,
- on 7 January 2025, the co-administrators prepared a report on their actions, including:
  - the sale of the company's assets up to the amount of GBP 600,000 (the final amount depends on the future results achieved by the new owner),
  - the takeover of all the company's employees by the new owner of the sold assets,
  - the allocation of funds obtained from the sale of the company's assets, in accordance with British law, primarily to repay privileged creditors (e.g. tax authorities),
- after completion of the administration proceedings, GWi Ltd. will be liquidated,
- Apator Metrix S.A. (by virtue of being a joint and several debtor) took over the credit of GWi Ltd. in the amount of GBP 4 million from the bank PKO BP S.A. under the Multi-Target Agreement concluded on 26 May 2023. This credit has been repaid by Apator Metrix S.A. .

In connection with the loss of control of GWi Ltd, the assets and liabilities of the entity were excluded from the consolidated financial statements as on the date of loss of control.

Apart from the above-mentioned information, in 2025 and until the date of publication of this report, there were no other changes in the structure of the entity, including as a result of business combinations, acquisitions or sales of entities in the Issuer's Group of Companies, long-term investments, demergers and restructurings.

2. Business strategy [ESRS 2 SBM-1]

2.1. Mission, vision and goals

In June 2024, Apator published an update of the Apator Group Strategy and defined its new time horizon until 2028. The update and modification of the Strategy took place in response to dynamic changes taking place on the market, as well as to emerging opportunities and challenges related to the transformation of the electricity, water and heat and gas sectors.

2024–2028 Strategy

The Group maintains its strong position as a European supplier of smart metering equipment and solutions for the management of energy, water and heat and gas distribution networks.

VISION

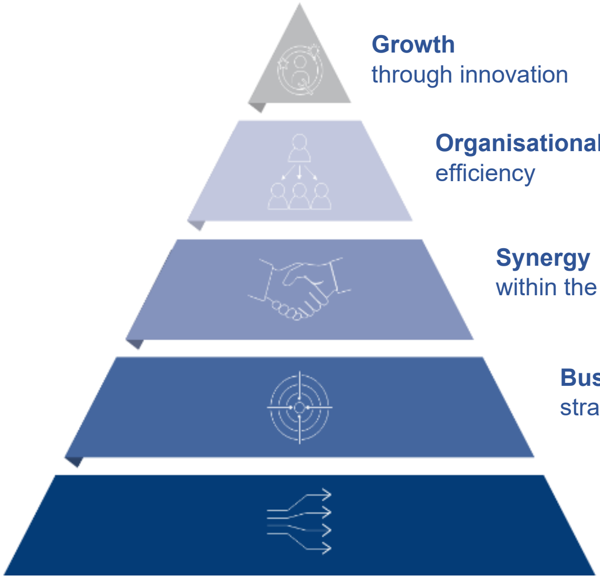
We are the first choice in providing integrated solutions of the future for the energy and water sectors

MISSION

We create technologies supporting customers in the conscious and sustainable management of energy utilities and water

The foundation on which the Apator Group bases its Strategy are – unique in the CEE region and in the industry – broad technical competences in energy and water utilities management. The Group, as one of the few entities in Europe, has its own specialised R&D and engineering teams, extensive production facilities and marketing, sales and service departments operating with customers in many market segments. Its competences allow it to provide customers with a comprehensive value chain, covering design, construction and manufacturing of products (including manufacturing of key electronic components and software) and their delivery to customers in the form of advanced solutions, systems and services.

The value creation model of the Apator Group is based on five pillars:



1. Development of activities in business lines within existing operations ("business-as-usual") – continuation of organic growth within existing products for established customers.
2. Strategic initiatives in business lines – development of current product lines in new directions based on existing competences in the organisation, including the use of new sales opportunities.
3. Synergies in the Apator Group – use of the potential for synergies mainly in the areas of sales, production, R&D and administrative processes.
4. Efficiency of the organisation – further integration of group processes, inter alia, in the area of development of current products and creation of comprehensive and integrated solutions, centralisation of key processes and resources ("competence centres").
5. Development through innovation – actively seeking new directions for the development of the market offering that can support further business growth in the long term.

The Group identifies the following main strategic opportunities for business development:

a) Electricity Segment:
   - distributed microgeneration – industrial energy efficiency, IoT control, energy management, renewable energy,
   - large-scale macrogeneration – energy storage systems and grid stabilisation, increasing system flexibility, integrated management systems,
b) water and Heat segment: water efficiency, service models/billing, generational change to ultrasonic equipment in Europe,
c) Gas segment: hydrogen and biogas measurement.

Financial objectives for 2028:

1. Sales revenue	annual growth rafte of 8-10%*
2. EBITDA	improvement of 5-6 pp*
3. DN/EBITDA	ratio <2,0
4. CAPEX	5-7% of revenue
5. DIVIDEND	up to 75% of Apator SA profit

** relative to 2023.*

The strategy is primarily based on organic growth and growth resulting from planned strategic initiatives; however, the Management Board does not rule out M&A to complement competencies and seize market opportunities.

2.2. Realisation of the strategy

The implementation of the strategy takes place in two stages. In the first stage (a period of approx. 2 years), the Group focuses on developing group solutions and implementing organisational initiatives. Their results will be visible in the second stage of the strategy (2026–28) as the achievement of the defined financial targets.

The implementation of the strategy beyond 2025 is as follows:

	2023	2024	2025	2028 financial targets
1. Sales revenue	1 137 m PLN	1 228 m PLN (+8% y/y)	1 202 m PLN (-2% y/y)	annual growth rate of 8-10%*
2. EBITDA (EBITDA margin)	114 m PLN (10%)	141 m PLN (11,5%)	164 m PLN** (13,7%)	improvement of 5-6 pp*
3. ND/EBITDA	1,48x	0,69%	0,48x**	ratio <2,0
4. CAPEX (share in revenue)	36,3 m PLN (3%)	57,3 m PLN (5%)	91,9 m PLN (7,6%)	5-7% of revenue
5. DIVIDEND (% of Apator SA's net profit)	0,5 PLN (50%)	0,9 PLN (47%)	decision in Q2 2026***	up to 75% of Apator SA's profit

** in relation to 2023*
*** EBITDA for 2025 at an adjusted level (excluding the impact of one-off events)*

**** the dividend declaration from the 2025 profit will be presented by the Management Board in the second quarter of 2026.*

The strategy assumes that by 2028, the drivers of the Group's revenue growth will be the Electricity as well as Water and Heat segments, where (alongside the development of existing products) the Group plans to implement new integrated solutions, including in the area of utility and water management, as well as the management of energy generated by RES. The Group intends to offer value to customers in the form of comprehensive services addressing needs related to the energy transition, the digitalisation of the energy sector, automation in the power sector, the optimisation of utility and water consumption, settlement, and the achievement of climate goals.

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

The strategy also aims to significantly improve EBITDA profitability. In 2025, the Group implemented organisational initiatives aimed at streamlining the Group's operations (including simplifying the Group's structure and consolidating purchases) and better utilising the production potential of individual companies (production centres), which brought the results in the form of an improvement in EBITDA and its profitability. Efforts will also be continued to establish shared competence centres and to leverage currently manufactured and new products in order to offer comprehensive solutions covering multiple utilities and integrating existing products into comprehensive solutions. Plans also include accelerating the development, as well as strengthening and consolidating operations in the field of ICT (software).

The Apator Group maintains its previous declaration to maintain a safe borrowing scale and a net debt/EBITDA ratio below 2x. The priority remains to ensure the safety of production and deliveries, which will ultimately enable the execution of further (including the largest) contracts. The Group's second important assumption is the implementation of CAPEX (in accordance with the assumptions of the updated strategy through 2028 at the level of 5-7% of revenues), which consequently may mean greater use of debt capital and a relatively higher Net Debt/EBITDA ratio (yet still within safe limits).

Capital expenditures incurred in 2025 related, among others, to research and development expenses across the Group, increasing production capacity, and improving efficiency in the area of operations. Information on capital expenditure in 2025 is presented in item 4.2.2 of this report. Apator Group's net financial debt at the end of 2025 was PLN 18.9 million lower compared to the end of 2024, with a significantly lower level of borrowings (by PLN 16.2 million) and a simultaneously higher (by PLN 2.7 million) cash balance at the end of the period. With a lower debt level and thanks to a further improvement in EBITDA, the net debt / adjusted LTM EBITDA ratio at the end of 2025 stood at 0.50x, lower compared to the end of 2024 i.e. (compared to 0.68x at the end of December 2024).

3. Apator Group business segment[ESRS 2 SBM

3.1. Electricity segment

Products

The segment focuses on providing a wide range of solutions for power grids. These include metering equipment: from electricity meters (predominantly advanced smart meters) to modern energy management systems. Due to the rapidly changing needs of customers, including comprehensive implementation of the transforming energy sector, solutions are offered to an increasing extent, including not only elements of Apator's traditional offer (equipment) but also services of integration of various components covering, e.g., energy storage systems, scalable SCADA control systems for clusters and energy efficiency management systems (energy and utilities) along with comprehensive turnkey implementations. The offer of the segment also includes equipment used for electricity distribution and electrical circuit protection against short circuits and overloads. Additionally, the Apator Group provides systems and solutions to support the work of technical services in the field of management, operation and supervision of electricity grids and solutions for effective management of network assets, including network passporting services.

The segment consists of four business lines: electricity metering, switchgear, automation and ICT.

The Electricity segment in the Apator Group is represented by the following companies: (Toruń), Apator Rector Sp. z o.o. (Zielona Góra), FAP Pafal S.A. in liquidation (Świdnica) and Apator GmbH (Germany).

Market environment

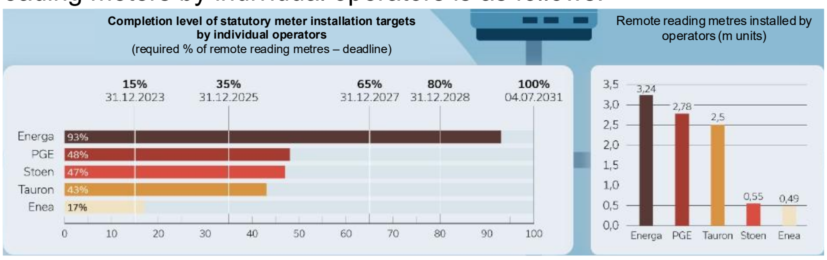
The main customers of individual segment lines are:

- in the electricity metering line (Apator S.A.), most of the revenue is obtained through winning public tenders announced by DSOs; on foreign markets (mainly EMEA countries); it is a more dispersed group of customers,
- in the switchgear line (Apator S.A.), the largest group of customers are electrical wholesalers, electromechanical and electro-installation companies, which also directly cooperate with Distribution System Operators,
- in the automation line (Apator S.A.), most of the sales revenue is also obtained from the DSOs in the field of remote supervision and control of power grid elements; in the field of control equipment, the group of customers is numerous and dispersed (construction, metallurgy, industry, railway), similarly in the renewable energy segment, the customer base is diverse, and the Apator Group's offering is intended for photovoltaic farms, wind farms or other renewable sources, as well as for local energy management (used in energy clusters and cooperatives).
- ICT line (Apator Rector Sp. z o.o.) deals with the implementation of IT services - dedicated solutions for network enterprises such as DSOs, gas, telecommunications and water supply.

Most of the revenue of the Electricity (EE) segment is generated domestically (87% in 2025). One of the main customers of the electricity segment is Distribution System Operators. In Poland, the leading electricity distributors are: Enea Operator, PGE Dystrybucja, Tauron Dystrybucja, Energa Operator - Orlen Group and Stoen Operator (owned by E.ON).

The European Union's climate and energy policy has a significant impact on shaping the national energy strategy, including its long-term vision of moving towards climate neutrality by 2050. The Energy Policy of Poland until 2040 (PEP2040), adopted in May 2021, introduces a number of important solutions for the functioning of energy market participants. One of the key assumptions of PEP2040 is the implementation of smart electricity metering in Poland. The share of smart meters will continue to grow as DSOs have started to replace their devices with smart meters, as required by the adopted schedule for the installation of remote reading meters at energy consumption points, which assumes their installation by at least 80% of recipients by 31 December 2028.

As of the end of 2025, the total number of remote reading meters installed in Poland amounted to approx. 9.56 million units. Currently, the level of implementation of the statutory targets for the installation of remote reading meters by individual operators is as follows:



Source: wysokienapiecie.pl

By the end of 2025, distribution network operators were expected to reach the second milestone (35%) for the installation of remote reading meters.

The concentration of customers and the commoditisation of products are conducive to strong competition and cause the erosion of margins. The rollout in Poland has massively attracted competition from Asia due to the extremely low barriers to entry and the treatment of price as one of the main determinants, which favours Asian suppliers. Also due to significant geopolitical turmoil, the Apator Group, along with industry organisations, has for many years been advocating for the inclusion of local supply chains and ensuring the country's technological sovereignty. The energy transition should strengthen not only the security of the system but also domestic industrial and technological competencies. The participation of Polish companies in this process is crucial, as it allows for maintaining control over solutions vital to critical infrastructure. In April 2026, the government announced the "Local content. benefit of Poland" (Local Content. For the Benefit of Poland) project, aimed at increasing the Polish share in supply chains and providing systemic support for Polish industry by involving local companies in investment and infrastructure projects, thereby strengthening Poland's strategic autonomy and economic security while respecting EU rules. In view of the above, the Apator Group expects that the issue of local content and the participation of Polish companies in investment processes will be a significant element of government policy and will create an opportunity for the long-term strengthening of the competitiveness of the Polish economy.

In Poland, 2025 was another year for the development of renewable energy sources (RES). The Polish energy sector is undergoing dynamic changes related to the energy transition. One of the positive long-term changes is the transition from a centralised grid model to a decentralised system.

However, this means that the grid is becoming more unstable, more difficult to manage and more vulnerable to new threats, such as cyber threats. The emergence of many distributed energy sources, such as photovoltaic and wind farms, is forcing new solutions in grid management. Grid development is not keeping pace with the growth of new alternative energy sources. According to data from the Energy Market Agency, in 2020, RES installations accounted for 24.12% of installed capacity, and their total capacity amounted to 12,490 MW. In 2025, RES capacity increased to 37,777 MW, representing a more than threefold increase over a very short period. Such dynamic development meant that in 2025, half of the total installed capacity in Poland came from renewable energy sources. This is a massive change that shows how quickly green energy is becoming one of the pillars of the national system.

The installation of a large number of solar energy sources results in changes in power flows, which causes disturbances in the operation of transformers, problems with electrical protection settings, and imbalances in the low voltage (LV) and medium voltage (MV) networks. To meet these challenges, it is necessary to implement smart systems and devices on a large scale to support the functioning of dynamic markets and transactions. An integral part of this development will be energy storage systems, which will enable effective management of energy production and consumption, and will also significantly contribute to the energy independence of entities that choose to adopt them.

Today, the Apator Group is one of the largest suppliers to the Polish market of prosumer bi-directional electricity meters (with and without remote communication capability) used in RES micro-installations, as well as specialised apparatus for connecting and protecting electrical circuits in PV and wind farms. Currently, smart devices already constitute a significant part of Apator's sales. The Apator Group also implemented numerous solutions to manage energy flows in internal systems and grids featuring PV generation and integrating distributed PV energy sources into a modern large-scale power grid. The Group implemented the EKTIN PV system for monitoring and managing photovoltaic sources and the EKTIN WT system for wind farms and continues the development of its offer of solutions for RES. As a manufacturer of energy storage devices, the Apator Group also addresses issues related to grid stabilisation and the efficient use of generated energy. All the above-mentioned devices can be used independently or through integration into one system constituting a comprehensive offer. Such an approach allows the offer to be shaped according to individual customer needs.

The ongoing transformation and digitisation of the Energy & Utilities sector is driving the growth of sales of remote reading and energy management solutions. The high growth rate of the RES sector in Poland is generating interest in the Group's offer of protection, controllers, control and supervision systems designed for photovoltaic farms, wind farms or other renewable sources, as well as those applicable to local energy management (used in energy clusters and cooperatives). There is also a growing number of customers outside the professional energy sector who want to manage all types of energy media efficiently in order to optimise expenditure and offset high energy costs. Market opportunities are emerging for the switchgear, ICT and SSiN (Control and Supervision Systems) business lines. This is driven by a revival of investments in the modernisation of energy infrastructure, linked to improving the quality and security of supply, and financing under the National Recovery and Resilience Plan, through which a significant portion of funds is allocated to the green transition, including the further development of RES, the modernisation and expansion of power grids, energy efficiency, and energy storage.

Segment financial results

Item	of 2025 (PLN thousand)	of 2024 (PLN thousand)	Change y/y (PLN thousand)	Growth rate (%)
Sales revenue, *including:*	**567,056**	**580,199**	**-13,143**	**97.7%**
domestic	*494,065*	*498,860*	*-4,795*	*99.0%*
export	*72,991*	*81,339*	*-8,348*	*89.7%*
Cost of goods sold	436,690	427,639	9,051	102.1%
Gross sales result	**130,366**	**152,560**	**-22,194**	**85.5%**
Sales costs	24,734	23,001	1,733	107.5%
General administrative costs	79,268	69,466	9,803	114.1%
Profit (loss) on sales	**26,364**	**60,093**	**-33,730**	**43.9%**
Change in write-offs on receivables and loans (IFRS 9)	446	419	27	106.4%
Result on other operating activities	17,915	-4,682	22,597	-
Share in profit of entities consolidated using the equity method	0	0	0	0.0%
Profit (loss) on operating activity	**44,725**	**55,830**	**-11,106**	**80.1%**
EBITDA	**75,827**	**81,107**	**-5,280**	**93.5%**
Profitability ratios:				
Gross profit margin on sales	23.0%	26.3%		
Sales profit margin	4.6%	10.4%		
EBITDA margin	13.4%	14.0%		

The Segment's results for 2025 were impacted by one-off factors:

- sale of real estate in Toruń – a positive impact on the results of +PLN 14.4 million at the level of other operating activities;
- recognition of provisions for warranty claims – a negative impact on the results of -PLN 20.8 million, increasing the cost of sales as a result of a settlement concluded with a foreign customer concerning the obligation to replace devices in the Electricity segment with new ones and to cover the costs of this replacement (for more information, see section 6.3).

Segment financial results adjusted for the impact of one-off events:

Item	of 2025 (PLN thousand)	of 2024 (PLN thousand)	Change y/y (PLN thousand)	Growth rate (%)
Sales revenue, *including:*	**567,056**	**580,199**	**-13,143**	**97.7%**
domestic	*494,065*	*498,860*	*-4,795*	*99.0%*
export	*72,991*	*81,339*	*-8,348*	*89.7%*

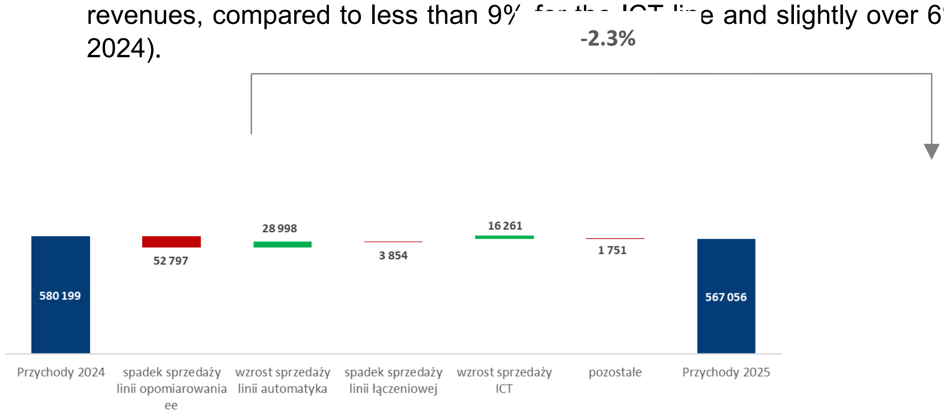
Item	of 2025 (PLN thousand)	of 2024 (PLN thousand)	Change y/y (PLN thousand)	Growth rate (%)
Adjusted cost of sales	415,931	427,639	-11,708	97.3%
Adjusted gross profit on sales	**151,125**	**152,560**	**-1,435**	**99.1%**
Sales costs	24,734	23,001	1,733	107.5%
General administrative costs	79,268	69,466	9,803	114.1%
Adjusted profit on sales	**47,123**	**60,093**	**-12,971**	**78.4%**
Change in write-offs on receivables and loans (IFRS 9)	446	419	27	106.4%
Adjusted result on other operating activities	3,524	-4,682	8,206	-
Share in profit of entities consolidated using the equity method	0	0	0	0.0%
Adjusted operating result	**51,093**	**55,830**	**-4,738**	**91.5%**
Adjusted EBITDA	**82,195**	**81,107**	**1,088**	**101.3%**
Profitability ratios:				
Gross profit margin on sales	26.7%	26.3%		
Sales profit margin	8.3%	10.4%		
EBITDA margin	14.5%	14.0%		

Sales revenue

Very high sales were recorded in the Electricity segment (close to the record level achieved in 2024), although slightly lower (-2.3% y/y). Changes for individual lines were as follows:

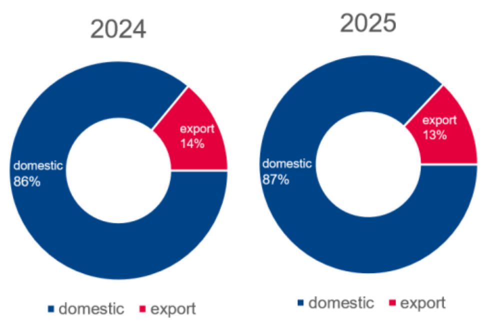
- electricity metering line (decrease of 14.1% y/y): execution of smart meter (remote reading meter) deliveries as part of the ongoing rollout in Poland, in accordance with the schedule. In 2025, Apator also continued to deliver solutions in the area of medium-voltage substation balancing in accordance with the applicable schedules. The line's lower exports are related to lower y/y deliveries of meters in the German market as a result of the economic slowdown and the related reduction in the number of announced tenders, which was already visible in 2024.
- Switchgear line - slightly lower (-3.4% y/y) sales result which provides solutions used in the modernisation ar decrease in domestic revenues (-9.3%) was largely of to intensive efforts aimed at strengthening the G competition.
- Automation (+78.4% y/y) and ICT (+32.2% y/y) lines execution of larger contracts as a result of increased energy transition. Consequently, an increase in the s structure in 2025 is clearly visible (the shares of each line stood at nearly 12% of the segment's total revenues, compared to less than 9% for the ICT line and slightly over 6% for the Automation line in 2024).

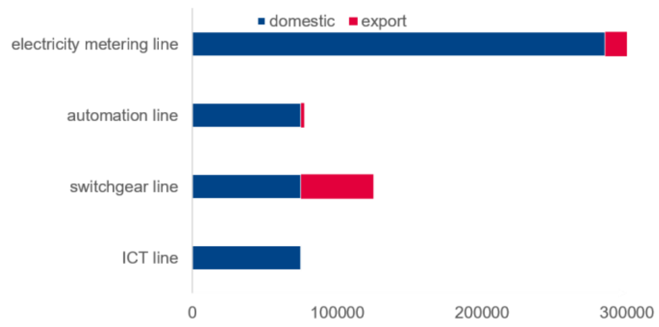
Przychody 2024	2024 revenue
spadek sprzedaży linii opomiarowania ee	decrease in electricity metering line sales
wzrost sprzedaży linii automatyka	increase in automation line sales
spadek sprzedaży linii łączeniowej	decrease in switchgear line sales
wzrost sprzedaży ICT	increase in ICT sales
pozostałe	other
Przychody 2025	2025 revenue



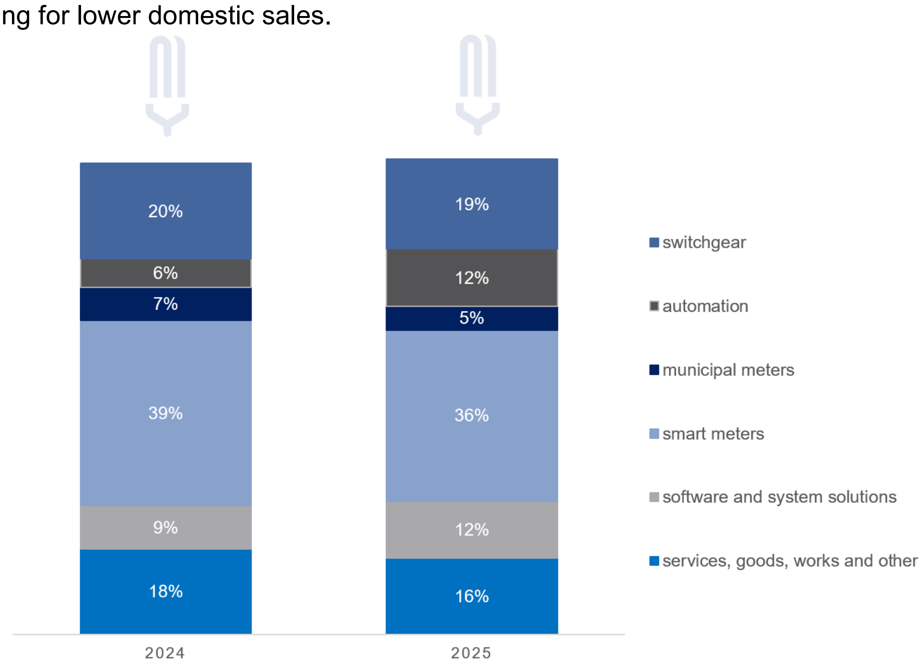
Name of the organisational unit:	Apator Group		
Period covered by the financial statements:	1 January 2025 – 31 December 2025	Reporting currency:	Polish zloty (PLN)
Rounding level:	all amounts are expressed in PLN thousand (unless otherwise indicated)		

The majority of the segment's sales are generated domestically (87%). The main export markets are Germany, Brazil, Romania and Turkey. A revival of the Apator Group's operations in the Scandinavian markets (Sweden, Finland) was also clearly marked, with sales recording several-fold y/y increases. The described changes in the segment's exports are primarily related to the situation in the switchgear line, which (amid intensifying price competition since 2024 and a decline in revenues in some markets) carried out intensive sales activities resulting in an improved situation in many alternative sales directions.





Thanks to very good sales results in the Automation and ICT lines, their share in the segment's product mix in 2025 was higher than in the previous year. Conversely, lower (in accordance with contract execution schedules) meter deliveries resulted in a noticeable decrease in their share of the segment's revenues. Meanwhile, the share of switchgear remained at a comparable level, owing to a good situation in exports compensating for lower domestic sales.



EBITDA

Despite revenues comparable to the record year of 2024, the segment's adjusted EBITDA was higher y/y, exceeding the level of PLN 82 million. This was a result of an improvement in profitability (EBITDA margin higher by 0.5 pp y/y, at the level of 14.5%), which occurred despite a less favourable sales mix (a higher share of lower-margin products from the metering line) and an increase in SG&A costs. The higher margin is mainly related to:

- the optimisation of manufacturing costs, resulting, among other things, from systematic work in the area of operational efficiency and the group purchasing policy (integration of purchases);
- an improvement in the result on other operating activities (mainly the effect of changes in provisions for liabilities).

**) Segment EBITDA adjusted for the impact of one-off events: provisions (+PLN 20.8 million) recognised in the cost of sales for the costs of device warranty claims, in connection with a settlement concluded with a customer, and the impact of the sale of real estate (-PLN 14.4 million) at the level of the result on other operating activities.*

Prospects

The segment's development prospects in the electricity market depend primarily on the pace of energy transformation. The rapid development and increase in the volume of tasks related to the construction and integration of complex solutions. The Apator Group is adapting its offer, gradually transforming from a supplier of equipment into a provider of comprehensive solutions based on its own technology and technical thought. At the same time, the Group continues to optimise manufacturing costs and improve the efficiency of operations in response to further cost and competitive pressures. Due to the current geopolitical turmoil, the situation regarding components is monitored on an ongoing basis, and actions are adapted to current orders, sales opportunities resulting from the ongoing smart meter rollouts in Poland and Europe, and the expected revival of investments in power grid automation and the energy transition.

The main factors affecting the segment's operation in Poland include:

- increased demand for solutions resulting from the energy transition;
- the geopolitical situation and the advancing energy transition, providing significant opportunities for the development of energy and other utility management systems in industry and local government units;
- EU and Polish regulations supporting smart metering and supply chain security.
- the government project "Local Content. Z korzyścią dla Polski" (Local Content. For the Benefit of Poland) aimed at:
    - building the market position of domestic companies by integrating them into the supply chains of major investments and strengthening their strategic business and production competencies,
    - strengthening the security of supply amid a tense geopolitical situation – particularly in strategic sectors such as energy and defence;
    - implementing the state's long-term purchasing policy - public procurement supporting economic development,
    - providing the support of an expert team from key financial institutions - developing products that support enterprises in their investments;

- positive effects resulting from the unblocking of funding under the National Recovery and Resilience Facility, which provides for a significant part of the funds to be allocated to the green transition, e.g. to the further development of RES, the modernisation and expansion of electricity grids, energy efficiency, energy storage, the development of the gas distribution system in the provision of alternative gas supply sources and the transformation of the heating sector, among other things.
- the focus of EU policy on supporting and shifting European economies towards climate neutrality (The European Green Deal, Blue Deal, Fit for 55 and REPowerEU, RED II and CRA) is redirecting funding toward environmentally sustainable technologies and innovations, increasing demand for green energy, pressure to conserve natural resources, strengthening the circular economy, and increasing environmental awareness of societies;
- acceleration of regulatory actions supporting the return of supply chains to Europe, reinforced by EU regulations such as the European Chips Act, the Net-Zero Industry Act (NZIA), and the Critical Raw Materials Act (CRMA); Semicon Coalition initiative (focused on rebuilding the EU semiconductor industry);
- digitisation across all economic sectors, including the energy sector, related to the collection and processing of vast amounts of data and the need for high-quality cybersecurity and process automation;
- decentralisation of the energy sector and the growing participation of new market participants: RES power generators and prosumers, which necessitates the need to ensure system balancing with a dynamically increasing share of distributed generation on the part of DSOs, and generates demand for new products and services for RES energy management on the part of business and individual customers;
- increasing demand for energy flexibility (consumption, generation, energy storage) caused by reaching the tipping point in the share of unstable RES; the necessity for electricity transmission system operators to increasingly use tools for mandatory power redispatching in order to maintain the stability of the power system (e.g. mandatory power limiter);
- new EU legal acts regarding increasing the digital security of devices (NIS 2 Directive, new cybersecurity requirements in the RED Directive, CRA Directive); the classification of manufacturers of devices operating in network infrastructure into key and important groups, which will be subject to tightened local European requirements; and planned and consulted new regulations in the Cybersecurity and Supply Risk Assessment Package
- the expected increase in interest in advanced distribution network management solutions (as a result of the increasing share of "green energy" in the system),
- further product standardisation of switchgear and its dynamic market development,
- growing demand of distribution companies (from the area of energy, water and gas) for network asset register services and construction of digital network models in the GIS class systems,
- the growing demand of local governments for services and systems for recording and managing network assets; systems of that type are an essential element of the IT infrastructure of the "Smart City", which is currently one of the most promising areas for the implementation of such IT projects.

The prospects for the activity of the Apator Group in the key export markets for the Electricity segment are shaped primarily by:

- development of the product offering in the area of electronic meters for foreign markets, particularly the German and Spanish markets;
- development of sales on the export markets for switchgear, the conclusion of a partnership with Rittal and cooperation in the production of an innovative fuse switch disconnector designed by Apator, a product used in Rittal's comprehensive solutions.
- the announced development of smart grids in eastern markets,
- fading demand for induction-type and static meters without communication capability,
- European Parliament's "Clean Energy for All Europeans" package and RePowerEU regulations, acceleration of the EU's independence from fossil fuels and the growing share of energy generated from RES sources in the EU's energy mix,
- implementation of new EU legislation related to cyber security.

3.2. Gas segment

Products

The Gas segment specialises in the design and manufacture of gas meters. The product range consists of domestic and industrial bellows gas meters, as well as the latest class of smart gas meters with a remote data reading function. Apator Metrix S.A. (Tczew), is one of the largest manufacturers and suppliers of gas meters in Poland and Europe. Over the course of more than 75 years of operations, the company has manufactured nearly 29 million residential gas meters and approximately 550,000 industrial gas meters, which are in use both domestically and abroad. Today, it holds a leading position in the industry in Europe. The company's gas meters are delivered to almost all European countries, as well as to numerous regions around the world. The segment sells its products under its own brand, as well as under the OEM (*original equipment manufacturer*) model, i.e. under brands of other manufacturers.
In recent years, the company has expanded its operations by developing the production of machines for industrial process automation. Its modern solutions in the field of robotics and automation help increase production efficiency and meet the growing market demand for advanced technologies.

Market environment

The smart gas meter market in Europe is in a phase of intensive growth and technological transformation, driven by EU regulations, infrastructure modernisation, and increasingly advanced technologies (IoT, NB-IoT). This market is evolving towards smart metering systems; consequently, a growing demand for remote reading gas meters is visible across the European Union, accompanied by a simultaneous decline in demand for traditional residential gas meters.

At the same time, until the outbreak of the war in Ukraine, gas was an important component of the energy mix. The European Union's REPowerEU strategy and Net Zero Industry Act on becoming independent from gas supplies, especially those from Russia, have caused a radical shift in heating sources, mainly in households. The gradual switch of the economy and consumers to other fuels (fuel switching) is visible in EU countries. The industry emphasises that the future of the energy sector is gaseous fuels, which are a mixture of natural gas and renewable gases, including hydrogen and biomethane. Hydrogen remains a key energy medium that will enable both energy supply and storage. Apator Metrix S.A. is the first Polish manufacturer of bellows gas meters to obtain a certificate authorising the sale of devices adapted for 100% hydrogen measurement.

The size and volatility of the gas meter market in Europe are determined by large public tenders and agreements concluded for several years. The Gas segment currently participates in the replacement of appliances with smart meters mainly in Belgium and several European countries. However, the concentration of the market of gas metering equipment suppliers and large public tenders for long-term supplies result in strong competitive pressure and growing price pressure. At the same time, Germany, Spain and Central and Eastern Europe (Turkey, Ukraine) are very important and strategic markets for the Gas Segment.

In the Polish market, the main customer of the Gas Segment is Polska Spółka Gazownictwa Sp. z o.o. (PSG), the sole gas distribution system operator in the country. The Polish smart gas meter market is in the implementation phase of a large-scale, nationwide rollout. At the end of 2024, PSG has launched the 'eGazomierz' project, which envisages the replacement of over 1.38 million gas meters for customers classified in the 3rd tariff group by mid-2026. One of the suppliers of smart gas meters in this project is Apator Metrix SA. In April 2026, PSG sp. z o.o. announced that over 800 thousand remote reading gas meters had been installed nationwide, nearly half of which were supplied by Apator Metrix SA. The 'eGazomierz' project lays the foundation for the further, systematic digitalisation of gas metering in Poland. As part of the project, work has also begun on upgrading the CSKDP (central measurement data collection system) implemented at PSG to a new version supporting smart gas meter communication, which is being developed by Apator Rector sp. z o.o.

In recent years, Apator Metrix SA has expanded its operations to include robotisation and automation of industrial processes. The growing need to improve production efficiency and reduce costs means that more and more companies are deciding to implement solutions that automate production processes.

Segment financial results

Item	of 2025 (PLN thousand)	of 2024 (PLN thousand)	Change y/y (PLN thousand)	Growth rate (%)
Sales revenue, *including:*	**228,350**	**273,952**	**-45,602**	**83.4%**
domestic	93,022	63,028	29,994	147.6%
export	135,328	210,924	-75,596	64.2%
Cost of goods sold	184,738	224,142	-39,404	82.4%
Gross profit from sales	**43,612**	**49,810**	**-6,198**	**87.6%**
Sales costs	6,047	6,366	-319	95.0%
General administrative costs	27,473	29,511	-2,038	93.1%
Sales profit	**10,092**	**13,933**	**-3,841**	**72.4%**
Change in write-offs on receivables and loans (IFRS 9)	-161	-775	614	20.8%
Result on other operating activities	448	-10,885	11,333	-
Share in profit of entities consolidated using the equity method	0	0	0	0.0%
Operating profit	**10,379**	**2,273**	**8,106**	**456.6%**
EBITDA	**19,743**	**13,045**	**6,698**	**151.3%**
Profitability ratios:				
Gross profit margin on sales	19.1%	18.2%		
Profit margin on sales	4.4%	5.1%		
EBITDA margin	8.6%	4.8%		

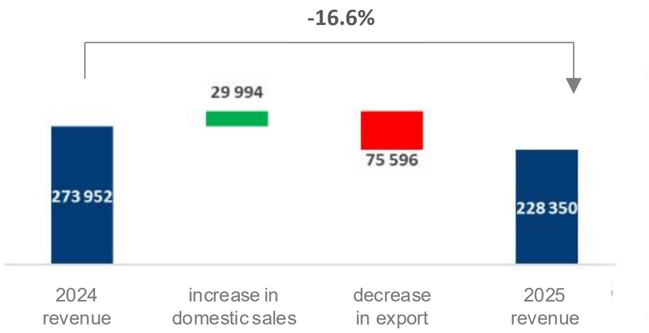
Sales revenue

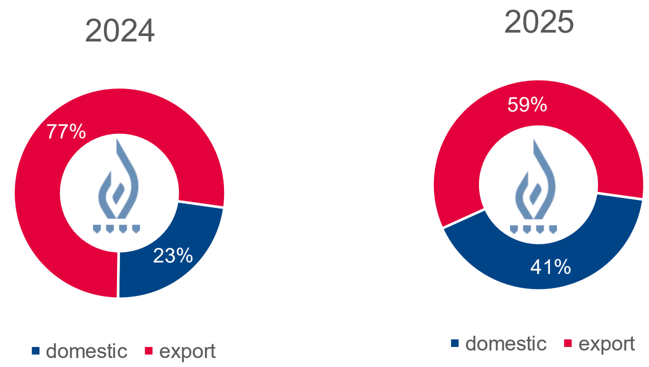
The segment recorded sales lower by 16.6% y/y due to a decline in exports (-35.8% y/y) accompanied by a simultaneous increase in domestic revenues (+47.6% y/y):

- an increase in domestic sales: the result of the execution (since August 2025) of e-gas meter deliveries as part of the transformation of the gas sector in Poland. A significant acceleration of deliveries occurred particularly
  in the final months of the year, driven by the customer exercising the option right to increase the order value by 20% of the contract value;
- lower sales in foreign markets: primarily related to lower (but in accordance with the applicable schedule) deliveries under the Belgian contract, alongside a simultaneous reduction in revenues in, among others, the British, German, and Dutch markets. Apart from the already signed contracts, new sales of the Gas

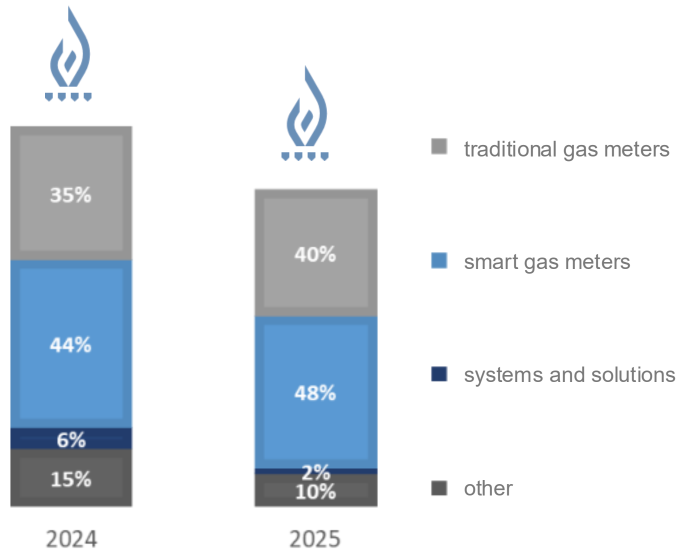
segment continued to be determined by lingering uncertainty and the wait for binding decisions regarding the future of the gas sector. At the same time, the segment is consistently working on exploring new export destinations, including Italy, Turkey, Romania, Ireland, and the Ukrainian market. A visible shift in the sales focus from mature EU markets towards Eastern and non-European markets was observed.

As a result of high domestic sales dynamics accompanied by a decline in exports, foreign revenues accounted for 59% of total revenues in 2025, compared to 77% in the previous year.





The segment's sales portfolio in 2024 and 2025 was as follows:

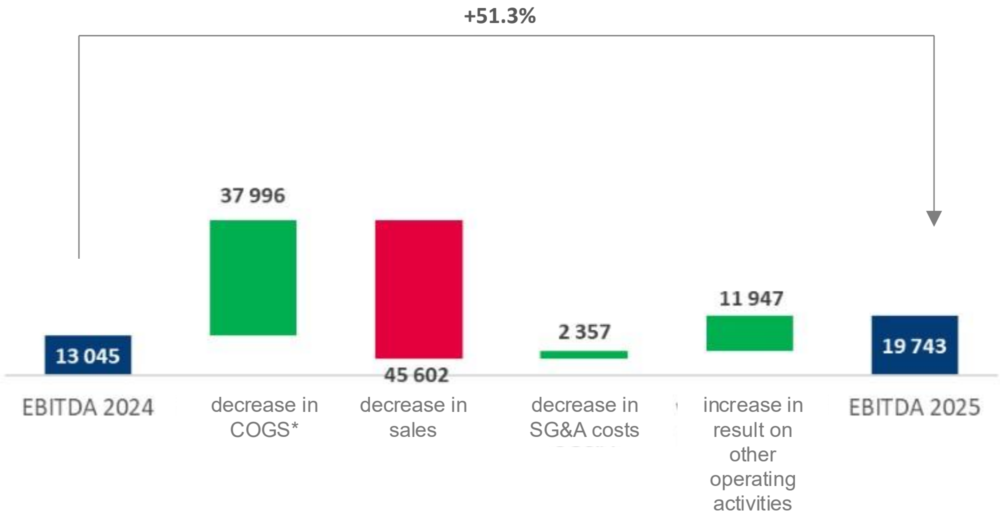


EBITDA

The segment's EBITDA for 2025, despite significantly lower y/y revenues, amounted to PLN 19.7 million (an increase of PLN 6.7 million), and the EBITDA margin improved by 3.9 pp, reaching the level of 8.6%. This was primarily driven by:

– the operating leverage effect, namely consistent work on operational efficiency resulting in the adaptation of the scale of operations to the level of generated sales (a higher rate of decline in manufacturing costs versus the reduction in revenues), despite less favourable exchange rates;

- savings in SG&A costs (by 5% for selling costs and by nearly 7% for general costs), involving the adaptation of resources and costs to the altered and still not fully predictable situation in the sector;
- and a decisive y/y improvement in the result on other operating activities (in 2024, the result was burdened with the costs of exiting the British market and the liquidation of the GWi company).



**) COGS (cost of goods sold) less depreciation*

Prospects

The development prospects of the gas metering market segment remain heavily dependent on geopolitical conditions. The European Union's energy transition, which includes the need to diversify the gas mix by gradually replacing natural gas with decarbonised and renewable gases, creates, on the one hand, significant opportunities for the development of the Gas segment, particularly in the area of hydrogen, biomethane, and biogas metering. In addition to existing smart metering solutions, the Group is also observing growing interest in static technologies (including ultrasonic measurement), the digitalisation of gas metering processes, and the integration of various energy utilities within modern data management networks.

On the other hand, the lingering uncertainty resulting from structural changes in the gas market leads to the reduction or temporary suspension of investments in gas infrastructure. Additionally, recent geopolitical tensions in the Middle East are having a significant impact on the global energy market, which, on the other hand, heightens the dilemmas associated with phasing out natural gas.

The segment's prospects will also be influenced by the dynamics of cost increases (materials, components, and wages), as well as the situation in global supply chains.

The domestic business prospects for the Gas segment are as follows:

- the current order portfolio, including: the execution of a tender for the supply of NB-IoT smart gas meters along with the delivery of a reading system, with expected deliveries by September 2026,
- planned subsequent tenders for mechanical gas meters,
- the government project "Local Content. Z korzyścią dla Polski" (Local Content. For the Benefit of Poland) aimed at:
  - building the market position of domestic companies by integrating them into the supply chains of major investments and strengthening their strategic business and production competencies,
  - enhancing the security of supply in times of geopolitical tension,

- implementing the state's long-term purchasing policy - public procurement supporting economic development,
- providing the support of an expert team from key financial institutions - developing products that support enterprises in their investments;

- expansion of the software offer for the gas sector,
- introduced under the Regulation of the Minister of Entrepreneurship and Technology (Regulation on the legal metrological control of measuring instruments of 22 March 2019) the possibility of legalising gas meters using the statistical method; however, this method is not popular in Poland yet.

The situation of the Gas segment in the key export markets is mainly shaped by the following factors:

- key development directions are Germany and Spain, supplemented by revenues from markets with high price pressure (Eastern Europe),
- the finalisation of long-term contracts, particularly in the Belgian and Dutch markets,
- supplementing the portfolio with communication systems (NB-IoT, LoRa), which will be key to active participation in tenders in Western European markets,
- a product development plan covering further types of industrial gas meters and an ultrasonic gas meter,
- ongoing relatively high demand for gas meters with mechanical counters, due to constant delays in the implementation of smart gas meters in some European countries,
- electronic auctions and the consolidation of orders by several customers within a single tender, which negatively affects the level of final prices,
- strong price competition in markets outside Europe, primarily in the fastest-growing Asian markets, which requires the company to develop and bring to market increasingly price-competitive solutions.

In its internal operations, the Gas segment will continue to focus on implementing new products and the scalability of manufacturing processes, which will allow for sales growth and an improvement in operational efficiency, thereby stabilising the market position of Apator Metrix S.A. in subsequent years.

3.3. Water and Heat segment

Products

The Water and Heat segment (W&H) specialises in the manufacture of residential, domestic and industrial water meters (ultrasonic and traditional - mechanical), heat meters and heat cost allocators. It offers services of remote reading, settlement of utility consumption, as well as management of water and heat distribution systems. Apator Powogaz S.A., the leading company in the Water and Heat segment, is one of the largest manufacturers and suppliers of water meters in Poland and Europe. The Water and Heat segment comprises the following companies: Apator Powogaz Czechia (Czech Republic), Apator Miitors A/S (Denmark – R&D), Apator Telemetria Sp. z o.o. (Słupsk, Gdańsk – R&D), and Apator Powogaz Italia (Italy).

Market environment

The Water and Heat segment, unlike the other segments, delivers products and services to a large, dispersed group of customers. Most often, the customer market is divided into two profiles: professional (water mains) and residential (cooperatives, distributors, wholesalers), to which separate product lines are sold. The sales model in the Water & Heat segment, quite different from that of the electricity and gas segments, is based mainly on an active search for customers worldwide and building relationships with them, which requires a correspondingly larger sales force, a wider range of products with adequate information material, an extensive service network and adequate technical support that is able to implement the modifications expected by the customers, according to the requirements of the given operating area. The industry is characterised by a fairly flexible product specification and a customised approach to customer requirements. Some of the legal requirements governing water and heat metering, as well as trends and new technologies, depend on the specific demands of each market. Approximately 55% of the segment's revenues are generated in foreign markets, with the remaining sales generated domestically. The domestic market is highly fragmented in terms of customers: several thousand entities operating in the water supply sector, as well as numerous housing cooperatives and communities of varying sizes and structures.

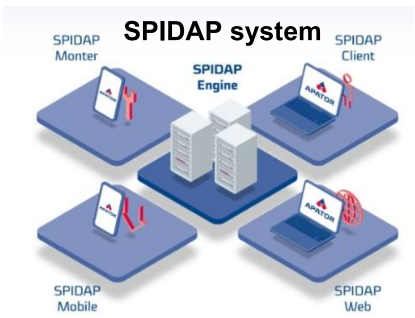
In the residential segment, the number of installed water meters is influenced by the construction market conditions.
In 2025, according to data from Statistics Poland (GUS), 208.4 thousand dwellings were completed in Poland, representing an increase of 4.1% compared to 2024. The most frequently installed devices in newly constructed buildings are water meters with remote reading, and the water meter with a radio module is the most popular type. Also in the old type of houses, *smart* water meters play a more and more important role, replacing the old-generation products without the possibility of remote reading. The need to replace devices is primarily driven by the amendment to the Energy Law, which introduced the obligation to install remote reading water and heat meters nationwide by 1 January 2027. The solutions of the Water and Heat segment feature a number of conveniences related to the remote reading system, namely the ability to check the consumption of a given utility on a dedicated platform, or to make online payments. These conveniences fully comply with Directive 2012/27/EU of the European Parliament and of the Council on energy efficiency.

The global demand for water metering services is growing with unprecedented dynamics. Rapidly growing population, the industrialisation of developing countries, diverse and often inconsistent legislation related to the protection of the environment, including drinking water resources, are the reasons for the dramatic speeding up of global water consumption and the exploitation of natural sources. Those factors are accelerating the development of the smart water management market to optimise water consumption and provide more and more accurate measurement methods. Therefore, the industry is undergoing intensive development of comprehensive systems for handling and effective data delivery using modern IoT communication technologies. Increased consumer awareness, both individual and manufacturing (industrial) entities that use smart metering solutions, is resulting in greater interest in economical and rational water management. Water losses from pipelines during distribution are very high; therefore, manual measurement and water balancing are no longer sufficient given the steadily increasing tariffs for drinking water and sewage.

Metering systems signal leaks and other disturbances in the network and feature remotely controlled valves that shut off the water supply or limit consumption on demand. At the same time, along with the digitalisation of services, the importance of the cybersecurity of water supply networks is growing, as is the energy security of water and sewerage companies, based on the use of biogas, energy clusters, and renewable energy sources.

One of the products that the W&H segment is intensively implementing on the market and constantly developing are ultrasonic water meters with a wide range of remote communication options (including (e.g. LoRaWAN). Ultrasonic water meters have stable metrological parameters, longer operation time, remote reading capabilities and advanced functions/ Current solutions provide static water measurement without moving parts, improved network balancing, and leak detection, ensuring durability of over 10 years, resistance to weather conditions, and a compact size. However, due to the widespread adoption of ultrasonic technology and increasingly aggressive competition, especially in foreign markets, pricing is becoming a key factor. Therefore, it is necessary to continue maintaining cost control in manufacturing while simultaneously expanding the range of ultrasonic products, not only for industrial diameters, alternative communication (NB-IoT), but also ensuring full compatibility of ultrasonic water meters with remote reading services, billing systems, and on-demand data delivery. The Group is introducing a new sales model based on an instalment or subscription-based system for the sale of equipment, as well as reading and billing services, with the ability to share data via the SPIDAP system. SPIDAP is an integrated water and heat management platform that automates, among other things, the processes of reading, analysing, and billing utilities, as well as detecting anomalies and leaks.

Ultrasonic water meters Ultrimis W offered by Apator Powogaz



The water metering market still has significant potential thanks to a number of EU initiatives and government support, both in European countries (e.g. Italy, Spain, Germany) and in African countries (e.g. Namibia), where national investments in water metering are beginning.

In response to sales opportunities, the Group is changing its sales model towards the geographical regionalisation of sales hubs incorporating all companies of the Water and Heat segment. This strategy is aimed at local operations and being closer to the target markets.

However, despite the surge in demand for ultrasonic water meters and new, increasingly sophisticated, solutions in line with global trends, mechanical water meters will not disappear from manufacturers' offer in the coming years. This is due to the significant price difference between the two solutions, the cost of water in a given country, the existing infrastructure closely related to the old type of housing, as well as the needs of the target customer in terms of expectations regarding the accuracy of a water meter (its class). Also foreign markets, in terms of the development of their water supply and heating networks, have different needs for products of certain classes.

There is also an upward trend on the heat metering market. This is due to the increase in heating costs, greater awareness of users, as well as legislative changes introducing mandatory heat metering. As in the case of water meters, in the heating sector, there is a great interest in remote reading systems and ultrasonic technology, which contributes to an intensive increase in competitiveness and affects the level of offered prices. The demand for smart water meters, heat meters, and cost allocators in Poland is driven by the Energy Efficiency Act, which imposes an obligation on the owners or managers of multi-apartment buildings to install remote reading heat meters, water meters, and heat cost allocators by 1 January 2027. Furthermore, the focus on the individual billing of thermal energy costs based on device readings (heat meters, allocators, DHW meters) will significantly increase interest in billing services. Thanks to an innovative and continuously improved billing system and the latest generation of metering devices, the Water and Heat segment is building a growing position in the Polish market. The W&H segment, based on market analyses and tracking global trends and regardless of the introduced legislative changes, constantly adapts its offer to the currently required solutions, thanks to which it increases its share in the sale of smart devices every year.

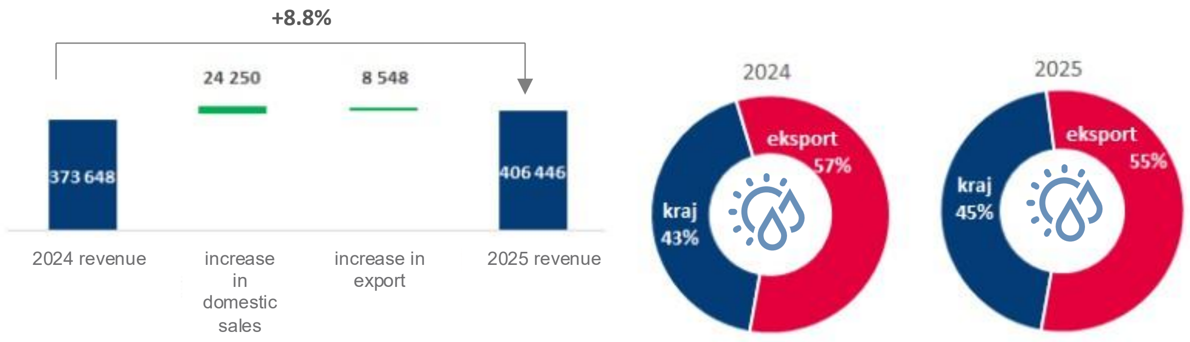
Segment financial results

Item	of 2025 (PLN thousand)	of 2024 (PLN thousand)	Change y/y (PLN thousand)	Growth rate (%)
Sales revenue, *including:*	**406,446**	**373,648**	**32,798**	**108.8%**
domestic	183,426	159,176	24,250	115.2%
export	223,020	214,472	8,548	104.0%
Cost of goods sold	274,876	261,284	13,592	105.2%
Gross profit from sales	**131,570**	**112,364**	**19,206**	**117.1%**
Sales costs	23,456	18,742	4,714	125.2%
General administrative costs	69,410	61,225	8,185	113.4%
Sales profit	**38,704**	**32,397**	**6,307**	**119.5%**
Change in write-offs on receivables and loans (IFRS 9)	193	76	117	253.9%
Result on other operating activities	-2,271	-3,612	1,341	62.9%
Share in profit of entities consolidated using the equity method	0	0	0	0.0%
Operating profit	**36,626**	**28,861**	**7,765**	**126.9%**
EBITDA	**65,825**	**50,124**	**15,701**	**131.3%**
Profitability ratios:				
Gross profit margin on sales	32.4%	30.1%		
Profit margin on sales	9.5%	8.7%		
EBITDA margin	16.2%	13.4%		

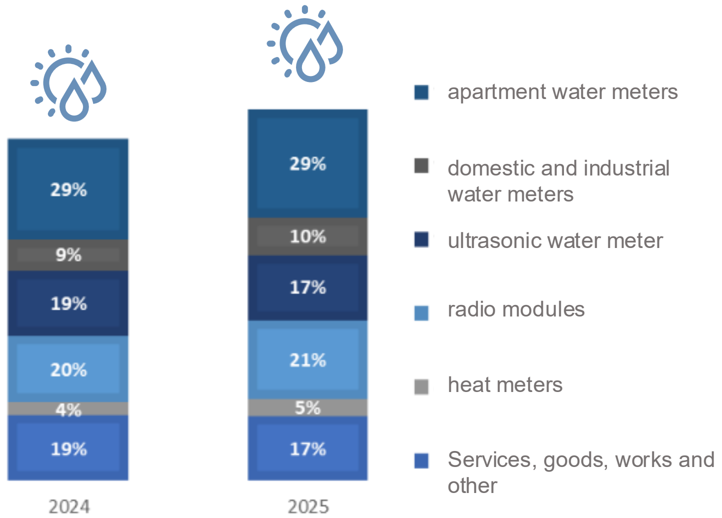
Sales revenue

Record sales (over PLN 400 million) were achieved in the segment in 2025, representing a 9% y/y increase in revenues, accompanied by high positive domestic sales dynamics (+15.2% y/y) and a simultaneous improvement in exports (an increase of 4.0% y/y despite the adverse impact of the strong Polish zloty):

- higher domestic revenues were achieved owing to the intensification of sales activities resulting in won tenders and secured contracts (device replacements primarily in housing cooperatives, and the development of billing services);
- the improvement in exports was achieved owing to higher revenues in most foreign markets, including the most key ones (the Czech Republic, Germany, Romania, Spain, Italy), as well as more distant ones (Serbia and the Middle East, including Saudi Arabia and Iraq).



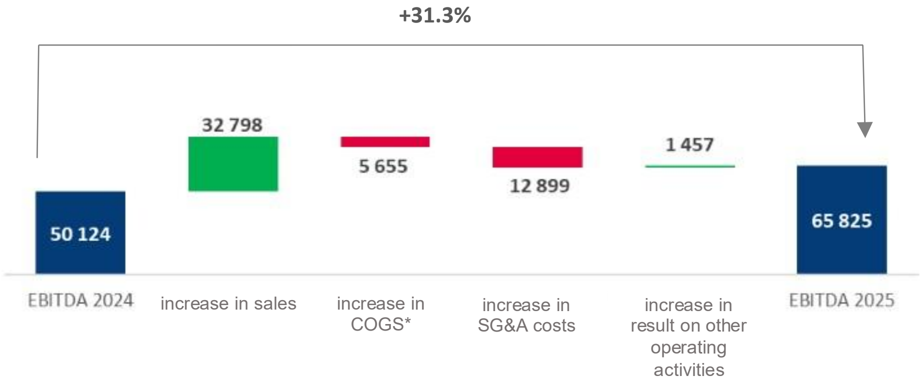
In the product sales structure in 2025, the positive upward trend, already visible in the previous year, was maintained in terms of the volume of ultrasonic water meters and remote communication devices sold, both domestically and in exports.
In the 2025 product mix, the largest share in sales (unchanged compared to 2024) continued to belong to the group of residential water meters and radio modules. In 2025, the significance (and consequently the shares in total revenues) of domestic and industrial water meters, modules, and heat meters increased. The lower y/y share of ultrasonic water meters in value terms is related to a change in the sales mix (a higher share of cheaper product variants) and the general trend of price erosion.



EBITDA

The segment's EBITDA for 2025 amounted to PLN 65.8 million, and was thus significantly (by PLN 15.7 million, i.e. 31%) higher compared to the 2024 result. The EBITDA level was impacted by:

- a y/y increase in the gross margin on sales accompanied by higher revenues and higher profitability (a margin of over 32%), driven by a favourable product mix, the optimisation of manufacturing costs, and a positive operating leverage effect, despite less favourable exchange rates (a significant share of exports);
- an increase in COGS resulting from investments in sales development (exploring sales opportunities in export markets);
- an improvement in the result on other operating activities, mainly in connection with lower y/y provisions for development projects.



*) COGS (cost of goods sold) less depreciation

Prospects

The prospects for Water and Heat are very good, and the Apator Group has high expectations for this part of the business, related to, among other things, favourable market trends and readiness to provide customers with advanced solutions, both in existing markets and in new areas and geographical directions. The Water and Heat segment is finalising development work on a full line of Ultrimis water meters and is consistently changing its product mix – sales of ultrasonic meters and remote communication devices are growing. At the same time, the dynamics of cost inflation (materials, components, remuneration) and the situation in global supply chains will have an equally important impact on the prospects.

Prospects affecting the operation of the Water & Heat segment in Poland are as follows:

- high demand for smart class solutions due to the introduced amendment to the Energy Efficiency Act imposing on owners or management of multi-unit buildings the obligation to install, by 1 January 2027, heat meters, water meters and heat allocators with remote reading,
- the government project "Local Content. Z korzyścią dla Polski" (Local Content. For the Benefit of Poland) aimed at:
  - building the market position of domestic companies by integrating them into the supply chains of major investments and strengthening their strategic business and production competencies,
  - enhancing the security of supply in times of geopolitical tension,
  - implementing the state's long-term purchasing policy - public procurement supporting economic development,
  - providing the support of an expert team from key financial institutions - developing products that support enterprises in their investments;
- growing interest in remote reading systems, water and heat consumption billing services, and technical solutions for water quality monitoring or leak detection (a particularly strong market demand for comprehensive solutions among water supply companies): the development of a full offering for the construction of reading networks and the provision of remote reading services for water and heat, and the introduction of the end-to-end concept, i.e. a comprehensive service for end customers;
- introduction of new overlays for industrial water meters - the potential to increase the presence in the water supply market,
- development of the billing services market,
- growing importance of the need to save water resources and the development of devices related to the precise metering and rational management of that precious resource - an important opportunity for the growth of sales of ultrasonic water meters,

- planned significant investments in the modernisation and expansion of water and sewerage networks, wastewater treatment plants, and retention systems to meet the requirements of EU directives and improve water management efficiency.
- successively increasing demand for electronic (as opposed to mechanical) flow/water consumption measurement technologies that guarantee the highest classes of measurement accuracy. Increased customer interest, particularly in ultrasonic water meters that eliminate water losses;
- pressure to use metering devices with an extended service life (e.g. ultrasonic water meters with no moving mechanical parts);
- economic situation in construction.

The situation of the Water & Heat segment on export markets is shaped by the following factors:

- expected increase in sales to European Union countries by expanding the customer base and the product portfolio,
- development of exports on the Western European markets as one of the key strategic directions of the segment,
- searching for new sales directions outside the EU due to the need to replace suspended sales to eastern markets as a result of the war (Russia, Belarus, Ukraine),
- upward trend in the heat metering market - the introduction of mandatory heat metering by the EU,
- increasing demand for ultrasonic water meters, with an increasing focus on LoRaWAN and NB-IoT communication,
- growing interest in smart technology for both water and heat meters,
- growing demand for remote control systems, leakage location and autonomous water loss (leakage) reduction systems,
- government subsidies for local water protection projects for regions with water shortages (Spain, Italy, Greece),
- aid programmes of the EU and the World Bank for African countries to improve access to drinking water.

4. Consolidated results of the Apator Group [ESRS 2 SBM-1]

4.1. Analysis of financial performance

In 2025, the financial result of the Apator Group achieved the following financial results:

Item	of 2025	of 2024	Change	Growth rate
Sales revenue, *including:*	**1,201,852**	**1,227,779**	**-25,947**	**97.9%**
domestic	*770,513*	*721,064*	*49,449*	*106.9%*
export	*431,339*	*506,735*	*-75,396*	*85.1%*
Cost of goods sold	896,304	913,065	-16,761	98.2%
Gross profit from sales	**305,548**	**314,734**	**-9,186**	**97.1%**
Sales costs	54,509	48,381	6,128	112.7%
General administrative costs	179,343	162,894	16,449	110.1%
Sales profit	**71,696**	**103,459**	**-31,763**	**69.3%**
Change in write-offs on receivables	478	-280	758	-
Result on other operating activities	16,092	-18,045	34,137	-
Share in profit of entities consolidated using the equity method	0	0	0	-
Operating profit	**88,266**	**85,134**	**3,132**	**103.7%**
EBITDA	**157,930**	**142,446**	**15,484**	**110.9%**
Result on financial activities	-7,639	-7,599	-40	100.5%
Obtaining/loss of control of a subsidiary	0	4,283	-4,283	-
Profit before tax	**80,627**	**81,818**	**-1,191**	**98.5%**
Current income tax	-8,647	-12,719	4,072	68.0%

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

Item	of 2025	of 2024	Change	Growth rate
Deferred income tax	7,191	4,115	3,076	174.8%
Net profit	**79,171**	**73,214**	**5,957**	**108.1%**
Profitability ratios:				
Gross profit margin on sales	25.4%	25.6%		
Profit margin on sales	6.0%	8.4%		
EBITDA profit margin	13.1%	11.6%		
Net profit margin	6.6%	6.0%		

One-off factors affecting the financial results for 2025:

- the impact of one-off items positively affecting Group results: the sale of real estate in Toruń (+PLN 11.2 million at the net profit level), the research and development (R&D) tax relief in the Gas segment (PLN 4.8 million), and the Special Economic Zone relief in Apator SA (PLN 7.1 million), which reduced the Group's income tax;
- the impact of a one-off item negatively affecting Group results: the recognition of provisions for complaints (PLN 20.8 million), which increased the cost of sales following a settlement reached with a foreign customer regarding the obligation to replace devices in the Electricity segment with new ones and to cover the replacement costs (for further details, see item 6.3, sec. 2).

Apator Group results, adjusted for the impact of one-off items, were as follows:

Item	of 2025	of 2024	Change	Growth rate
Sales revenue, *including:*	**1,201,852**	**1,227,799**	**-25,947**	**97.9%**
domestic	*770,513*	*721,064*	*49,449*	*106.9%*
export	*431,339*	*506,735*	*-75,396*	*85.1%*
Adjusted cost of sales*	875,545	913,065	-37,520	95.9%
Adjusted gross profit on sales*	**326,307**	**314,734**	**11,573**	**103.7%**
Sales costs	54,509	48,381	6,128	112.7%
General administrative costs	179,343	162,894	16,449	110.1%
Adjusted profit on sales*	**92,455**	**103,459**	**-11,004**	**89.4%**
Change in write-offs on receivables	478	-280	758	-
Adjusted result on other operating activities*	1,701	-18,045	19,746	-
Share in profit of entities consolidated using the equity method	-	-	-	-
Adjusted operating profit*	**94,634**	**85,134**	**9,500**	**111.2%**
adjusted EBITDA*	**164,298**	**142,446**	**21,852**	**115.3%**
Result on financial activities	-7,639	-7,599	-40	100.5%
Acquisition/loss of control over subsidiary GWi (negative goodwill)	-	0	-	-
Adjusted profit before tax*	**86,995**	**77,535**	**9,460**	**112.2%**
Adjusted current income tax*	-5,487	-12,719	7,232	43.1%
Adjusted deferred income tax*	-8,659	-1,385	-7,274	625.2%
Adjusted net profit*	**72,849**	**63,431**	**9,418**	**114.8%**
Profitability ratios:				
Adjusted gross profit margin*	27.2%	25.6%		
Adjusted profit on sales margin*	7.7%	8.4%		
Adjusted EBITDA margin*	13.7%	1.6%		
Adjusted net profit margin*	6.1%	5.2%		

**) The results for 2025 were adjusted for:*

- *provisions (+PLN 20.8 million) recognised in the cost of sales for product complaint costs, in connection with a settlement reached with a customer (for further details, see item 5.2, sec. 2);*
- *the impact of the sale of real estate (-PLN 14.4 million) at the level of the result on other operating activities;*
- *the research and development (R&D) tax relief in the Gas segment (-PLN 4.8 million); and the Special Economic Zone relief in Apator SA (-PLN 7.1 million) at the income tax level.*

The results for 2024 were adjusted for:

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

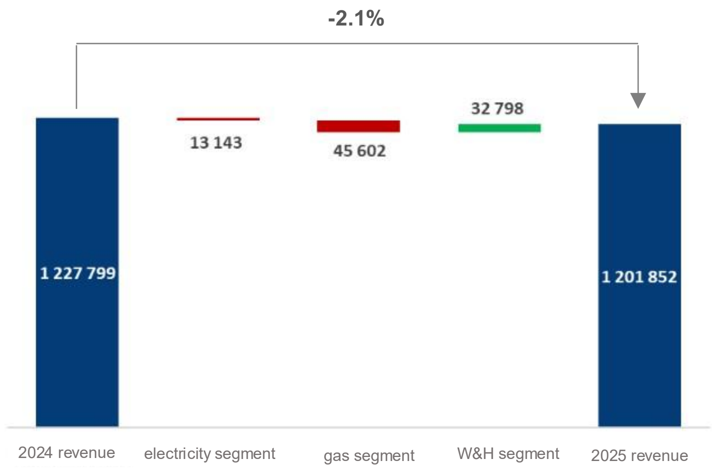
- *the negative net asset value of GWi (PLN 4.2 million) at the level of loss of control over the subsidiary;*
- *SEZ relief in Apator SA (PLN 5.5 million) at the income tax level.*

Sales revenue

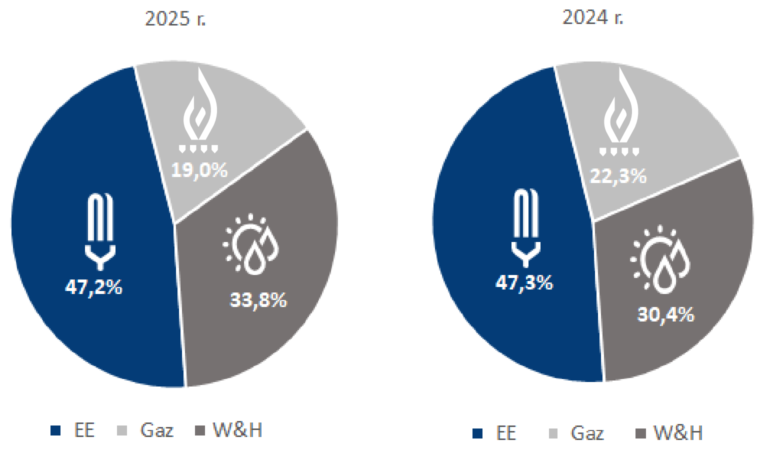
The Apator Group's revenues in 2025 amounted to PLN 1,201.9 million, which means they are comparable to the record sales level of 2024. As a result of lower exports (primarily in the Gas segment) and a simultaneous increase in domestic sales (up by 6.9% y/y), Apator Group's share of international turnover in total sales decreased to 35.9%, while the share of domestic sales reached 64.1%.

A detailed description of the sales of individual segments is included in part 3 of this report.

Item	of 2025 (PLN thousand)	of 2024 (PLN thousand)	Change y/y (PLN thousand)	Growth rate (%)
Electricity (EE) segment	**567,056**	**580,199**	**-13,143**	**97.7%**
domestic	*494,065*	*498,860*	*-4,795*	*99.0%*
export	*72,991*	*81,339*	*-8,348*	*89.7%*
share of exports in segment revenue	*12.9%*	*14.0%*		
share of exports of the Electricity (EE) segment in total sales revenue	*6.1%*	*6.6%*		
Gas segment	**228,350**	**273,952**	**-45,602**	**83.4%**
domestic	*93,022*	*63,028*	*29,994*	*147.6%*
export	*135,328*	*210,924*	*-75,596*	*64.2%*
share of exports in segment revenue	*59.3%*	*77.0%*		
share of exports of the Gas segment in total sales revenue	*11.3%*	*17.2%*		
Water and Heat (W&H) segment	**406,446**	**373,648**	**32,798**	**108.8%**
domestic	*183,426*	*159,176*	*24,250*	*115.2%*
export	*223,020*	*214,472*	*8,548*	*104.0%*
share of exports in segment revenue	*54.9%*	*57.4%*		
share of exports of the W&H segment in total sales revenue	*18.6%*	*17.5%*		
Total sales revenue	**1,201,852**	**1,227,799**	**-25,947**	**97.9%**
domestic	***770,513***	***721,064***	***49,449***	***106.9%***
export	***431,339***	***506,735***	***-75,396***	***85.1%***
share of total exports in total revenue	***35.9%***	***41.3%***		

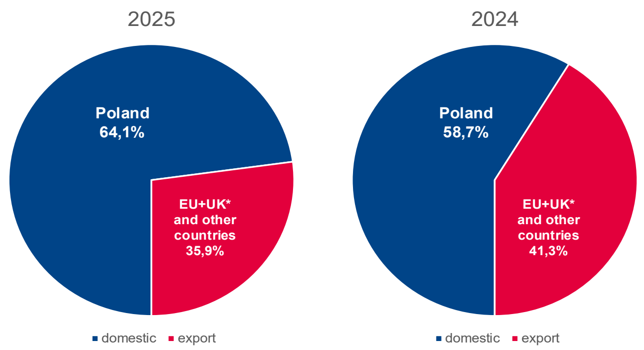


In the sales structure of the Apator Group in 2025, an increase in the share of the Water and Heat segment is visible, which occurred at the expense of the Gas segment, while the share of Electricity remained at the previous year's level. As a result, taking into account the absolute revenue values, Electricity and Water and Heat remained in the top two positions, generating a combined 81% of the Group's total revenues in 2025.



Geographical sales structure

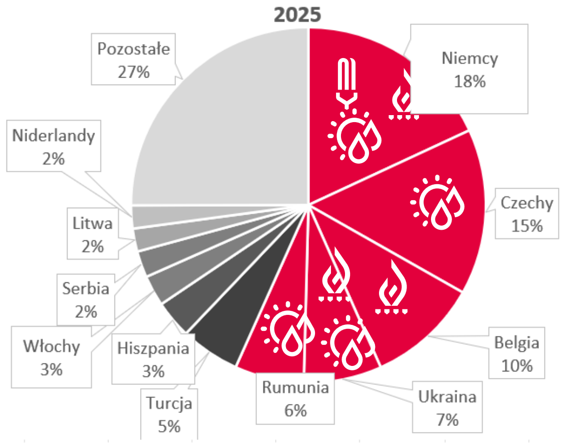
As a consequence of the high dynamics of domestic revenues, the geographical sales structure of the Apator Group changed in 2025. in favour of the domestic market in 2024. The share of the domestic market in the Group's total revenues was 5.4% higher compared to 2024. Nevertheless, the Group's sales structure remains sufficiently diversified to ensure greater predictability of future sales results, regardless of changes in the situation in individual sales markets. A notable change in Apator Group's sales structure, primarily linked to the development of new markets in the Water and Heat segment, is the dynamic growth in sales levels across non-European countries (+53% y/y) resulting from intensive sales and marketing efforts.

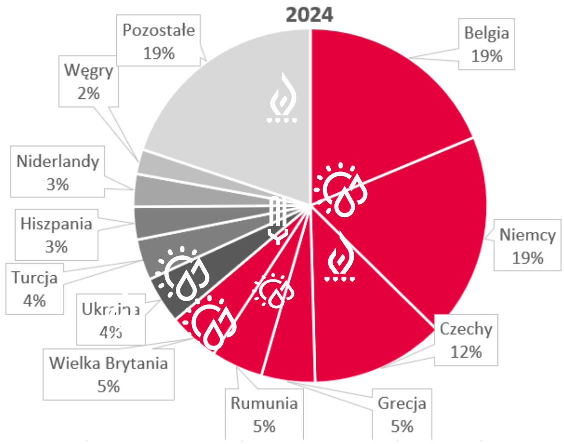


**EU + the UK = European Union including the United Kingdom*

The main sales market for the Apator Group is Poland. The European Union (with the largest share of the German, Czech, Belgian, Romanian, Spanish, Italian and Dutch markets) and the United Kingdom remain second among the Group's largest trading destinations. In the Group's sales structure in 2025 (compared to 2024), the German market became the leading export destination, overtaking Belgium, which had been dominant the previous year. These were followed by the Czech Republic, Belgium and Ukraine, and then Romania, Turkey and Spain. The German market is primarily supplied with ultrasonic water meters, which represent the fastest-growing product group in the Water and Heat segment, and electricity meters. The reduced share of the Belgian market is linked to significantly lower deliveries under a Gas segment contract launched at the end of 2023, in accordance with the agreed delivery schedule. Among the export destinations of the Apator Group, the importance of the Ukrainian market (increase in share from 4% to 7%), the Romanian market (from 5% to 6%) and the Czech market (from 12% to 15%) has increased. The improvement in the Czech Republic is the result of a recovery (after a relatively weak 2024) in the sale of Water and Heat, while in Ukraine, turnover is consistently increasing in the Gas segment. In Romania, sales are growing in both segments, actively seeking new sales destinations to supplement the existing ones.

Export breakdown by country





Foreign sales - countries with a share of more than 5% in exports	Share in exports in 2025	Sold products
Germany	18%	water meters, electricity meters and gas meters
Czechia	15%	mainly water meters and cost allocators
Belgium	10%	gas meters
Ukraine	7%	gas meters, water meters
Romania	6%	water meters, gas meters, switchgear
Turkey	5%	gas meters

In 2025, the only customer that exceeded the threshold of 10% of the Apator Group's total sales revenues was Energa Operator SA. There are no formal links between Apator S.A., the Apator Group companies, and Energa Operator S.A. and companies from their groups of companies.

Operating costs by function and nature

Item	of 2025 (PLN thousand)	of 2024 (PLN thousand)	Change y/y (PLN thousand)	Growth rate (%)
Costs by function				
Cost of goods sold (COGS)	896,304	913,065	-16,761	98.2%
Selling, general and administrative expenses (SG&A)	233,852	211,275	22,577	110.7%
Total	**1,130,156**	**1,124,340**	**5,816**	**100.5%**
Total adjusted for provisions for warranty claims	**1,109,397**	**1,124,340**	**-14,943**	**98.7%**
Costs by nature				
Amortisation and depreciation	69,664	57,312	12,352	121.6%
Consumption of materials and energy	525,258	558,392	-33,134	94.1%
External services	141,573	144,826	-3,253	97.8%
Employee benefits	303,752	278,807	24,945	108.9%
Other	38,837	32,417	6,420	119.8%

Change in finished goods, work in progress and accruals, cost of production for own use	-7,205	-6,258	-947	-
Cost of goods and materials sold	58,277	58,844	-567	99.0%
Total	**1,130,156**	**1,124,340**	**5,816**	**100.5%**
Total adjusted for provisions for warranty claims	**1,109,397**	**1,124,340**	**-14,943**	**98.7%**

Adjusted for the impact of provisions for warranty claims in connection with a settlement concluded for the replacement of devices and the coverage of the costs of such replacement, the cost of sales in 2025 was lower y/y, with the rate of decline outperforming the rate of sales reduction. As a result, owing to work on operational efficiency, the adjusted gross margin on sales across the entire Apator Group improved (by 1.5 pp y/y), as did the margins in all segments. The Water and Heat segment recorded the largest increase, also supported by a favourable sales situation and consistently growing turnover.

Analysing costs by nature, the largest year-on-year increase was recorded in employee benefits (due to a further significant increase in the minimum wage level, which triggered changes across the Group's entire salary structure, as well as an increase in headcount). Conversely, material costs (partly as a result of lower sales) and the purchase of external services decreased.

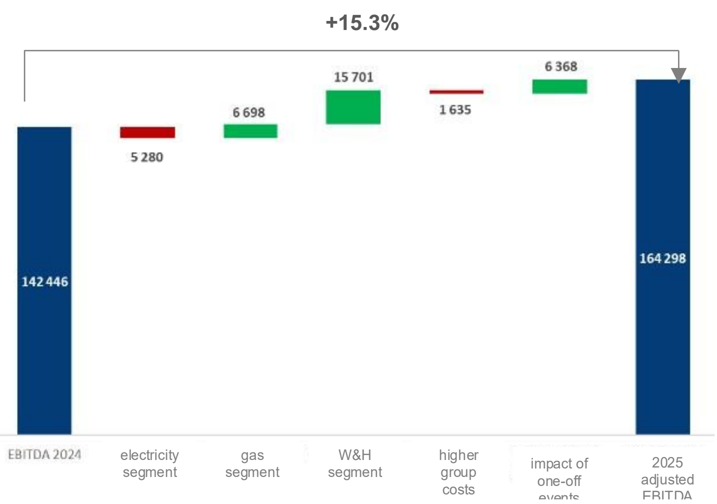
The higher minimum wage and sustained inflation in Poland also led to an increase in SG&A costs in the Electricity and Water and Heat segments; in the latter, however, the significant cost increase results primarily from investments in sales development. In the Gas segment, SG&A costs were lower y/y, which was linked not only to the decline in sales but also to the ongoing optimisation measures aimed at adapting to the new conditions and a smaller scale of operations. The level of SG&A costs is subject to constant control, both across the entire Apator Group and at the level of individual companies, and is optimised through measures aimed, among others, at further improving the efficiency of operations and greater integration of the Group's activities.

EBITDA

The Apator Group's adjusted EBITDA for 2025 amounted to PLN 164.3 million, and was thus PLN 21.9 million higher compared to 2024. The EBITDA margin improved by 2.1 pp y/y, driven primarily by the improvement in the result of the Water and Heat segment, and to a lesser extent in the Gas and Electricity segments.

The EBITDA level was also positively impacted by an improvement in the result on other operating activities (even after eliminating the positive result on the sale of real estate), mainly due to significantly lower y/y provisions.

A detailed description of the EBITDA profit in individual segments is included in part 3 of this report.

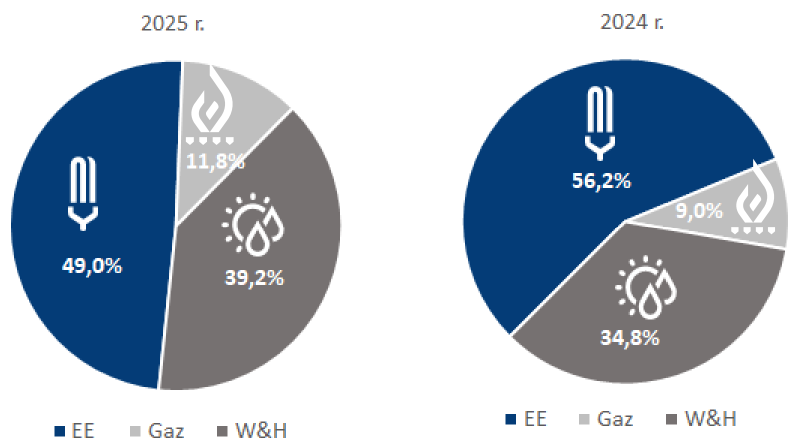


Name of the organisational unit:	Apator Group		
Period covered by the financial statements:	1 January 2025 – 31 December 2025	Reporting currency:	Polish zloty (PLN)
Rounding level:	all amounts are expressed in PLN thousand (unless otherwise indicated)		

) EBITDA for 2025 adjusted for provisions (+PLN 20.8 million) recognised in the cost of sales for the costs of device warranty claims, in connection with a settlement concluded with a customer, and for the impact of the sale of real estate (-PLN 14.4 million) at the level of the result on other operating activities.

Share of Segments in EBITDA

A significant improvement in the situation (resulting in higher y/y EBITDA results) primarily in the Water and Heat segment meant that – with smaller increases in the Gas and Electricity segments – Water and Heat recorded the largest increase in its share in the Apator Group's EBITDA structure. A correspondingly smaller increase concerned the Gas segment. However, in terms of absolute values, the Electricity segment remains in the top position, accounting for 49% of the Group's EBITDA in 2025.



) EBITDA allocation to segments - figures for both years do not include costs not allocated to segments

Net result

The Group's consolidated net result in 2025 stood at PLN 79.2 million, influenced (in addition to the factors mentioned above) by a loss on financial activities (PLN 7.6 million), which comprised:

- debt service costs (PLN 5.3 million, down by PLN 1.9 million y/y) and other interest expenses (PLN 2.8 million);
- negative foreign exchange differences (-PLN 1.0 million) and a positive result on foreign currency transactions (PLN 1.2 million).

Additionally, net profit was impacted by one-off items:

- the result on the sale of real estate by Apator SA (PLN 11.2 million),
- the R&D tax relief in the Gas segment (PLN 4.8 million), and the SEZ relief in Apator SA (PLN 7.1 million), which reduced the Group's income tax,
- impact of complaint provisions, net of deferred tax (PLN 16.8 million).

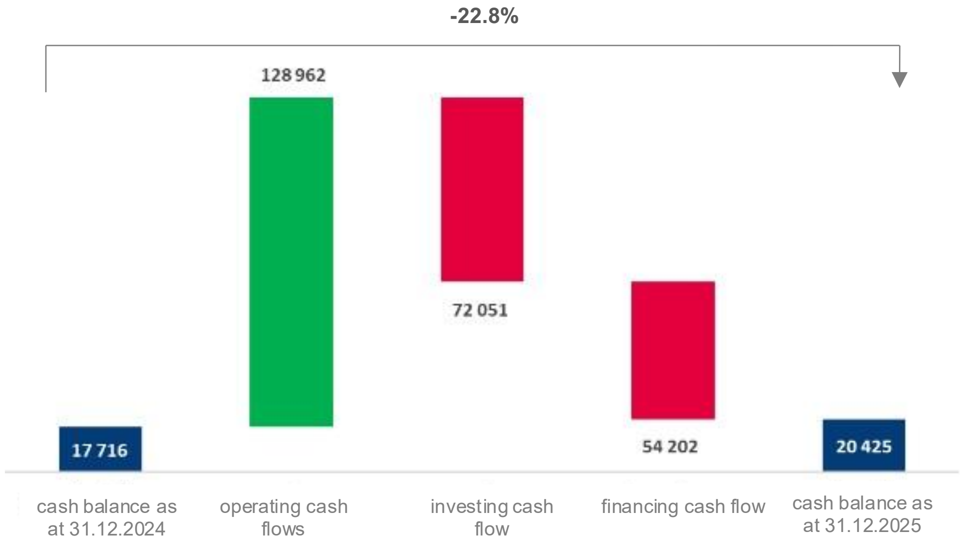
Net profit, after adjusting for one-off items, amounted to PLN 72.8 million (+PLN 9.4 million y/y).

4.2. Assessment of the financial position

Cash and cash equivalents as of 31 December 2025 were PLN 2.7 million higher compared to the end of 2024, standing at PLN 20.4 million, with the balance of loans and borrowings lower by PLN 16.2 million. The following factors influenced the level of cash:

- high positive cash flows from operating activities associated with good results, irrespective of the effect of changes in working capital (mainly higher y/y inventory levels and trade receivables);

- negative cash flows from investing activities, primarily due to capital expenditure on property, plant and equipment, and intangible assets;
- negative balance of financing cash flows related to the payment of dividends in Apator SA (-PLN 19.6 million; impact on consolidated financial statements -PLN 17.5 million), current payments on account of finance leases (-PLN 10.6 million) and interest payments (-PLN 5.4 million).



4.2.1. Evaluation of financial resources

In 2025, the Apator Group financed its operations mostly with equity, and its share in the balance sheet total increased by 1.6 pp compared to the end of 2024. This is the result of a decrease in the level of liabilities, mainly lower loans.

The financing structure of the Apator Group's activity is presented in the table below:

Item	of 2025 %	of 2024 %	Change pp .
Share of equity in the balance sheet total	63.0%	61.4%	+1.6
Share of foreign capital in the balance sheet total	37.0%	38.6%	-1.6

Other key indicators	of 2025	of 2024	Formula
Current liquidity ratio	1.52	1.51	current assets/short-term liabilities
Quick ratio	0.76	0.78	(current assets – inventories) /short-term liabilities
Return on asset (ROA)*	7.29%	6.54%	net profit for the last 12 months/average total assets, calculated as an average of the opening and closing balances
Return on equity (ROE)*	11.71%	11.21%	net profit for the last 12 months/average equity calculated as the average of the opening and closing balances

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

Other key indicators	of 2025	of 2024	Formula
Net debt (in PLN thousand)	78,213	97,131	credits and loans – cash and cash equivalents – granted loans
Net debt / LTM EBITDA*	0.48	0.68	(credits and loans – cash and cash equivalents – granted loans) / EBITDA profit level for the last 12 months
CAPEX (in k thousand)	102,844	57,322	tangible and intangible investment expenditure
Working capital (in PLN thousand)	227,160	230,339	(current assets – cash) – (short-term liabilities – short-term credits and loans)

**) Net profit for 2024 adjusted by deferred tax due to the zone tax credit at Apator SA (PLN 5.5 million) and the derecognised negative value of GWi's net assets (due to the loss of control over the company within the meaning of IFRS 10; PLN 4.3 million). 2025 net profit adjusted for the net impact of the result on the sale of real estate by X SA and for the research and development (R&D) tax relief in the Gas segment (PLN 4.8 million) and the SEZ relief in X SA (PLN 7.1 million) reducing the Group's income tax, and also for provisions recognised for complaints (PLN 16.8 million).*

***) In 2025, EBITDA, adjusted for the impact of complaint provisions (PLN 20.8 million) and the result on the sale of real estate by Apator SA (PLN 14.4 million)*

****) The difference in capex amounts for 2025 and 2024 in relation to the level visible in the cash flow statement is related to a change in the method of presentation of capital expenditures (capex for 2025 determined on the basis of accounting notes concerning fixed assets and intangible assets, departure from reconciling expenditures to CF). In 2025, capital expenditure under the previous year's methodology would have amounted to PLN 86,236 thousand.*

Net working capital (NWC) at the end of 2025 was slightly (by PLN 3.2 million) lower compared to the end of 2024 The y/y decrease in the working capital level was mainly determined by a higher level of current liabilities (including trade payables by PLN 3.3 million) and provisions, alongside higher inventory (by PLN 20.5 million) and trade receivables (by PLN 17.4 million). Current inventory levels correlate with the schedules for planned deliveries, and the current level of working capital is considered close to optimal for the present scale of operations (the Group's priority remains to maintain an acceptable level of security and continuity of production and deliveries).

Apator Group's net financial debt at the end of 2025 was PLN 18.9 million lower compared to the end of 2024, with a significantly lower level of borrowings (by PLN 16.2 million) and a simultaneously higher (by PLN 2.7 million) cash balance at the end of the period. With a lower debt level and thanks to a further improvement in EBITDA, the net debt / adjusted LTM EBITDA ratio at the end of 2025 stood at 0.50x, lower compared to the end of 2024 i.e. from 0.68x at the end of December 2024.

The Apator Group maintains its previous declaration to maintain a safe borrowing scale and a net debt/EBITDA ratio below 2x. The priority remains to ensure the safety of production and deliveries, which will ultimately enable the execution of further (including the largest) contracts. The second important assumption of the Group is the increase of CAPEX (according to the assumptions of the updated strategy until 2028 at the level of 5–7% of revenues), which may result in a higher use of external capital and a relatively higher DN/EBITDA ratio (however, still within safe limits).

4.2.2. Description of the structure of main capital investments or capital deposits made within the Apator Group in 2025

Investments in non-financial assets:

In 2025, the Apator Group's investments amounted to PLN 102.8 million. Capital expenditure mainly related to research and development expenses incurred throughout the Group (work continued, among other things, on the development of the Ultrimis water meter family family – new applications, measurement ranges and accuracy classes, new types of electricity meters, new software solutions were developed or implemented, e.g. a remote reading system for water meters and heat meters, as well as a number of other solutions supporting management and improving energy efficiency for customers). At the same time, the expenditures largely related to increasing production capacity and improving operational efficiency.

Investment in financial assets:

The Apator Group analyses on an ongoing basis the new acquisition opportunities, however, in 2025, no investments in financial assets were made.

4.2.3. Description of significant off-balance sheet items

The information on significant off-balance sheet items of the Apator Group was included in the consolidated financial statements (Annual Report 2025).

4.2.4. Evaluation of financial resources management

The management of financial resources in the Apator Group is based on the following criteria:

- verification of the financial situation of current and potential customers (using information published in "Monitor Sądowy i Gospodarczy" and business intelligence reports),
- trade credit management based on the adopted rules,
- monitoring the status of settlements with contractors,
- applying the procedure for the recovery of overdue debts,
- determining the most favourable contractual deadlines for settling liabilities,
- optimal management of the area of financing suppliers and receivables (including guarantees of the proper performance of agreements and removal of defects and faults, factoring).

To increase the financial security of the Apator Group, in the majority of domestic companies of the Group there is an umbrella loan facility for current financing of operations, limits for guarantees and letters of credit and bank redemption of receivables. The loan made it possible to flexibly manage liquidity in the Group, unify the price conditions of current banking operations and use the effects of the virtual balance netting service, which brings 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.

Furthermore, to ensure proper coordination of activities in the area of finance, a Finance Committee operates within the Apator Group, comprising primarily the chief accountants and finance directors of the individual Apator Group companies. 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 Finance Committee, a Financial Risk Committee was also established, whose main objective is to support the control mechanisms for uniform financial risk management within 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 basic assumption concerning the management of financial resources of the Apator Group is to maintain a strong and safe position in terms of the financial liquidity of individual companies. Maintaining financial liquidity is the basis of trust on the part of trading partners, lenders and the market, and makes it possible to implement the assumed plans. It is also the basis for the future development of each company and the entire Apator Group. The companies monitor the values influencing the level of their financial resources on an ongoing basis,

with the purpose of maximum acceleration of the cash flow, both by the assessment of the inventory turnover cycles
and the fastest possible collection of receivables.
In the Group, there is a management model in the area of finance, which is conducive to the development of the finance process as a support function, also, an internal auditor of the Apator Group has been appointed. The essential objective of the functioning of the internal audit is to support the Management Board in the management of risks, to improve the activity of the companies in the Group and to bring the added value directed at the performance of the strategy of the Apator Group and increasing its value. That objective is achieved by audit and advisory activities performed by the auditor (with the consent of the Audit Committee). The internal auditor is entitled to perform audits of various nature (including financial audits) in the companies of the Apator Group. The reports from the audits are submitted to the President of the Management Board of Apator S.A., the Audit Committee of Apator S.A., the Supervisory Board and President of the Management Board of the company subjected to the audit. The annual internal audit plan is approved each time by the Audit Committee of the Supervisory Board of Apator S.A.

4.2.5. Factors that will determine the activity and results of the Apator Group

Among the key internal factors, the following should be highlighted:

- reorganisation and integration of the Group's operations – simplification of its structure, consolidation of key processes within the Group,
- increasing operational efficiency and profitability,
- development of a complementary offering, sales of solutions and product lines (e.g. energy storage, expansion of the ultrasonic water meter portfolio, smart prepayment meters, development of IT systems for remote reading and network management),
- development work in the field of multi-reading solutions in connection with the growing interest in a comprehensive range of ICT solutions,
- ongoing support for DSOs in key projects (CSIRE, ZMS/GIS, customer connection, network automation),
- sales development in new markets (changes in the sales model, establishment of a distribution company in Italy, plans to establish other companies in response to regulatory changes in gas and electricity consumption metering and the digitalisation of water management thanks to in other countries),
- concluded contracts and partnerships,
- optimisation of working capital debt, and continuation of investment plans,
- implementation of the business strategy;
- ongoing search for new market opportunities and prospects, particularly in the dual-use technology market and through M&A processes.

Among the key external factors, the following should be highlighted:

- EU and Polish regulations supporting smart metering, supply chain security and government initiatives regarding local content;
- grants to support the energy and water and sewerage transitions in Poland, as well as in other European Union countries,
- roll-outs of smart metering systems in selected EMEA markets (new roll-outs, second-generation solutions – development of remote communication systems);
- the critical importance of network infrastructure security (physical and digital);
- growing demand for integrated metering solutions, advanced features and communication technologies;

- 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 tightening of China's trade policy in response to US restrictions, which may result in disruptions in the supply chains of components and raw materials, including integrated circuits, rare earth metals and neodymium magnets. The Group monitors the situation regarding the availability of components on an ongoing basis and takes measures to minimise the impact of these factors on supply chains;
- the negative effects of the war in Ukraine and the conflict in the Middle East, and their potential impact on the prices of components, fuels, and transport;
- the unstable situation on the financial markets, elevated interest rates, exchange rate volatility. In response, the Group's companies work to minimise their exposure to financial risk by hedging currency positions and commodity price fluctuations, managing working capital efficiently, and reducing debt servicing costs;
- unstable situation on raw material price markets (especially copper and silver), which may create a risk of cost pressure;
- the risk of geoeconomic confrontation for EU countries, i.e. the possibility of using economic tools such as sanctions, selective imposition of increasingly higher customs tariffs, introduction of barriers to international trade, controlling supply chains of strategic raw materials, or government interference in shaping investment flows and the gradual move away from the principles of free trade worldwide. Geoeconomic confrontation could cause a slowdown in the global economy, a decline in the pace of economic exchange, an increase in the prices of advanced multi-component devices, longer order lead times and a slowdown in financial flows;
- inflation, rising labour costs, unstable prices of energy carriers (coal, gas, district heating, etc.), high electricity and energy media prices in Europe and Poland, and increasing risk of unexpected supply interruptions due to the slow pace of automation and modernisation of distribution and transmission networks in the context of rapid renewable energy expansion and growing threats of cyber attacks on critical infrastructure. To mitigate the adverse impact of rising costs, the Apator Group continues to implement cost optimisation measures and improve efficiency through, among other things: production optimisation and automation, changes in product mix aimed at improving profitability, and dynamic pricing strategies;
- visible delays in decision-making processes in tender procedures on export markets.

Business perspectives for individual segments are described in part 3.

5. Parent company - Apator S.A.

Pursuant to Art. 55 sec. 2a of the Accounting Act and Art. 73, sec. 6 of the Regulation of the Minister of Finance on current and periodic information, the Company prepared the report of the Management Board on the activity of the parent company Apator SA and the Group of Companies in the form of a single document. The other required elements of the report on the Company's activity not included in part 5 are the same as in the report of the Management Board on the activity of the Apator Group.

5.1. Activity of Apator S.A. in 2025

Within the business model, the activity of Apator S.A. is included in the Electricity segment and is divided into three business lines: electricity metering, switchgear and automation*.

Business unit	electricity		
Business division	electricity metering	switchgear	automation ICT
Solutions	Electricity meters: ▪ smart, including RES meters ▪ utility ▪ prepayment ▪ industrial Reading systems  SmartESOX pro meter for RES  Otus 3 smart meter	Energy distribution devices: ▪ disconnectors, including for RES solution ▪ fuse bases ▪ connectors Switchgear monitoring systems  ARS vertical fuse switch disconnector  Compass switch disconnector	Smart devices and automated protection systems: ▪ Smart controllers WN/SN/nn ▪ SN security ▪ WN security ▪ station automation ▪ short-circuit current flow indicators  MST 2 Telemechanics Automation in industry SCADA software Digital RES monitoring system Energy storage systems 
Main customers	distribution system operators (DSO)	Electricity grid wholesalers, electrical assembly , and electrical installation companies	Energy plants, construction, industry, photovoltaic and wind farms, energy clusters and cooperatives, other RES sector entities
Main markets	Poland, Germany	Poland, Brazil, Romania, Germany, Hungary, Czech Republic	Poland
Sales scale in 2025	PLN 324,8 million	PLN 115,5 million	PLN 86,0 million
Line share in total sales	61.7%	21.9%	16.4%
Share of exports in line revenue	9.4%	35.5%	0.1%

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

5.2. Business and competitive environment in 2025

Apator S.A. achieves revenue mainly on the domestic market (86.4% in 2025). The company distributes its products mainly to companies operating in the energy sector, mainly to entities dealing with the distribution and sale of electricity (DSOs) and to industry. The Company is assigned to the Electricity Segment, which is described in item 3.1 of this report.

5.3. Financial results

In 2025, Apator S.A. achieved the following financial results:

Item	of 2025 (PLN thousand)	of 2024 (PLN thousand)	Change y/y (PLN thousand)	Growth rate (%)
Sales revenue, *including:*	**526,249**	**536,578**	**-10,329**	**98.1%**
domestic	*454,747*	*456,637*	-1,890	*99.6%*
export	*71,502*	*79,941*	-8,439	*89.4%*
Cost of goods sold	399,825	394,861	4,964	101.3%
Gross sales result	**126,424**	**141,717**	**-15,293**	**89.2%**
Sales costs	23,103	19,843	3,260	116.4%
General administrative costs	72,857	64,008	8,849	113.8%
Profit (loss) on sales	**30,464**	**57,866**	**-27,402**	**52.6%**
Change in write-offs on receivables	-40	461	-501	-
Result on other operating activities	19,289	-4,901	24,190	-
Profit (loss) on operating activity	**49,713**	**53,426**	**-3,713**	**93.0%**
EBITDA	**77,126**	**77,005**	**121**	**100.2%**
Result on financial activities	7,861	13,137	-5,276	59.8%
Profit or loss before tax	**57,574**	**66,563**	**-8,989**	**86.5%**
Current income tax	-4,871	-3,608	-1,263	135.0%
Deferred income tax	5,995	126	5,869	4,757.9%
Net result	**58,698**	**63,081**	**-4,383**	**93.1%**
Net result without dividends	**49,386**	**48,947**	**439**	**100.9%**
Profitability ratios:				
Gross profit margin on sales	24.0%	26.4%		
Sales profit margin	5.8%	10.8%		
EBITDA margin	14.7%	14.4%		
Net result margin	11.2%	11.8%		
Net result margin without dividends	9.4%	9.1%		

The 2025 results were impacted by one-off events:

- the sale of real estate in Toruń: a positive impact of +PLN 11.2 million at the net profit level, and a special economic zone tax relief (PLN 7.1 million) reducing income tax;
- the recognition of provisions for warranty claims: a negative impact of -PLN 20.8 million, increasing the cost of sales as a result of a settlement concluded with a foreign customer regarding the obligation to replace devices and cover the costs of such replacement.

The results of Apator SA, adjusted for the impact of one-off events, were as follows:

Item	of 2025	of 2024	Change	Growth rate
Sales revenue, *including:*	**526,249**	**536,578**	**-10,329**	**98.1%**
domestic	*454,747*	*456,637*	-1,890	*99.6%*
export	*71,502*	*79,941*	-8,439	*89.4%*
Adjusted cost of sales*	379,066	394,861	-15,795	96.0%
Adjusted gross profit on sales*	**147,183**	**141,717**	**5,466**	**103.9%**
Sales costs	23,103	19,843	3,260	116.4%
General administrative costs	72,857	64,008	8,849	113.8%
Adjusted profit on sales*	**51,223**	**57,866**	**-6,643**	**88.5%**
Change in write-offs on receivables	-40	461	-501	-
Adjusted result on other operating activities*	4,898	-4,901	9,799	-
Adjusted operating result*	**56,081**	**53,426**	**2,655**	**105.0%**
adjusted EBITDA*	**84,494**	**77,005**	**6,489**	**108.4%**
Result on financial activities	7,861	13,137	-5,276	59.8%
Adjusted result before tax*	**63,942**	**66,563**	**-2,621**	**96.1%**
Adjusted current income tax*	-1,711	-3,608	1,897	47.4%
Adjusted deferred income tax*	-5,049	-5,374	325	94.0%
Adjusted net result*	**57,182**	**57,581**	**-399**	**99.3%**
Adjusted net result excluding dividends*	**47,870**	**43,447**	**4,423**	**110.2%**
Profitability ratios:				
Adjusted gross margin on sales*	28.0%	26.4%		
Adjusted margin on sales*	9.7%	10.8%		
Adjusted EBITDA margin*	15.9%	14.4%		
Adjusted net margin*	10.9%	10.7%		
Adjusted net margin excluding dividends*	9.1%	8.1%		

**) The results for 2025 were adjusted for:*

- *provisions (+PLN 20.8 million) recognised in the cost of sales for the costs of device warranty claims, in connection with a settlement concluded with a customer;*
- *the impact of the sale of real estate (-PLN 14.4 million) at the level of the result on other operating activities;*
- *a special economic zone tax relief (-PLN 7.1 million) at the income tax level.*

The results for 2024 were adjusted for:

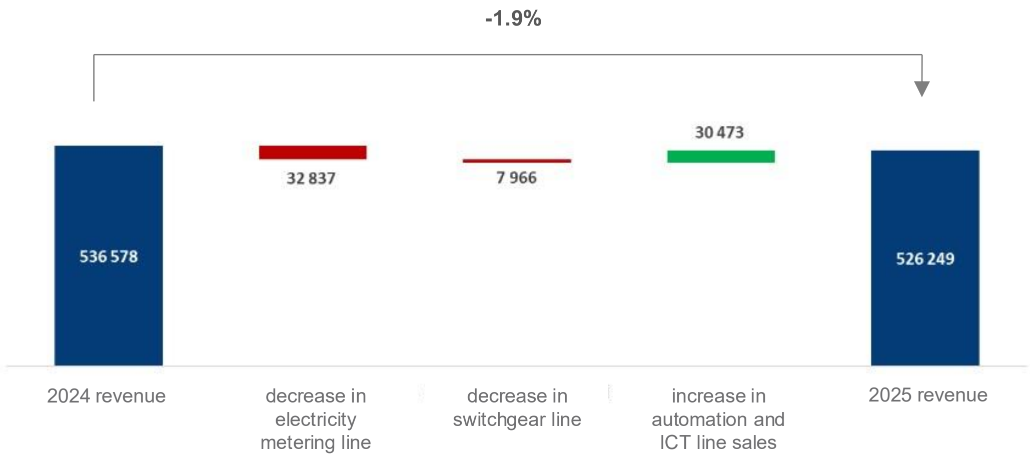
- *a special economic zone tax relief (PLN 5.5 million) at the income tax level.*

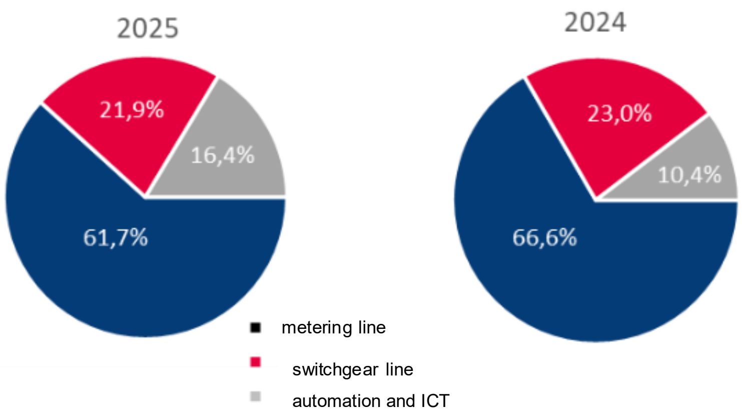
Sales revenue

Sales of Apator S.A. in 2025 reached a good level comparable to 2024 and resulted from:

- high sales in the electricity metering line (although slightly lower than in 2024, a decrease of 9.2% y/y), mainly due to the execution of smart meter deliveries as part of the ongoing rollout in Poland, in accordance with concluded agreements and schedules. The lower export of meters, on the other hand, was primarily associated with lower y/y meter deliveries in the German market as a result of the economic slowdown and the related reduction in the number of announced tenders;
- a reduction in domestic sales (by 12.4%), partially offset by an improvement in exports (an increase of 6.7% y/y) in the switchgear line;
- high positive revenue dynamics in the automation and ICT line (+54.9% y/y) – as a result of the execution of larger contracts due to increased orders resulting from the energy transition in the country: an increase in demand for equipment for the operation and supervision of networks, power substations, and protection automation, as well as orders for new solutions in the RES area. Consequently, there was a clear increase in the importance of this line in the company's sales structure in 2025 (accounting for over 16% of total revenues, compared to just over 10% in 2024).

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

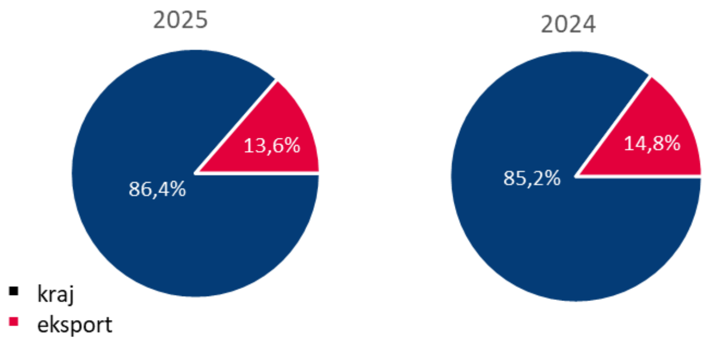




Sales structure of Apator S.A. by assortment groups, by domestic sale and export:

Item	Version of 2025 (PLN thousand)	Version of 2024 (PLN thousand)	Change y/y (PLN thousand)	Growth rate (%)
Electricity metering line	**324,761**	**357,597**	**-32,836**	**90.8%**
domestic	*294,350*	*316,476*	*-22,126*	93.0%
export	*30,411*	*41,121*	*-10,710*	74.0%
share of electricity metering line exports in line revenue	*9.4%*	*11.5%*		
Switchgear line	**115,469**	**123,435**	**-7,966**	**93.5%**
domestic	*74,470*	*85,018*	*-10,548*	87.6%
export	*40,999*	*38,417*	*2,582*	106.7%
share of switchgear line exports in line revenue	*35.5%*	*31.1%*		
Automation and ICT	**86,019**	**55,546**	**30,473**	**154.9%**
domestic	*85,927*	*55,472*	*30,455*	154.9%
export	*92*	*74*	*18*	125.0%

share of automation line exports in line revenue	*0.1%*	*0.1%*		
Total sales revenue	**526,249**	**536,578**	**-10,329**	**98.1%**
domestic	***454,747***	***456,966***	***-2,219***	***99.5%***
export	***71,502***	***79,612***	***-8,110***	***89.8%***
share of total exports in total revenue	***13.6%***	***14.8%***		



The customers that exceeded the 10% threshold of the total sales revenues of Apator S.A. in 2025 were: ENERGA Operator S.A., sales to which accounted for 23.4% of total sales; PGE Dystrybucja S.A., with a share of 20.8% in total revenues. There are no formal relations between Apator S.A., companies of the Apator Group, PGE Dystrybucja S.A., Energa Operator S.A. and companies from their groups of companies.

Operating costs by function and nature

Item	of 2025 (PLN thousand)	of 2024 (PLN thousand)	Change y/y (PLN thousand)	Growth rate (%)
Costs by function				
Cost of goods sold (COGS)	399,825	394,861	4,964	101.3%
Selling, general and administrative expenses (SG&A)	95,960	83,851	12,109	114.4%
Total	**495,785**	**478,712**	**17,073**	**103.6%**
Total adjusted for provisions for warranty claims	**475,026**	**478,712**	**-3,686**	**99.2%**
Costs by nature				
Amortisation and depreciation	27,413	23,579	3,834	116.3%
Consumption of materials and energy	238,963	242,415	-3,452	98.6%
External services	74,665	68,457	6,208	109.1%
Employee benefits	115,799	107,141	8,658	108.1%
Other	18,523	14,831	3,692	124.9%
Change in finished goods, work in progress and accruals, cost of production for own use	8,996	8,257	739	108.9%
Cost of goods and materials sold	11,426	14,032	- 2 606	81.4%
Total	**495,785**	**478,712**	**17,073**	**103.6%**
Total adjusted for provisions for warranty claims	**475,026**	**478,712**	**-3,686**	**99.2%**

In the structure of costs by nature, the largest items are material costs, external services, and wages and salaries (the percentage shares in 2025 were 48%, 15%, and 23% of total costs, respectively). Costs of materials and energy consumption in 2025 were lower than in the previous year, which was primarily associated with a reduction in the scale of revenues.

A significant increase in the minimum wage and the resulting pressure for salary increases translated into an increase in the employee benefits category. External service costs (including subcontracting and transport) grew at a rate comparable to that of payroll costs. In this case, the increase was primarily driven by the persistently high level of inflation in Poland, where the vast majority of services used by Apator are purchased.

With regard to the structure of purchases of materials, services, and goods, their percentage shares in 2025 accounted for 97.6%, 1.7%, and 0.7% of total purchases, respectively. In terms of materials:
- the largest group was electronic and electrotechnical components, with a share of 43%,
- the second group was non-ferrous metals (copper), with a share of 13%, which is the main raw material used for switchgear,
- the third group was plastics, chemical raw materials and their derivatives, with a share of 9%,
- the fourth material group consisted of communication modules, with a share of 6%.

In 2025, the value of deliveries of any supplier did not exceed at least 10% of the total sales revenue of Apator S.A.

EBITDA

The factors described above, i.e. a comparable y/y level of sales while maintaining strict cost discipline (a sharper decline in the adjusted manufacturing cost compared to the reduction in revenues), resulted in an improvement in results and margins—even with higher y/y SG&A costs—at the levels of gross profit on sales, operating profit, and EBITDA.

The adjusted EBITDA of the Company in 2025 reached nearly PLN 83.5 million (+PLN 6.5 million, i.e. +8.4% y/y), with a margin of 15.9% (1.5 pp above the 2024 level).

**) COGS (cost of goods sold) less depreciation*
***) Result on other operating activities including change in impairment losses on receivables*
EBITDA for 2025 adjusted for: provisions recognised in the cost of sales for the costs of device warranty claims and the impact of the sale of real estate at the level of the result on other operating activities.

Net result

With lower y/y profit on sales and a significantly lower result on financial activities (mainly as a result of lower y/y dividends from subsidiaries), the net profit in 2025 amounted to PLN 58.7 million, which was thus PLN 4.4 million lower than in the previous year (adjusted result of PLN 57.2 million, -PLN 0.4 million y/y).

Key financial indicators:

Item	of 2025	of 2024	Formula
Current liquidity ratio	1.67	1.83	current assets/short-term liabilities
Quick ratio	0.80	1.04	(current assets – inventories) /short-term liabilities
Return on asset (ROA)*	9.96%	10.80%	net profit/average of total assets calculated as the average of the opening and closing balances
Return on equity (ROE)*	12.89%	14.28%	net profit/average equity calculated as the average of the opening and closing balances
Net debt (in PLN thousand)	-3,977	-1,459	credits and loans – cash and cash equivalents – granted loans
Net debt/LTM EBITDA	-0.05	-0.02	(credits and loans – cash and cash equivalents – granted loans)/LTM EBITDA
CAPEX (in k thousand)	58,665	34,333	tangible and intangible investment expenditure
Working capital (in PLN thousand)	80,943	97,361	(current assets – cash) – (short-term liabilities – short-term credits and loans)

**) Net profit for 2025 adjusted for: provisions recognised in the cost of sales, the impact of the sale of real estate at the level of the result on other operating activities, and a special economic zone tax relief at the income tax level. Net profit for 2024 adjusted for deferred tax arising from the special economic zone tax relief.*

With a slight reduction in the scale of operations, the level of net working capital at the end of 2025 was as much as PLN 16.4 million lower than in the previous year. This was primarily a consequence of an increase in trade payables (by PLN 10.4 million) and provisions, along with simultaneously higher levels of inventory (by PLN 25.8 million) and receivables (by PLN 2.5 million). Appropriate management of working capital allows inventory to be adjusted to the current situation in such a way as to secure the continuity of production and deliveries, and also to reduce the cost of holding inventory as much as possible.

Similarly to 2024, the net debt at the end of 2025 was negative (as a consequence of lower credit utilization compared to the cash balance at the end of the period). The high cash conversion of EBITDA allows Apator to finance both its ongoing operations and growing capital expenditures predominantly with its own funds, with very limited reliance on credit.

6. List of major events in 2025

6.1. List of material agreements concluded in 2025

6.1.1. Trade agreements

In 2025, the companies of the Apator Group concluded the following trade agreements important for the activity of the Group:

1. On 28 January 2025, following a successful tender, the Management Board announced the conclusion of an innovation partnership agreement with Enea Operator sp. z o.o.). The purpose of the Agreement is to develop an innovative 1- and 3-phase remote electricity meter with communication modules. The agreement establishing the innovation partnership (the "Agreement") was concluded in January this year and included four stages of its performance, together with timetables. The Agreement value according to the tender conditions is PLN 62.3 million, assuming the completion of the three previous stages of the Agreement. Meter deliveries commenced at the beginning of 2026. In accordance with the requirements, Apator SA granted 72 months guarantee for the meters supplied. In addition, the Ordering Party has provided for the possibility of purchasing a total of approx. 2.4 million meters from the contractors selected in the tender by 2030. Subsequently, on 8 August 2025, Apator SA concluded an Annex to the above Agreement with Enea Operator sp. z o.o., enabling the acceleration and increase of the number of planned deliveries of 1- and 3-phase automatic reading meters ("AMR") under the so-called first Call for Proposals. Under the annex, Apator S.A. will deliver additional AMR meters worth PLN 96.6 million. In view of the above, the total sales value under the first call will amount to PLN 158.9 million.
2. the Management Board of Apator S.A. announced that on 11 February 2025 it has entered into a technology partnership agreement with RITTAL GmbH&Co KG (based in Herborn, Hesse, Germany), which belongs to the Friedhelm Loh Group, a global industrial corporation. Cooperation of the Parties also includes the design and manufacture by Apator S.A. of a family of fuse switch disconnectors with optional electronic modules monitoring the status of fuse links. Disconnectors are designed for low-voltage switchboards and ensure the compatibility of devices with the RiLineX system by RITTAL. Sales will be made as orders come in. The Management Board estimated that revenues from the aforementioned orders could amount to over ten million zlotys; however, due to the weaker economic condition of the German market, the impact of these orders is lower than expected.
3. On 7 March 2025, the Management Board of Apator S.A. concluded a second agreement with Energa - Operator S.A. for the supply of Concentrator-Balancing Sets (ZKB) for the continuation of the project to install metering equipment at the MV/LV electrical substation. The contract value is PLN 10.4 million net, with delivery scheduled for the end of 2025 and the beginning of 2026.
4. On 12 March 2025, the subsidiary Apator Rector Sp. z o.o. concluded an agreement with Tauron Dystrybucja S.A. ("TD") with a net value of PLN 45 million. The agreement concerns the provision of services, support and development of the IT system for Network Asset Management (ZMS) implemented at TD between 2025 and 2028. The terms and conditions of the agreement do not differ from those commonly used in agreements of this type, including contractual penalties. The Network Asset Management System supports the functioning of the Distribution System Operator in the area of comprehensive infrastructure and business process management, and also provides a comprehensive, digitised database of network information.
5. On 28 March 2025, Apator SA concluded an agreement with Energa-Operator SA for the supply of remote-read electricity meters with a prepayment function. The contract value is PLN 28.8 million net, with delivery scheduled for 2025 and 2026. The contract terms include provisions on contractual penalties, in particular for delays in the delivery of batches of equipment or untimely removal of defects during the warranty period. Remote reading meters offering a pre-payment function are innovative devices that facilitate energy consumption control and operate on a pre-paid basis, i.e. after prior top-up.
6. On 5 May 2025, the offer of the subsidiary, Apator Metrix S.A., was selected as the most advantageous in eight tasks forming part of the tender for the supply of bellows gas meters with data transmission functionality for Polska Spółka Gazownictwa sp. z o.o. ("PSG") under the eGazomierz project. Contracts for individual tasks have been concluded … The value of the contracts amounts to PLN 134.4 million, and deliveries will be carried out by 30 September 2026, The tender conditions include an option clause, allowing the volume of the order to be increased or decreased by up to 20%. The eGazomierz project, launched by PSG, provides for the replacement of gas meters for customers in the third tariff group with smart metering devices equipped with a remote data transmission function, which enables remote reading and allows ongoing monitoring of gas consumption via a dedicated application.

7. On 30 July 2025, the Management Board of Apator SA announced that the Company's bid had been selected as the most favourable one for Part 1 of the tender procedure announced by Energa - Operator S.A. for "Successive supply of remote reading meters with replacement communication modems." Subsequently, on 29 September 2025, the Company concluded an agreement with Energa-Operator SA ("EOP"). The contract value is PLN 126.9 million, including the value of the basic order of PLN 123.5 million. Deliveries will be made within 36 months. Pursuant to the provisions of the agreement, EOP shall be entitled to charge contractual penalties, in particular for delay in the deliveries of batches of equipment or failure to rectify defects in a timely manner during the guarantee period. However, the terms and conditions of the agreement, including the regulation of penalties, liabilities and guarantees, shall not differ from the standard terms and conditions previously used in this type of agreement with EOP.
8. On September 4, 2025, the Management Board of Apator S.A. announced the conclusion of a framework agreement for the supply of ultrasonic water meters with remote reading capabilities by the subsidiary Apator Powogaz S.A. with the Latvian company SIA "Rigas namu parvaldnieks". The maximum value of the agreement is EUR 4.7 million (approx. PLN 20 million). The contract duration is a maximum of 5 years, with the possibility of shortening the delivery period if the total amount is exhausted. The agreement was deemed confidential due to the significant value of the contract for the Water and Heat segment, which provides an opportunity for long-term cooperation with a foreign partner.

6.1.2. Agreements for the acquisition/disposal of property

On 31 October 2025, the Management Board announced the sale of real estate located in Toruń with a total area of 2.0902 ha for a total price of PLN 17.6 million net. The impact of the transaction on the Apator Group's net result amounted to PLN 11.2 million.

6.1.3. Agreements for the acquisition/disposal of shares in other entities

In 2025, companies of the Apator Group did not conclude any significant for the activity of the Group agreements related to the purchase of shares in other entities.

6.1.4. Cooperation or collaboration agreements

In 2025, the Apator Group did not conclude any major cooperation or collaboration agreements.

6.1.5. Insurance agreements

A comprehensive insurance program has been implemented in the companies of the Apator Group, covering property, third-party liability, motor, travel, directors and officers liability, and cybersecurity insurance.

From 1 July 2024 until 30 June 2025, the insurance programme covering all previously concluded insurance agreements is continued. The following policies were renewed under the above programme:

1) PZU SA/STU Ergo Hestia S.A. - third-party liability insurance agreement covering liability for damage caused to a third party in connection with the conducted activity and owned property used for that activity, together with annexes.

The total value of premiums in the Apator Group is PLN 1.3 million, and the total insured sum is PLN 80 million.

2) PZU SA/STU Ergo Hestia S.A. – property insurance agreement covering:

- property insurance against all risks,
- insurance of loss of profit based on property insurance against all risks,
- electronic equipment insurance,
- insurance of machines against electrical damage,

- insurance of machines against damage

The total value of premiums in the Apator Group is PLN 543,8 thousand, and the total insured sum is PLN 923 million.

3) STU Ergo Hestia S.A., – property insurance agreement in domestic and international transport

The total value of premiums in the Apator Group is PLN 126 thousand, and the total insured sum is PLN 12,5 million.

4) Chubb European Group SE Spółka Europejska Oddział w Polsce - insurance of medical expenses during a business trip

The total value of premiums in the Apator Group was PLN 13,5 thousand, and the total insured sum was USD 20 million.

5) Chubb European Group SE Spółka Europejska Oddział w Polsce - basic liability insurance agreement for members of a company governing bodies and TUiR Allianz Polska S.A. - excess insurance agreement for members of a company governing bodies.

The total value of premiums in the Apator Group is PLN 0 thousand, and the total insured sum is PLN 10 million.

6) Generali Towarzystwo Ubezpieczeń S.A. – insurance agreement for risks related to cyber security breach.

The total value of premiums was PLN 72,3 thousand, and the total insured sum was PLN 5 million.

7) WIENER TU S.A. - insurance for photovoltaic installation

The total value of premiums was PLN 3 thousand, and the total insured sum was PLN 2.15 million.

8) Additionally, the companies of the Apator Group concluded motor insurance agreements in the scope of OC, AC, NNW.

From 1 July 2025 to 30 June 2026, a new insurance programme is effective:

1) TUiR Warta S.A.:
third-party liability insurance – sum insured of PLN 80 million

- property insurance, including:

  - ✓ third-party liability insurance in connection with the conducted business activity and the product placed on the market,
  - ✓ property insurance against all risks,
  - ✓ insurance of loss of profit based on property insurance against all risks,
  - ✓ machinery breakdown insurance,
  - ✓ electrical machinery insurance against electrical damage,
  - ✓ all-risk electronic equipment insurance.

Period of validity: from 1 July 2025 to 30 June 2026

2) STU Ergo Hestia S.A.:
- Insurance of property in domestic transport
- Insurance of property in international transit
- Motor vehicle insurance

Period of validity: from 1 July 2025 to 30 June 2026

3) Wiener TU S.A.:
- Insurance for photovoltaic system

4) Chubb European Group SE Spółka Europejska Oddział w Polsce
- insurance of medical expenses during a business trip

Period of validity: from 1 July 2025 to 30 June 2026

5) Chubb European Group SE Spółka Europejska Oddział w Polsce and TUiR Allianz Polska S.A.:
- primary directors and officers liability insurance
- excess directors and officers liability insurance

Period of validity: from 1 July 2025 to 30 June 2026

6) Generali Towarzystwo Ubezpieczeń S.A.:
- cybersecurity risk insurance

Period of validity: from 1 November 2024 to 31 October 2025

The total value of premiums amounts to PLN 1.7 million.

6.1.6. Agreements concluded with management

There are no atypical agreements concluded between the companies in the Apator Group and the management in the scope of compensation in the case of:

- resignation or dismissal from the position held without a valid reason,
- dismissal or redundancy due to the merger of the issuer by acquisition.

6.1.7. Agreements concluded between shareholders of Apator S.A.

Apator S.A. has no information on any agreements concluded between shareholders.

6.2. Other major events in 2025

1. On 30 January 2025, Apator Powogaz SA established a subsidiary, Apator Powogaz Italia Srl, with a registered office in Padua (Italy).
2. On 23 May 2025, the Management Board of Apator S.A. concluded an annex to the Multi-Purpose Agreement between PKO BP SA and the following companies of the Apator Group: Apator S.A., Apator Powogaz S.A., Apator Metrix S.A. More information regarding the Multi-product Agreement is provided in point 8 of this report.
3. On 24 June 2025, an annex to the Multi-product Agreement of 22 June 2016 was concluded between ING Bank Śląski and the companies of the Apator Group: Apator S.A., Apator Powogaz S.A., Apator Metrix S.A., Apator Rector Sp. z o.o., Apator Telemetria Sp. z o.o. More information regarding the Multi-product Agreement is provided in point 8 of this report.
4. On 25 June 2025, the Ordinary General Meeting of Apator S.A. was held, during which, among others, a resolution was adopted on the appointment of the Members of the Supervisory Board for a new term of office (more information in point 14.10.3 of this report) and a resolution on the payment of a dividend from the profit for 2024 in the amount of PLN 0.90 gross per share (more information in point 14.4 of this report).
5. The Supervisory Board of Apator S.A., on 26 June 2025, appointed, with effect from 26 June 2025, The Management Board of Apator S.A. in its current composition for a new, joint 3-year term of office, expiring on the date of the Ordinary General Meeting of Apator S.A. to be held in 2028 (more information in point 14.10.5 of this report).
6. On 10 July 2025, the name of Apator Metra s.r.o. was changed to Apator Powogaz Czechia s.r.o. with its registered office in the Czech Republic (more in item 1.4 of this report).
7. On 18 July 2025, a group of companies was registered in the National Court Register pursuant to Article 21^1 of the Commercial Companies Code, with Apator Powogaz SA as the parent company and Apator Telemetria sp. z o.o. as the subsidiary (for more details, see item 1.4 of this report).
8. the Management Board of Apator S.A. on 29 August 2025, announced that pursuant to the authorisation under Resolution no. 36/VI/2025 of the Ordinary General Shareholders Meeting of Apator S.A. of 25 June 2025, it had commenced the implementation of the Share Buyback Programme.

The repurchase of shares is carried out through Erste Securities Polska S.A. with its registered office in Warsaw (for more information, see item 6.7.2).

9. On 15 September 2025, the Management Board of Apator S.A. announced that on 15 September 2025, the District Court in Toruń, 7th Commercial Division of the National Court Register, registered changes to the Statute of Apator S.A. The amendments to the Statute were made pursuant to Resolution No 32/VI/2025 of the Ordinary General Shareholders Meeting of Apator S.A. on 25 June 2025 and concern changes in the scope of business activity (Polish Classification of Activities, PKD), which results from the adaptation to the new Regulation of the Council of Ministers of 18 December 2024 on the Polish Classification of Activities (PKD). The remaining registered amendments to the Statute are of an organisational nature.
10. the Management Board of Apator S.A. on 16 September 2025, announced its intention to liquidate its subsidiary, FAP Pafal S.A. with its registered office in Świdnica and, in connection with this, recommended the General Shareholders Meeting of Apator S.A. to repeal the resolution on the merger of Apator S.A. with FAP PAFAL S.A.
11. On 1 October 2025, the subsidiary, Apator Metrix S.A. with its registered office in Tczew, received a decision dated 25 September 2025 on the initiation by the President of the Office of Competition and Consumer Protection of antitrust proceedings against the Company in connection with a suspected agreement within the meaning of Article 4(5) of the Act on Competition and Consumer Protection (the "Act") and an agreement or concerted practice within the meaning of Article 101 sec. 1 of the Treaty on the Functioning of the EU (more details, see point 9 of this report).
12. On 29 October 2025, an Extraordinary General Meeting of Apator S.A. was held, at which, among other things, a resolution was adopted to repeal Resolution No. 28/VI/2025 of the Ordinary General Shareholders Meeting of Apator S.A. on the merger with the subsidiary FAP "Pafal" S.A. with its registered office in Świdnica. At the same time, on the same day, the Management Board of Apator SA, as the sole shareholder of FAP "Pafal" S.A., adopted a resolution at the Extraordinary General Meeting of that Company to dissolve the Company and commence its liquidation (for more details, see item 6.4 of this report).
13. The Management Board announced the registration of amendments to the Articles of Association of Apator SA on 13 November 2025 by the District Court in Toruń, 7th Commercial Division of the National Court Register. The amendments to the Articles of Association were made pursuant to Resolution 4/X/2025 of the Extraordinary General Meeting of Apator SA dated 29 October 2025 and concern the clarification of the scope of the Company's Supervisory Board's powers to include the selection of a statutory auditor to conduct the assurance of sustainability reporting in connection with section Art. 66 sec. 4 of the Act of 29 September 1994. on Accounting.

6.3. List of events after the balance sheet date

1. On 30 January 2026, at the request of Shareholders, a conversion of 9,130 Series A registered shares with a nominal value of PLN 0.10 each, privileged as to voting at a ratio of 1:4 at the General Meeting, into ordinary bearer shares was carried out. As a result of the conversion of series A registered shares, the preference of 9,130 shares subject to conversion expired, the amount of the Company's share capital did not change and amounts to PLN 3,264,707.30, while the total number of votes at the Company's General Meeting changed, which after conversion amounts to 54,599,228 votes. On 27 February 2026, the assimilation of the aforementioned shares and their introduction to stock exchange trading was carried out.
2. On 27 February 2026, the Management Board announced the conclusion of a settlement agreement in connection with a warranty claim submitted by a foreign customer to the Issuer's subsidiary regarding Electricity Segment devices delivered in the years 2021-2025 based on framework cooperation agreements. The complaint concerns one type of device that was specially designed and offered exclusively on that market. The concluded settlement obliges the replacement of the devices with new ones and the coverage of their replacement costs, in accordance with the agreed schedule. The settlement fully satisfies the Customer's claims and ends the dispute between the

parties. At the same time, the Management Board informed that it holds an insurance policy for Apator Group companies in the scope of civil liability for delivered devices. In view of the above, the impact of the settlement on the standalone and consolidated financial results, to the best of the Issuer's knowledge, should not exceed approx. PLN 20.8 million (assuming the use of funds from the insurance policy), which was reflected in the results of the fourth quarter and the whole of 2025 in the form of provisions in the amount of PLN 20.8 million at the level of cost of sales.

7. Risk factors and threats [ESRS2, SBM-1]

Risk management at the Apator Group aims to ensure that all relevant risks are identified, analysed and controlled on an ongoing basis. Risk management is implemented based on the three defence lines model and the uniform principles and methodology stemming from the international standard ISO 31000. At the individual Group companies, risk management is an integral part of their management systems and continues to be supervised by the parent company. The risk management policy adopted at the Group includes risk controls broken down into:

The risk management policy adopted at the Group includes risk controls broken down into:

- financial management risk,
- strategic risk related to the development and value creation of Apator Group and covering the area of continuous maintenance and improvement of quality;
- technological risk (rapid technological obsolescence, creating a necessity for continuous R&D investment to maintain competitiveness; widespread adoption of new solutions and technologies and dynamic technological progress leading to pressure to reduce product and service prices; product failures or defects that could lead to costly complaints, loss of reputation, or legal liability; cybersecurity; dependence on key components);
- operational risk covering the ongoing execution of tasks, supply chain disruptions, quality risks, dependence on single suppliers, shortage of qualified personnel, and occupational safety;
- market risk (strong international competition – primarily from Asia; risk related to the execution of long-term contracts, mainly within tenders – involving failure to meet product quality standards and restrictive delivery deadlines, which may consequently lead to high contractual penalties, loss of good image, or even loss of customers);
- regulatory and legal risks (certifications and technical standards – CE, FCC, RoHS, REACH; industry standards – changes to which may require costly adjustments; changes in EU policies and regulations; legal export restrictions – e.g., sanctions; protection of intellectual property – the risk of product copying, especially in Asian markets; product liability; information security and personal data protection);
- geopolitical risks (instability in export markets – conflicts, changes of government, sanctions; trade wars – e.g., USA–China, affecting component availability and costs; changes in customs policy – import and export duties);
- environmental and ESG risks (rising costs and obligations related to environmental protection – requirements regarding the recycling and disposal of electronics; carbon footprint – pressure from customers and regulators to reduce emissions and the costs of fulfilling these reporting obligations).

A description of the key risks that may affect the activity of the Apator Group is presented in the table below. The order in which the key risks are presented does not reflect the likelihood of their occurrence.

The high rate of the volatility of the macroeconomic environment, the occurrence of multiple crises at the same time and the difficult-to-forecast scale of their interaction increase the likelihood of other risks not identified at the date of the report, and the forecasting of economic effects in those uncertain times is subject to the risk of error.

the Management Board of Apator S.A. assures that it monitors the political and economic situation on a current basis, analyses its impact on the activity of the Company and the Group of Companies, analyses the possibilities of protection against risks and takes appropriate actions.

Risk of inflation and economic recession

The euro area is showing signs of an economic downturn. The geopolitical and economic situation in Europe and globally, which is unfavourable to economic development and exacerbated by the conflict in the Middle East, as well as the disruption of energy security (restrictions on access to fuels and gas), may negatively impact the sales volume of existing products and changes in customer needs.

In addition, the high rate of volatility of the macroeconomic environment and the magnitude of the negative impact may lead to a further increase in the cost of running and financing operations.

The companies of the Apator Group - by reducing their exposure to financial risks - take care of securing currency positions, effective management of working capital and minimisation of debt servicing costs.

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 Jaryszki near Poznań, where water is essential for the technological process, although the company uses a circular water system. Apator S.A. has launched its own renewable energy installation, which supplies power to the production plant in Ostaszewo. The companies are carrying out modernisation efforts and investing in infrastructure to optimise operational 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. More information on climate risks is provided in point 15.2.1.4. IRO-1 – Description of the processes for identifying and assessing material climate-related impacts, risks and opportunities [ESRS 2 IRO-1].

Energy and climate policy

The high dependence of the European Union countries on the supply of imported energy raw materials and fuels and the threat to energy sovereignty have strengthened the importance of the EU climate and energy goals in the areas of: security of supply, internal energy market, energy efficiency and technological independence. In response to the new geopolitical reality, energy market problems and the need to increase energy security, the European Commission presented the REPowerEU plan to speed up the energy transition and faster transition to renewable energy sources, accelerate the development of green hydrogen generation and storage infrastructure, the transition to emission-free transport and accelerate the EU's independence from fossil fuels. One of the financial tools of the REPowerEU plan is the Recover and Resilience Facility (RRF), which can be used to support coordinated planning and financing of cross-border and administrative infrastructure, as well as projects and reforms in energy handling.

There are also positive effects resulting from the unblocking of funding under the National Recovery and Resilience Facility, which provides for a significant part of the funds to be allocated to the green transition, e.g. to the further development of RES, the modernisation and expansion of electricity grids, energy efficiency, energy storage, the development of the gas distribution system in the provision of alternative gas supply sources and the transformation of the heating sector, among other things. According to the climate ministry, a total of EUR 28 billion is earmarked for energy and climate-related investments under the NRP. To date, Polish electricity and gas companies have received record funding for smart grids, telemetry and the development of a zero-carbon economy.

Regulatory environment and risk of legislative changes

Every entrepreneur, when conducting business, is obliged to comply with the applicable legislation. Both the number of regulations in force and their volatility pose an increasing challenge for companies. Often, regulations impose many additional obligations on entrepreneurs, force the introduction of new procedures and changes in the organization, which involve additional costs (in the case of the Apator Group, this relates to, e.g. changes to labour law, tax law, public procurement law, the Code of Commercial Companies, law on the protection of the environment, waste management, etc.). Additionally, the Group is obliged to comply with EU regulations which are directly binding on member states and do not require implementation. Also, each time the business activity is extended (in the case of the Apator Group, e.g. by energy storage facilities, vehicle charging stations), the need to analyse new regulations and their implementation arises, which involves additional risk. The key regulations that may significantly shape the activity of the Apator Group are:

The Energy Law

The amendment to the act provides for, inter alia, the introduction of system solutions in the field of smart metering consisting of the obligation to install, by 31 December 2025, remote reading meters connected to the remote reading system at all power stations transforming medium voltage into low voltage (MV/LV), which are part of the distribution network of a given DSO and the obligation to install, by 31 December 2028, remote reading meters connected to the remote reading system at measurement points representing at least 80% of the total number of measurement points at end customers connected to the network with a rated voltage not higher than 1 kV that belongs to a given operator.

The amendment of the Energy Law and the Act on renewable energy sources, including provisions abolishing the so-called exchange obligation, the obligation to sell generated electricity on an institutionalised market, in this case on a commodity exchange, must be seen as a strong interference in market competitiveness. Lack of competitiveness and subsidisation increase the risk of destabilising the energy market in the long term. On the other hand, tightening the regulations on liability in the field of manipulation on the electricity market creates opportunities for the development of new products, systems and solutions manufactured by the Apator Group.

Public Procurement Law

The high volatility of prices, inflation and the unpredictability of economic phenomena have forced the implementation of mechanisms protecting the interests of contractors executing long-term agreements concluded under public procurement, i.e. the possibility to change the amount of remuneration due to the contractor in the event of a change of the prices of materials or costs related to the execution of the agreement in the case of agreements concluded for a period longer than six months or the possibility to amend the agreement due to circumstances that the ordering party could not foresee.

Labour law

Changes in the Labour Law concerning e.g. rules for concluding and terminating agreements, increasing work flexibility, remote work or preventive sobriety checks of employees may affect the competitiveness of employers and increase labour costs. This increase is also determined by systematic increases in the minimum wage rates in force in Poland.

Customer claims under the granted warranties/guarantees

Apator S.A., in accordance with applicable law, provides a statutory guarantee for the sold measuring and switchgear equipment and also a warranty (guarantee periods are often equal to the warranty period and result from the Ordering Party's ToR as part of domestic and foreign procedures). The guarantee entails the risk of guarantee repairs and, in addition, the risk of possible failure to meet the required deadlines regarding maximum periods for repairing/removing defects. All agreements signed by the Company contain provisions regarding contractual penalties for untimely removal of defects and defects during the guarantee period, and the provisions are often non-negotiable. The inability to repair makes it necessary to issue a new product to the customer (additionally, in the case of network-hung meters, repair and replacement with a new device inevitably involve the additional cost of removing and installing a new meter).

Additional customer requirements related to third-party liability insurance

Due to the conditions set by Ordering Parties and the need to insure the business and its development, it is becoming necessary to annex third-party liability insurance, which involves additional - in many cases difficult to predict - costs.

Tackling payment bottlenecks

The clarification of the provisions related to the prevention of excessive delay in commercial transactions, the simplification of the reporting obligation and the improvement of the efficiency of the excessive delay proceedings changes the model of financial sanctions and introduces the discretionary power of the President of the UOKiK when determining the penalty.

Risk of technological breakthrough

The high speed of technological changes, legislative requirements regarding energy efficiency, increased customer expectations concerning increased functionality, ease of use or low prices affect the changes in electronic measurement technology and shorten the product life cycle. Market trends indicate a growing interest in static metering technologies and the use of existing technologies of bellows gas meters to measure hydrogen.

Significant risks are posed by the strongly tightened climate targets of the REPowerEU package. It is not clear, e.g., how quickly it will be possible to move away from natural gas and replace it with green hydrogen. The lack of maturity of the technologies related to the production, storage and distribution of green hydrogen also raises some concerns.

The ongoing processes of decentralisation, digitisation and decarbonisation of the sector stimulate the development of solutions to improve energy efficiency and better, more responsible, use of the Earth's energy resources. This, in turn, on the one hand, affects the high variability of the functionality of the meters and communication technologies, on the other hand, it causes an increase in design and quality risks resulting from
the level of technological complexity of new products. The trend towards automation, remote grid control and remote energy metering, reading and settlement, which has been observed for some time, may accelerate.

It seems highly likely that devices and systems operating autonomously without human intervention will become highly popular, while devices without remote access will gradually disappear, with the main "battleground" being technology (mainly digital), intellectual property rights, access to data and online platforms. Nowadays, every industry is moving towards smart, and the production of electronic devices and management systems have also moved in that direction. Providing technologically advanced products for the most demanding customers in Poland and abroad is currently an important factor in the development of business in the group, bringing stable profits. Due to the achieved scale and pace of development, as well as the fact that the complexity of the subject matter of product supply agreements often requires participation in international consortia, the financial risk associated with conducting international operations automatically increases.

Risk of an increase in the prices of energy resources and fuels

The increase in the prices of raw materials and fuels remains one of the key cost risks for the operating activities of the Company and the Apator Group. Global commodity markets are currently exceptionally susceptible to fluctuations resulting from the tense geopolitical situation in the Middle East and the growing fragmentation of the global economy.

The Apator Group, reducing its exposure to the risk of an increase in the prices of energy raw materials, builds its own renewable energy sources, diversifies the supply sources of raw materials and fuels, monitors commodity markets, and applies flexible purchasing strategies, as well as, where possible, develops cooperation with regional suppliers in order to shorten supply chains.

Supply chain risk (prices and availability of strategic materials and components)

Global supply chains remain under strong pressure as a result of the overlapping of multiple geopolitical and economic crises. Despite the subsiding of pandemic-related disruptions, the risk concerning the prices and availability of strategic materials and components remains high. The situation is further worsened by the ongoing war in Ukraine, the conflict in the Middle East, which affects energy prices, transport costs and the stability of maritime routes, growing trade protectionism, including increased customs tariffs introduced by the US administration, and the tightening of China's trade policy in response to United States restrictions, which may result in disruptions in the supply chains of components and raw materials, including, among others, integrated circuits, rare-earth metals and neodymium magnets. The Group monitors the situation regarding the availability of components on an ongoing basis and takes measures to minimise the impact of these factors on supply chains.

Among the raw materials and components used in the production process of the Apator Group companies, the most sensitive to economic fluctuations ones are electronic components, plastics, metallurgical products and copper and silver.

Due to the high commoditisation of integrated circuits and the lack of duplicated implementations with the use of different microcontrollers (very high costs), the production of smart meters is particularly sensitive and inflexible. To reduce the risk of the supply of components, the Apator Group increases its operational flexibility by diversifying the suppliers of materials, components and transport and looks for opportunities to shorten the supply chains and become independent from the dominance of Asian suppliers. A closed-loop economy in plastics processing is also being introduced where possible.

The companies in the Apator Group are supplied on domestic and foreign markets (excluding the Russian and Belarusian markets). They actively manage limits for individual suppliers. They constantly monitor the situation of cooperating parties, suppliers and forwarders, the state of deliveries and the possibilities of geographical diversification of the source of supply. In the event of problems with access to given components, they check the possibility of introducing substitutes and alternative materials (only for proposals, without affecting the quality of the product). Such an action requires a lot of time, additional research and agreements with customers and delays the implementation of tasks related to the development of new products. A process of securing copper prices through hedging was also introduced.

Risk of decrease in prices of the Apator Group products

All markets where the Apator Group companies operate are characterised by strong competition and price wars, which currently affect the electricity metering market in Poland the most, where fierce price competition is ongoing in connection with the smart metering implementation schedule. Most customers choose at least three suppliers to ensure the continuity of meter deliveries, and thus, to meet the timely implementation of the meter installation schedule in accordance with the requirements of the amendment to the Energy Law. Such an approach of contracting authorities increases the chances of getting an order by a domestic manufacturer. Unfortunately, large price disparities are noticeable between the offers submitted by Asian companies and those of European companies, which, by lowering product prices and limiting the supply of components to European and Polish manufacturers, attempt to make the market and customers dependent on their products. Additionally, the increase in operating costs in the European Union deepens the existing disproportions.

Moreover, the prolonged persistence of global economic instability, rising interest rates and unstable currency markets may adversely affect the profitability of long-term agreements at fixed prices concluded under public procurement, the sales volume of existing products and customer needs.

The companies of the Apator Group, like other representatives of European industry, count on the support of the European Union and local governments, which in recent months have been clearly emphasising the necessity of strengthening the domestic economy through the development of local supply chains, increasing the share of "local content" in investments and the protection of strategic sectors. Furthermore, taking into consideration market trends and threats related to them, the companies in the Apator Group automate their production, the effect of which is the increase of the scale of production with simultaneous reduction of labour costs and improvement of quality, also, the companies diversify sales markets strongly focusing on foreign sales.

Contractual risk in export markets

On the main export markets (mainly Germany, the UK, the Netherlands, Belgium) a gradual tightening of contractual requirements has been observed for several years, towards increasing the quality requirements, the warranty period and the severity of penalties for suppliers. Currently, agreements for the supply (especially of gas meters) are to secure the interests of *Distribution System Operators* as much as possible. Also, such agreements are usually not subject to Polish law, and disputes arising from them are not, and will not. be settled by Polish courts but by foreign courts. In view of the above, this risk applies to contractual provisions imposed on suppliers by DSOs, which are only marginally negotiable, and acceptance of the basic requirements is often a requirement to participate in a tender. Such agreements contain a number of clauses related primarily to:

- product liability (long guarantee periods of up to 10-15 years),
- high fees for the replacement of a defective product or an entire batch in which a few per cent of defective products are found,
- additional costs for the assembly/disassembly of defective products in the network (the so-called *Off the Wall costs*),
- high penalties related to late deliveries. Foreign agreements for innovative products (smart gas meters) delivered on a large scale are particularly burdened with a higher risk. The basic measure to prevent the

materialisation of the above-mentioned risk is to ensure the timeliness of deliveries (e.g. ensuring at least part of the stock) and the proper quality of the products from the design process onwards and:

- selection of good quality components,
- exercising close supervision over suppliers,
- quality control of the production processes,
- automation of production, reduction of the probability of human errors,
- conducting accelerated ageing tests of electronic components reflecting the conditions during the product life cycle.

The Apator Group, to protect itself against the contractual risk, has concluded civil liability insurance agreements in relation to its operation and the marketed products.

Risk of incomplete commercialisation of development projects due to market concentration

The situation in the most developed European markets in terms of gas metering has changed significantly. Acquisitions and concentration on the part of suppliers of measuring instruments as well as the organisation of a few large tenders for multi-year supply result in strong price competitiveness. In view of the above, the rejection of a bid in a tender may block the possibility of supplying any of the markets for several years, with the risk of incomplete commercialisation of certain development projects dedicated to a specific tender or market.

Risk of ineffective protection of the EU market against unfair competition from Asia, risk of loss of European technological sovereignty and digital threats

Unlike the United States, which, following the implementation of the IRA, began to effectively protect its manufacturers from unfair subsidy-assisted price competition enjoyed by Asian companies, European companies still cannot count on "levelling the playing field". Important regulations on the matter such as the NZIA (*Nett Zero Industry Act*) are still being negotiated and currently only cover a few industries (e.g. wind power plants) leaving the rest of the sectors without any protection. An additional risk is created by the practices of some ordering entities in public tenders in Poland, consisting of uncontrolled and unverified ordering of digital devices with teletransmission from areas with a high risk of potential cyber-attacks (suppliers from outside the EU). Failure to check digital devices entering the Polish market (to be installed in every Polish home, e.g. smart meters) is a significant omission that could result in serious consequences in the future. This issue has been recognised by the Polish authorities, which in recent months have been clearly emphasising the necessity of strengthening the domestic economy through the development of local supply chains, increasing the share of "local content" in investments and the protection of strategic sectors. This trend is visible both in the strategic documents of the state and in communications regarding the economic priorities of the government, including the Polish "anti-blackout package" and the project "Local content. Z korzyścią dla Polski" (Local content. For the benefit of Poland), the main objective of which is the polonisation of supply chains based on four pillars:

- building the market position of domestic companies by integrating them into the supply chains of major investments and strengthening their strategic business and production competencies,
- strengthening the security of supply amid a tense geopolitical situation – particularly in strategic sectors such as energy and defence;
- implementing the state's long-term purchasing policy - public procurement supporting economic development,
- providing the support of an expert team from key financial institutions - developing products that support enterprises in their investments;

Human resources risk

The progressive robotisation and automation, rapidly growing amount of data and accelerated technological development make programmers, constructors and engineers one of the most desirable groups of specialists in the labour market. Additionally, the introduced possibility of performing work outside the workplace and the popularisation of remote work increase competition between employers, which may increase the financial expectations of employees.

Another group of employees, the loss of which could have a great impact on the operation of the Apator Group are traders. Their loss may result in the interruption of business relations with customers. To prevent that, above-market base remuneration and attractive bonus and benefit systems are applied. In addition, cyclical team-building events are organised.

Risk of data security loss/cyberattack

The dynamic development of digitalisation replacing manual operations with modern technologies is fundamentally changing the approach to business and business models. In addition to a number of benefits, the automation of business processes and the use of appropriate online systems and tools are associated with a number of risks, including the activity of criminal groups specialising in cybercrime, leakage of personal data and confidential information or blocking of key services. Given the scale and impact of those threats, protecting intellectual property and proprietary information is a key challenge of the digital age.

Cybersecurity risks are dynamic in nature and require continuous monitoring and investments in protective technologies, security procedures, employee training and the maintenance of procedures compliant with applicable regulations. The Company takes actions aimed at minimising these threats; however, their complete elimination is not possible due to the global nature of cybercrime and the growing complexity of the technological environment.

The information security management system (ISO 27001 certificate) in the Apator Group ensures data security through security policy, security procedures and appropriate tools and infrastructure (including: VPN services and encryption, coding, protection and anti-virus systems) and technical support. The information security management system of the Apator Group is managed by Apator S.A.

Impairment risk of acquired assets

Goodwill is recognised as an asset and is subject to impairment testing at least once a year. As at 31 December 2025, the goodwill of subsidiaries in the consolidated financial statements amounts to PLN 118 million, including:

- Apator Rector Sp. z o.o. – PLN 43.1 million,
- Automation and ICT business line in Apator S.A. - PLN 34.5 million,
- Apator Miitors ApS – PLN 18.4 million,
- Apator Powogaz S.A. - PLN 17.5 million,
- Apator Telemetria Sp. z o.o. – PLN 3.7 million,
- Apator Powogaz Czechia s.r.o. - PLN 0.8 million.

The risk is related to a possible reduction in the cash-generating potential of subsidiaries/cash-generating units (CGUs) over the time period specified in the business plan perspective.

As at 31 December 2025, the value of financial assets - shares in subsidiaries in the separate financial statements was PLN 171.0 million, including:

- Apator Rector Sp. z o.o. – PLN 74.3 million,
- Apator Powogaz S.A. - PLN 68.6 million,
- Apator Telemetria Sp. z o.o. – PLN 12.2 million,
- Apator Metrix S.A. - PLN 8.9 million,
- FAP Pafal S.A. - PLN 0.6 million,
- other companies - PLN 6.4 million.

Financial risks

The description of the financial risks is included in the consolidated financial statements in sec. 7.31 (Annual Report 2025).

Impact of the situation in the Middle East

The geopolitical situation in the Middle East – especially in the longer term – may have an indirect impact on the Apator Group through the risk of supply chain disruptions (sea freight costs, extended delivery times), greater exchange rate volatility, and the potential risk of an increase in the costs of energy and components. At present, the Apator Group is not experiencing any effects of the conflict; however, given the potential risks, the Group employs an active currency hedging policy and ensures an optimal level of working capital in order to secure production.

At the same time, due to the planned expansion of sales in Middle Eastern markets (particularly as part of the development of the Water and Heat and the Electricity segments), the Apator Group emphasises that the current armed conflict in the region introduces uncertainty regarding the feasibility of these plans in the near term, as it is not possible to estimate how long the escalation will last or what restrictions it may cause.

Impact of the situation in the East (Ukraine)

Since the outbreak of the war in February 2022, the Group has completely ceased sales in the Russian and Belarusian markets. In 2025, sales to Ukraine accounted for approx. 2,6% of the total sales of the Apator Group.

As regards receivables from contractors from the endangered markets, at the end of 2025, the share of receivables from the Ukrainian market in the total value of receivables of the Apator Group was about 1.1%. The Group had no trade receivables from the Russian and Belarusian markets. Therefore, as of the date of publication of this report, the situation in the East has no significant impact on the Group's operations.

Detailed values of receivables as at 31 December 2025 are presented in the table below.

Level of receivables as at 31 December 2025	Apator S.A.	Apator Group
Receivables from contractors		
Ukraine	0	2,262
Total trade receivables as at 31 December 2025	**79,670**	**202,776**
Share in Company's trade receivables	**0.0%**	**-**
Share in trade receivables of the Apator Group	**-**	**1.1%**

8. Credits, loans, guarantees

The state of credits and loans of the Apator Group:

Item	as at 31 December 2025	as at 31 December 2024	Change
Long-term credits and loans	19,697	24,621	-4,924
Short-term credits and loans	78,942	90,226	-11,284
Total credits and loans	**98,639**	**114,847**	**-16,208**

8.1.1. Credits

As at 31 December 2025, the status of significant loan agreements is as follows:

1. Apator Group

a) Multi-product agreement of 22 June 2016

On 24 June 2025, an annex was signed between ING Bank Śląski S.A. and the following Apator Group companies: Apator S.A., Apator Powogaz S.A., Apator Metrix S.A., Apator Rector Sp. z o.o., and Apator

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

Telemetria Sp. z o.o. Pursuant to the annex, the amount of the revolving credit facility for the current financing of the companies is set at PLN 210 million. The credit repayment date is 29 June 2028. The credit limit can be used in the form of working capital credits, bank guarantees, letters of credit and discount transactions for the redemption of receivables by the Bank in the form of supplier financing. The interest rate on the limit is based on the WIBOR/EURIBOR 1M rate increased by the bank margin.

The collateral of the Agreement is as follows:

- registered pledges on the companies' inventory of a total value of PLN 145.2 million,
- registered pledges on fixed assets of the companies with a total value of PLN 30,8 million,
- mortgage on the real estate of Apator S.A. up to the value of PLN 40 million,
- assignment of rights under the insurance policy for the above collateral,
- blank promissory note and promissory note declarations issued by the borrowers.

The obligations under the granted limit are jointly borne by the companies, up to a maximum amount of PLN 210 million.

As at 31 December 2025 the use of limits by the Apator Group under the concluded multi-product agreement was:

- PLN 55,21 million in used credit limits,
- PLN 16,9 million in issued guarantees and letters of credit,
- PLN 2,5 million in supplier financing transactions.

b) Multi-purpose agreement of 26 May 2023

On 23 May 2025, Powszechna Kasa Oszczędności Bank Polski S.A. and companies of Apator Group: Apator S.A., Apator Powogaz S.A. and Apator Metrix S.A. concluded an annex to the multi-purpose credit limit agreement for a total amount of PLN 80 million. Under the annex, the financing period was extended until 31 May 2028. The limit can be used in the form of working capital credits, bank guarantees and letters of credit. The interest rate on the limit is based on WIBOR/EURIBOR 1M, SOFR/SONIA ON plus the bank's margin.
As at 31 December 2025 the collaterals for the contract are:

- registered pledges on fixed assets of the companies with a total value of PLN 13.4 million,
- registered pledge over inventory of PLN 20 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, up to the amount of PLN 80 million, issued by each company.

As at 31 December 2025 the use of limits by Apator Group companies under the concluded agreement was:

- PLN 18.8 million in utilised credit limits.
- PLN 26,8 million in issued guarantees and letters of credit.

2. Apator Powogaz S.A.:

a) on 4 December 2020, concluded with PKO Bank Polski S.A. with its registered office in Warsaw, an investment credit agreement in the amount of PLN 39.1 million with the possibility of increasing it to PLN 41 million. On 6 May 2022, an annex was concluded, which increased the financing amount by PLN 0.9 million. The credit was used to finance the acquisition of land and the construction of a production facility in Jaryszki near Poznań, on the basis of an agreement with the General Contractor. The interest rate is determined as follows:
   - up to PLN 39.1 million – fixed interest rate of 1.3% p.a. increased by the Bank margin.
   - above PLN 39.1 million and up to PLN 41.9 million – interest rate based on a variable interest rate of WIBOR 1M increased by the Bank margin.

As at 31 December 2025 credit collateral includes:
- blank promissory note and promissory note declaration,
- joint mortgage on the real estate in Żerniki with a multi-purpose agreement for the total amount of PLN 182.8 million,
- assignment of rights under the insurance policy on the mortgaged property.

The credit repayment period is determined to be from 31 July 2022 to 4 December 2030. As at 31 December 2025, the debt under the above credit amounted to PLN 24.6 million.

b) on 5 June 2023, Apator Powogaz S.A. concluded, with PKO Faktoring S.A., a factoring agreement with a financing limit of up to PLN 15 million, effective until 4 June 2024. The agreement was automatically rolled over for the following year. The interest rate was determined based on the WIBOR/EURIBOR 1M rate plus margin. The agreement is secured by a power of attorney to the bank account and a blank promissory note with a promissory note agreement. The agreement expired on 30 June 2025.

c) has entered into a factoring agreement with ING Commercial Finance Polska S.A. with a limit of up to PLN 4.5 million to finance current operations. On 22 September 2022, an annex to the above agreement was signed extending the method of financing to both with and without assuming the solvency risk of customers. The interest rate on the financing was set at a variable rate, depending on use, equal to WIBOR 1M or EURIBOR 1M plus the Bank's margin. The agreement is secured by a blank promissory note. The agreement is rolled over annually. As at 31 December 2025, the company has not used the funding.

3. **Apator Powogaz Czechia s.r.o.** has drawn a credit from Raiffeisenbank a.s. in the amount of CZK 30 million, the purpose of which is to finance current business activities. The agreement is concluded for an indefinite period. The interest rate was determined based on the variable 1D PRIBOR rate plus the bank margin. The credit is secured by a pledge on property in the amount of CZK 53,5 million (i.e. PLN **9.3** million according to the average exchange rate of ING as at 31 December 2025 for CZK = PLN 0.1714), together with the assignment of rights under the all-risk property insurance policy. As at 31 December 2025 the company did not use the credit line.

4. On 24 March 2022, **Apator Telemetria Sp. z o.o.** concluded with mBank S.A. an e-credit agreement for supplier financing, with a limit of PLN 7 million. The interest rate on the financing was set at a variable rate, depending on use, equal to WIBOR 1M or EURIBOR 1M plus the Bank's margin. The agreement was not extended and expired on 30 June 2025.

In 2025, no bank terminated a credit agreement for any company of the Apator Group, and the companies of the Apator Group were duly repaying their liabilities under the concluded credit agreements.

8.1.2. Loans

In 2025, the companies in the Apator Group did not grant loans to entities outside the Group.

As at 31 December 2025:

- Apator Powogaz S.A. holds a receivable on account of a consolidated loan originally granted in the amount of EUR 1.5 million to its subsidiary, Apator Miitors ApS. The nominal interest rate on the loan is 4,432%. On 20 November 2020, Apator Powogaz concluded an amendment with Apator Miitors ApS extending the loan repayment period until the end of 2029. As at 31 December 2025 the amount of the loan remaining to be repaid, together with accrued interest, was EUR 584.2 thousand (i.e. PLN 2.5 million according to the ING average exchange rate of 31 December 2025 of EUR 1 = PLN 4.2261).

- Apator Mining Sp. z o.o. holds a receivable from a loan granted to its subsidiary, Apator Powogaz S.A., in the original amount of PLN 2.5 million. An additional tranche in the amount of PLN 1 million was granted by way of an amendment dated 30 September. The loan interest rate is 2.2% plus the WIBOR rate for 3M deposits. As at 31 December 2025 the amount of the loan remaining to be repaid is PLN 2.3 million. FAP Pafal S.A. in liquidation holds a receivable on account of a loan granted to a related party – Apator Powogaz S.A. in the amount of PLN 2 million. The loan interest rate is 2.2% plus the WIBOR rate for 3M deposits. As at 31 December 2025 the amount of the loan remaining to be repaid is PLN 1.9 million.

8.1.3. Sureties and guarantees

In 2025, the Apator Group companies did not grant any sureties to entities outside or from the Group.

As at 31 December 2025 the Apator Group also had active guarantees issued by insurers and banks. A list of guarantees is also included in the consolidated financial statements in sec. 7.33 (Annual Report 2025).

9. Pending proceedings before a court, arbitration body or public administration body

the subsidiary, Apator Metrix S.A. with its registered office in Tczew ("Company"), on 1 October 2025 received a decision dated 25 September 2025 on the initiation by the President of the Office of Competition and Consumer Protection of antitrust proceedings against the Company in connection with a suspected agreement within the meaning of Article 4(5) of the Act on Competition and Consumer Protection (the "Act") and an agreement or concerted practice within the meaning of Article 101 sec. 1 of the Treaty on the Functioning of the EU, consisting in:

- market sharing in relation to bellow gas meters, which may constitute a violation of Article 6 1 item 3 of the Act and Article 101 sec. 1 c) of the Treaty on the Functioning of the EU ("Treaty"),
- agreeing on the terms and conditions of bids submitted in tenders for the supply of bellow gas meters organised by Polska Spółka Gazownictwa sp. z o.o. with its registered office in Tarnów, which may constitute a violation of Article 6 1 item 7 of the Act.

The proceedings concern public tenders organised between 2014 and 2021. In accordance with Article 106 sec. (1)(1) and (2) of the Act, the President of the Office of Competition and Consumer Protection may impose a financial penalty on an entrepreneur, by way of a decision, in an amount not exceeding 10% of the turnover achieved in the financial year preceding the year in which the penalty is imposed, if the entrepreneur, even unintentionally, has committed a violation of the prohibition specified in Article 6 of the Act or has committed a violation of Article 101 of the Treaty. Simultaneously, pursuant to Article 106(3a) of the Act, when calculating turnover, the President of the Office of Competition and Consumer Protection shall also take into account the turnover achieved by the entrepreneur or entrepreneurs exercising decisive influence over the entrepreneur who has committed a violation of the prohibition specified in Article 6 of the Act or Article 101 of the Treaty. In accordance with Article 111 sec. (1) of the Act, when determining the amount of the financial penalty, the following factors shall be taken into account, among others: the duration, degree and market effects of the infringement of the provisions of the Act, the circumstances of the infringement and any previous infringements of the provisions of the Act.

The Management Board of the Company and the Management Board of Apator S.A., as at the date of publication of the report do not have sufficient data to estimate the outcome of the proceedings or the potential impact of these proceedings on the financial results of the Company or Apator S.A.

Other proceedings concerning liabilities or receivables pending before a court, before a court, an authority competent for arbitration proceedings or a public administration authority concerning the Issuer and the companies from the Group of Companies are not significant.

10. Transactions with related entities

The companies within the Apator Group collaborate in the areas of business, operations, finance and support functions (primarily IT). In 2025, under that cooperation, as in the previous periods, neither Apator S.A. nor any of its subsidiaries entered into related party transactions on terms other than market terms.

The data on transactions with entities affiliated with the Apator Group and information on the outstanding balance is presented in the table in sec. 7.32 of the consolidated financial statements (Annual Report 2025).

11. Entities subject to consolidation as at 31 December 2025

- parent entity – Apator S.A.,
- direct subsidiaries subject to consolidation using the full method:

Unit	Business line	Company	Registered office	Share in capital	Relation with Apator S.A.
Electricity (EE)	Electricity metering	FAP Pafal S.A. in liquidation	Świdnica	100%	Subsidiary of Apator S.A.
	ICT	Apator Rector Sp. z o. o.	Zielona Góra	100%	Subsidiary of Apator S.A.
	Trading in mining equipment (small-scale activity – not a business line)	Apator Mining Sp. z o. o.	Katowice	100%	Subsidiary of Apator S.A.
Electricity/Gas / Water and Heat	Electricity and gas metering Water and Heat	Apator GmbH	Berlin (Germany)	100%	Subsidiary of Apator S.A.
Gas	-	Apator Metrix S.A.	Tczew	100%	Subsidiary of Apator S.A.
Water & Heat (W&H)	-	Apator Powogaz S.A.	Jaryszki	100%	Subsidiary of Apator S.A.
		Apator Powogaz Czechia s. r. o. (formerly Apator Metra s.r.o)	Sumperk (Czech Republic)	100%	Indirect subsidiary of Apator S.A. through Apator Powogaz S.A. Indirect participation through Apator Powogaz S.A.
		Apator Miitors ApS	Aarhus (Denmark)	100%	Indirect subsidiary of Apator S.A. through Apator Powogaz S.A. Indirect participation through Apator Powogaz S.A.

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

Unit	Business line	Company	Registered office	Share in capital	Relation with Apator S.A.
		Apator Telemetria Sp. z o. o.	Słupsk	92.69%	A company in which Apator S.A. holds a direct 20.8% stake and Apator Powogaz S.A. holds an indirect 71.89% stake
		Apator Powogaz Italia Srl	Padua (Italy)	100%	Indirect subsidiary of Apator S.A. through Apator Powogaz S.A. Indirect participation through Apator Powogaz S.A.

12. Management Board statements

12.1. Statement of the Management Board of Apator S.A. regarding the preparation of financial statements and reports of the Management Board

To the best of its knowledge, the Management Board of Apator S.A. declares that the annual separate and consolidated financial statement for 2025 and comparable data have been prepared in accordance with the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and related interpretations published in the form of regulations of the European Commission. The Apator Group applies the provisions of the Accounting Act and the executive regulations issued based on the Act to the extent not regulated by IAS/IFRS.

The annual separate and consolidated financial statements reflect in a true, reliable and clear manner the property state and financial position of Apator S.A. and Apator Group of Companies and its financial result. The detailed principles of preparation of the statements are included in the explanatory notes to the annual consolidated financial statements and separate financial statements.

The annual report of the Management Board on the activities of the Company and the Apator Group has been prepared in accordance with the requirements of Article 49 of the Accounting Act, and the sustainability reporting has been prepared in accordance with the Accounting Act, ESRS, and Article 8 of Regulation 2020/852 and the delegated acts issued pursuant to Article 8 sec. 4 of that Regulation.

The report of the Management Board contains a true and fair view of the development, profitability of operations, and the situation of the Issuer and its group of companies, including a description of the principal risks and uncertainties.

12.2. Information of the Management Board of Apator S.A. regarding the appointment of the entity authorised to conduct financial statement audits

The Management Board of Apator S.A., based on the statement of the Supervisory Board of Apator S.A., informs that:

a) the entity authorised to audit financial statements, the firm KPMG Audyt Spółka z ograniczoną odpowiedzialnością Sp. k, which performed the audit of the annual separate and consolidated financial statements, was selected in accordance with the provisions of law, including those concerning the selection and the selection procedure of an audit firm. The selection of the entity to audit and review the financial statements was made by the Supervisory Board of Apator S.A. on 26 March 2024 based on the recommendation of the Audit Committee and in accordance with Art. 20 of the Statute of Apator S.A., i.e., in the manner ensuring its independence in the performance of the entrusted tasks,

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

b) KPMG Audyt Spółka z ograniczoną odpowiedzialnością Sp. k.– entered in the register of entities authorised to audit financial statements under number 3546, as well as members of its Management Board and chartered auditors performing auditing activities for Apator S.A. and its related entities met the conditions for the preparation of impartial and independent reports on the annual audit of individual and consolidated financial statements in accordance with applicable regulations, professional standards and principles of professional ethics,

c) the applicable regulations related to the turnover of the audit firm and the key statutory auditor as well as the mandatory grace periods are complied with,

d) the company has a policy in place for the selection of an audit firm and a policy for the provision of additional non-audit services by an audit firm, an entity related to the audit firm or a member of its network, including services conditionally exempt from the prohibition concerning the provision of services by the audit firm.

More information on the remuneration of the audit firm can be found in sec. 7.35 of the annual consolidated financial statements.

12.3. Information of the Management Board of Apator S.A. regarding the selection of an audit firm performing the assurance of sustainability reporting

The Management Board of Apator S.A., based on the statement of the Supervisory Board of Apator S.A., informs that:

a) the entity authorised to perform the assurance of financial reporting, the firm PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k., which performed the assurance of the sustainability reporting, was selected in accordance with the provisions of law, including those concerning the selection and the selection procedure of an audit firm. The selection of the entity to audit and review the financial statements was made by the Supervisory Board of Apator S.A. on 28 August 2025 based on the recommendation of the Audit Committee;

b) the firm PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k. – entered in the register of entities authorised to perform the assurance of sustainability reporting under number 477, as well as the members of its Management Board and statutory auditors performing assurance activities for Apator S.A. and its related entities, met the conditions to prepare an impartial and independent report on the assurance of sustainability reporting in accordance with applicable regulations, professional standards and principles of professional ethics;

c) the Company has a policy on the selection of an audit firm to perform the assurance of sustainability reporting in the scope of sustainability reporting and a policy on the provision to the Company of permitted non-assurance services by the audit firm performing the assurance of sustainability reporting in the scope of sustainability reporting, by entities related to this audit firm and by a member of the audit firm's network.

More information on the remuneration of the audit firm can be found in sec. 7.35 of the annual consolidated financial statements.

13. Statements of the Supervisory Board

13.1. Evaluation of the Supervisory Board concerning the financial statements and the report of the Management Board

The Supervisory Board supervised the process of preparation of the financial statements. The Supervisory Board, based on the positive recommendation of the Audit Committee of 28 April 2026, evaluated the financial statements prepared by the Management Board and the report of the Management Board on the and the Apator Group. The Supervisory Board confirms that the financial data presented in the periodic reports is reliable,

correct and real and is prepared in accordance with the books, documents and the actual state of affairs and in accordance with the applicable accounting principles, applied on a continuous basis, based on the books of accounts.

13.2. Statement of the Supervisory Board of Apator S.A. concerning the Audit Committee

The Supervisory Board of Apator S.A., declares that:

a) the regulations concerning the appointment, composition and functioning of the audit committee are complied with, including those concerning the fulfilment by its members of the independence criteria and the requirements regarding knowledge and skills in the industry in which the issuer operates, as well as in the field of accounting or the auditing of financial statement, and the conditions specified in the applicable regulations enabling the audit committee to perform functions in the scope of sustainability reporting have been met,

b) Audit Committee performed the tasks provided for this body in the applicable regulations.

on behalf of the Supervisory Board: Chairman of the Supervisory Board

Janusz Niedźwiecki

14. Corporate governance in Apator S.A.

14.1. Best Practices for GPW Listed Companies

Best Practices for GPW Listed Companies is a set of corporate governance rules, i.e. rules of conduct addressed both to company bodies and members of those bodies, as well as to shareholders. The reference is made to the broadly understood management of a company, and the purpose is to strengthen the transparency of listed companies, improve the quality of communication between companies and investors, and strengthen the protection of shareholders' rights also in matters not regulated by law. The application of corporate governance principles by companies is voluntary (it does not result from any provisions of law); however, it is the duty of each listed company to inform about their application. This obligation is provided for both in the Regulation of the Minister of Finance on current and periodic information and in the Regulations of GPW.

Set of Best Practices in force in 2025

The current set of corporate governance principles "Good Practices of Companies Listed on the WSE 2021" has been in force since 2021, and its content and archival versions are available on the website of Giełda Papierów Wartościowych S.A.: https://www.gpw.pl/dobre-praktyki.

Apator S.A. complies with the majority of the principles contained in the Best Practices for GPW Listed Companies 2021, except for the following:

- Principle 2.1 The Company shall have a diversity policy for the Management Board and the Supervisory Board, adopted by the Supervisory Board or the General Meeting, respectively. The diversity policy specifies diversity goals and criteria, among other things, in such areas as gender, field of education, specialist knowledge, age, and professional experience, and also indicates the date and method of monitoring the achievement of these goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.

  Company comment: *The Company has a diversity policy for the Company's bodies and key managers, but it does not include measurable targets and deadlines for achieving appropriate parity. Recognising the growing importance of creating a diverse working environment, the company builds an organisational culture open to diversity, which leads to increased work efficiency. The composition of the Supervisory Board results from decisions taken by the General Shareholders Meeting, whereas that of the Management Board is determined by the Supervisory Board of the respective Company. Consequently, while selecting the Company's authorities, these bodies and the Management Board, while selecting key managers, strive to ensure comprehensiveness and diversity, particularly in the areas of education, age, work experience and gender. Due to the specific character of the industry and the technological nature of the business, the decisive aspect here is, first and foremost, the relevant competencies and professional background required for a particular position.*

- Principle 2.2 The persons making decisions on the election of members of the Management Board or the Supervisory Board of the company shall ensure the comprehensiveness of these bodies by selecting persons for their composition who ensure diversity, making it possible, inter alia, to achieve the target ratio of a minimum minority shareholding set at a level of not less than 30%, in accordance with the objectives set out in the adopted diversity policy referred to in the rule 2.1.

  Company comment: *Justification described in sec. 2.1.*

- Principle 2.2 At least two members of the supervisory board meet the independence criteria specified in the Act of 11 May 2017 on statutory auditors, audit firms and public oversight, and also have no actual and material links with a shareholder holding at least 5% of the total number of votes in the company.

Commentary of the Company: On 25 June 2025, the Ordinary General Meeting of Apator SA elected the Members of the Supervisory Board of Apator SA for a new, joint term of office in the years 2025 - 2030. Two members of the Supervisory Board meet the independence criteria specified in the Act of 11 May 2017 on statutory auditors, audit firms and public oversight, whereas only one of them has no actual and material links with a shareholder holding at least 5% of the total number of votes in the company.

- Principle 2.11.6 In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following: (...) information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.

  Company comment: The principle is not complied with due to the non-application of principle 2.1

- Principle 4.1. A company should enable shareholders to participate in a general meeting by means of electronic communication (e-GMS), if it is justified in view of the shareholders' expectations reported to the company, and if the company is able to provide the technical infrastructure necessary to conduct such a general meeting. The principle is not implemented.

  Company comment: In the Company's view, the implementation of the aforementioned principle is associated with technical and legal risks that may affect the proper and uninterrupted conduct of general meetings. Additionally, such form of participation in general meetings currently meets with little interest from shareholders. However, should general legal solutions be adopted to minimise the involved risks, the company will consider providing the technical infrastructure necessary to hold general meetings in such a way.

14.2. Share capital

As at 31 December 2025 share capital of Apator S.A. amounts to PLN 3,264,707.30 and consists of 32,647,073 shares with a nominal value of PLN 0.10 each, which is divided as follows:

	As of 31 December 2025			
	Number of	Share structure %	Number of votes	Structure of votes %
Registered shares	7,326,515	22.4%	29,306,060	53.6%
Bearer shares	25,320,558	77.6%	25,320,558	46.4%
Total shares	**32,647,073**	**100.00%**	**54,626,618**	**100.00%**

Each bearer share gives the right to one vote, while registered shares are preference shares – one share gives the right to four votes at the general meetings.

14.2.1. Share capital as of 27 February 2026

After the balance sheet date, on 30 January 2026, at the request of shareholders, a conversion of 9,130 series A registered shares with a nominal value of PLN 0.10 each, privileged as to voting at a ratio of 1:4 at the General Meeting, into ordinary bearer shares was carried out.

As a result of the conversion of series A registered shares, the preference of 9,130 shares subject to conversion expired, the amount of the Company's share capital did not change and amounts to

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

PLN 3,264,707.30, while the total number of votes at the Company's General Meeting changed, which after conversion amounts to 54,599,228 votes.

The share conversion was carried out in accordance with Art. 8 sec. 1 of the Company's Articles of Association, reading as follows: "Conversion of Series A registered shares into Series A bearer shares is carried out at the request of shareholders in January each year. If a total of more than 100,000 (one hundred thousand) registered shares are proposed for conversion during the year, the Company's Management Board is obliged to set an additional conversion date within 90 days".

The assimilation and introduction of the aforementioned shares to stock exchange trading took place on 27 February 2026.

Following the conversion and assimilation of the shares, the structure of the share capital is as follows:

	As at 27 February 2026			
	Number of shares	**Share structure %**	**Number of votes**	**Structure of votes %**
Registered shares	7,317,385	22.41%	29,269,540	53.61%
Bearer shares	25,329,688	77.59%	25,329,688	46.39%
Total shares	**32,647,073**	**100.00%**	**54,599,228**	**100.00%**

Each bearer share gives the right to one vote, while registered shares are preference shares – one share gives the right to four votes at the general meetings. The motion for the amendment of the Articles of Association will be submitted by the Management Board on the date of the announcement of the convening of the Ordinary General Meeting of Apator S.A.

14.3. Shareholders of Apator S.A. holding directly or indirectly significant blocks of shares

Shareholders of Apator S.A. holding directly or indirectly significant blocks of shares (above 5% of votes at the general meeting) holding, directly or indirectly, significant blocks of shares (over 5% of votes at the general meeting), along with an indication of the number of shares held by the entities, their percentage share in the share capital, the number of votes resulting from them and their percentage share in the total number of votes at the general meeting as at 31 December 2025.

Item	As of 31 December 2025					
	Registered shares	**Bearer shares**	**Total shares**	**Number of votes**	**Share in capital**	**Share of votes**
Mariusz Lewicki	1,187,376	1,160,624	2,348,000	5,910,128	7.16%	10.82%
Stella AMP Fundacja Rodzinna with Tadeusz Sosgórnik*	1,660,000	220,000	1,880,000	6,860,000	5.76%	12.56%
Danuta Guzowska	954,214	566,065	1,520,279	4,382,921	4.66%	8.02%
Zbigniew Jaworski	766,348	807,024	1,573,372	3,872,416	4.82%	7.09%
Apator Mining Ltd.	0	3,600,000	3,600,000	3,600,000	11.03%	6.59%
PTE Allianz Polska**	0	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	2,093,803	14,261,800	16,355,603	22,637,012	50.10%	41.44%
Total	**7,326,515**	**25,320,558**	**32,647,073**	**54,626,618**	**100.00%**	**100.00%**

**) Tadeusz Sosgórnik jointly with a subsidiary (Stella AMP Fundacja Rodzinna in organisation) within the meaning of the Act on Public Offering.)*

***) Shares held by PTE Allianz Polska S.A. as of 28 February 2023 and 18 May 2023 determined based on a notification from PTE Allianz Polska S.A. dated 5 January 2023. The balance as of 28 February includes the total balance on the accounts of Allianz OFE, Allianz DFE and Drugi Allianz OFE, and the balance as of 18 May 2023 comprises respectively the shares registered on the accounts of Allianz OFE (in connection with 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. dated May 12 of this year after liquidation of Drugi Allianz OFE, 4,539,876 shares, representing*

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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 Company's General Meeting.

14.4. Dividends

Dividend policy

The Management Board of Apator SA declares that it will recommend annually to General Shareholders Meetings to pay the dividend in the amount not higher than 75% of the net profit of Apator SA generated for the previous financial year taking into consideration the perspectives of development, current and future financial standing of the Apator Group, conditions of the market environment and investment plans. In its recommendation for General Shareholders Meeting, the Management Board each time will take into consideration the following significant factors:

- investment needs resulting from the performance of the strategy, including the acquisition policy and available ways of its financing,
- liquidity needs of the Apator Group depending on current and expected market and regulatory conditions,
- amount of current and expected commercial and financial liabilities, including potential limitations resulting from financing agreements.

The Management Board envisages the possibility of advance dividend payments.

Profit dividend for 2024

On 25 June 2025, the Ordinary General Shareholders Meeting of Apator SA decided to pay a dividend from the profit for 2024 in the amount of PLN 0.90 gross per share. The total amount allocated for the dividend, according to the decision of the General Meeting, is PLN 29,382,365.70:

1. An advance dividend from the 2024 profit, totalling PLN 9,794,121.90, or PLN 0.30 gross per share, will be paid on 12 December 2024. The right to advance payment was obtained by shareholders holding shares of Apator S.A. on 6 December 2024.
2. The remaining part of the dividend in the total amount of PLN 19,588,243.80, i.e. PLN 0.60 gross per share, was paid on 11 September 2025. Shareholders holding shares in Apator SA on 28 August 2025 were entitled to this part of the dividend.

As many as 32,647,073 registered A series shares and A, B and C series bearer shares were entitled to payment of the advance dividend:

Advance profit dividend for 2024	Number of shares	Advance profit dividend per 1 share	Advance dividend paid on 12 December 2024
Registered shares	7,326,515	PLN 0.30	PLN 2,197,954.50
Bearer shares	25,320,885	PLN 0.30	PLN 7,596,167.40
Total shares	32,647,073	PLN 0.30	PLN 9,794,121.90

As many as 32,647,073 registered A series shares and A, B and C series bearer shares were entitled to payment of the remaining part of the dividend:

Remaining profit dividend for 2024	Number of shares	Remaining dividend per 1 share	The remaining part of the dividend was paid on 11 September 2025.
Registered shares	7,326,515	PLN 0.60	4,395,909.00
Bearer shares	25,320,558	PLN 0.60	15,192,334.80
Total shares	**32,647,073**	PLN 0.60	19,588,243.80

The Management Board's recommendation regarding the distribution of profit for the 2025 financial year will be announced in the second quarter of 2026.

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

Dividends from profit for the years 2017-2024

Item	2017	2018	2019	2020	2021	2022	2023	2024
Dividend per share for the financial year	PLN 1.20	PLN 1.30	PLN 1.10	PLN 1.20	PLN 0.50	PLN 0.30	PLN 0.50	PLN 0.90
Total dividend for the financial year	PLN 39.7 million	PLN 42.7 million	PLN 36.1 million	PLN 39.3 million	PLN 16.4 million	PLN 9.8 million	PLN 16.3 million	PLN 29,3 million
Average annual share price	PLN 26.95	PLN 21.77	PLN 22.12	PLN 19.59	PLN 22.17	PLN 15.92	PLN 15.38	PLN 20.12
Dividend yield*	4.45%	5.97%	4.97%	6.13%	2.26%	1.88%	3.25%	4.5%

**) Dividend yield calculated by dividing the dividend per share by the average annual share price.*

Apator S.A. since its stock exchange debut in 1997, has paid its shareholders approx. PLN 570 million in dividends and share buyback programs.

14.5. Description of the main features of the internal control and risk management systems in relation to the process of drawing up financial statements and consolidated financial statements

Separate financial statements of Apator S.A. and the consolidated financial statements of the Apator Group are prepared by the Accounting and Tax Department of Apator S.A., operating within the division of the Financial Director. The statements are prepared in accordance with the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and related interpretations published in the form of regulations of the European Commission, as well as the Accounting Act. Furthermore, the financial statements are prepared in accordance with the Regulation of the Minister of Finance of 6 June 2025 on current and interim information delivered by issuers of securities and the conditions for recognising as equivalent the information required by the laws of a non-member state (Dz.U./Journal of Laws/ of 2025, item 592).

The internal control and risk management system in the area of financial reporting operating within the Company and the group of companies is designed to ensure that published financial information, both separate and consolidated, is reliable, complete and prepared in accordance with applicable laws and internal regulations. This system includes a set of procedures, control mechanisms and organisational tools which collectively ensure the proper course of the reporting process.

The process of preparing financial statements is subject to controls at multiple levels. These include the verification of source documents, balance reconciliations, authorisation controls and analytical reviews performed by the finance departments and management.

Reporting and accounting at Apator Powogaz S.A. is done with the use of the BaaN IV Integrated Management System, while Apator S.A., Apator Metrix S.A. and Apator Rector Sp. z o.o. use the newer, compatible version of the Infor LN ERP system. The configuration of the systems is in line with the accounting rules in force and includes instructions and control mechanisms to ensure data consistency and integrity, including: data integrity checks, authorisation checks. The Integrated Management System makes it possible to control the correctness of recorded operations and identify the persons entering and accepting individual transactions. Access to financial data is limited by the authorisation system. Access to the system is granted depending on the assigned role and responsibilities of a given person and is subject to strict control.

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

The companies in the Apator Group maintain an accounting policy based on the rules adopted in a given entity. The main principles of recording the events are defined. However, the basic elements of the process of the preparation of the statements are the accounting principles determined for all the entities in the Apator Group, based mainly on the solutions used in the parent entity Apator S.A. Based on the maintained records, accounting books of individual companies are created, which are the basis for the preparation of individual financial statements by all the entities in the Group. Individual financial statements are the basis for the preparation of consolidated statements of the Apator Group. In the process of consolidation of statements, uniform principles and procedures of consolidation of financial data are applied, ensured by, among other things, unified electronic reports and automatic validation of data consistency in those reports.

The internal control system ensures the supervision over the correctness of the reporting and accounting processes, the correctness of the financial information contained in the financial statements and the correctness of their presentation. Within the framework of the system, compliance with the provisions of financial legislation and internal regulations is analysed, as well as the quality and correctness of the performance of individual activities (allocation of duties, multi-stage data authentication, verification of the correctness of the received data).

the Management Board of Apator S.A. assesses the effectiveness of the internal control system on an ongoing basis. Moreover, to increase the safety of management of the financial reporting area at the level of the Group, framework agreements are concluded by and between Apator S.A. and the companies Apator Metrix S.A., Apator Powogaz S.A. and Apator Rector Sp. z o.o. for the provision of services by Apator S.A. including finance management, e.g., co-creation of accounting policy and chart of accounts, optimisation of operational processes in accounting and preparation of periodic reports on the financial position.

At each stage of the preparation of financial statements, one of the basic control mechanisms (external) is the periodic verification of the financial statements by an independent auditor and, in particular, the audit (Apator S.A.) and review (other companies in the Group) of the semi-annual statements and the audit of the annual statements. The entity performing the function of statutory auditor in Apator S.A. and the Apator Group is chosen by the Supervisory Board of Apator S.A. that makes sure that independence in the performance of the entrusted tasks is maintained. All subsidiaries are audited by the same entity authorised to audit financial statements. The results of the audits are presented by the auditor to the Management Board, the Audit Committee of the Supervisory Board and the Supervisory Board.

The Audit Committee of the Supervisory Board of Apator S.A. participates in the process of monitoring the effectiveness of the internal control system. Its basic task is to advise the Supervisory Board on issues related to monitoring:

- separate and consolidated financial reporting,
- effectiveness of internal control, internal audit, risk management, compliance systems,
- performance of financial audit activities (in particular, the audit carried out by the audit firm, taking into account all conclusions and findings of the Audit Supervision Commission arising from the audit of the audit firm),
- independence of the statutory auditor and audit firm.

Financial data, which is the basis for the preparation of financial statements and periodical reports, is also used for monthly financial and operational reporting. After the closure of the monthly accounting period, the senior management (Management Board) under the supervision of the Supervisory Board performs monthly analysis of the financial results of Apator S.A., individual entities of the Apator Group and consolidated results of the Apator Group. The analysis of the achieved results is performed by comparing them to the financial and business assumptions adopted for the given year and in the adopted development strategy. Identified deviations are analysed on a regular basis considering their impact on the current results of a given company and the Apator Group, and possible corrective measures are taken.

Based on the assessment of the applied procedures, the Management Board of Apator S.A. states that as at 31 December 2025 there were no circumstances that could negatively affect the effectiveness of internal control in the preparation of financial statements.

14.6. Indication of holders of any securities with special control rights and a description of those rights

Each bearer share gives the right to one vote, while registered shares are preference shares - one share gives the right to four votes at the Shareholders Meeting. The principles of disposal of registered shares and their conversion are regulated by the Statute of Apator S.A.

14.7. Restrictions on the exercise of voting rights based on shares

There are no limitations on the exercise of voting rights, such as:

- restrictions on the exercise of voting rights by holders of a certain proportion or number of votes,
- time restrictions on the exercise of voting rights,
- provisions according to which, with the cooperation of the company, the capital rights attached to securities are separated from the possession of securities.

14.8. Indication of any limitations concerning transfer of ownership right to shares of Apator S.A.

Registered preference shares are subject to restrictions with regard to their disposal. Such shares may only be disposed of by shareholders and their heirs or legal successors only to shareholders holding registered shares. The disposal of registered shares to persons other than the shareholders holding registered shares requires the authorisation of the Management Board. If the Management Board does not authorise the transfer of shares, it should, within 60 days: identify another purchaser, determine the price in line with the price of bearer shares on the date of submission of the request. If the Management Board does not take a position within 60 days of the written application for permission to dispose of shares, the disposal of shares is not subject to any restrictions.

Bearer shares are not subject to any restrictions on the transfer of ownership.

14.8.1. Information on the issue of securities of Apator S.A.

In 2025, Apator S.A. did not issue any securities.

14.8.2. Information on agreements which may result in changes to the proportions of shares held by existing shareholders

Apator S.A. does not have any information on any agreements, including those that could have been concluded after the balance sheet date, as a result of which the proportions of shares held by existing shareholders and bondholders may change in the future (Apator S.A. did not issue bonds).

14.8.3. Audit system for employee share schemes

Apator S.A. does not implement an employee share scheme.

14.9. Description of the rules for changing the Statute of Apator S.A.

The amendment of the Articles of Association of Apator S.A. falls, pursuant to Art. 14 sec. 14 item 15 of the company's Articles of Association, within the competence of the General Meeting of Shareholders and may be adopted by an absolute majority of votes. In the case of the intention to amend the Statute, the notice of convening the Shareholders Meeting must include a reference to the existing provisions and the proposed changes. In a resolution amending the Statute, the Shareholders Meeting may authorise the Supervisory Board to determine the consolidated text of the Statute or to make other editorial amendments.

The amendment to the Statute becomes effective upon its entry into the National Court Register. The obligation to report the amendments to the Statute rests with the Management Board of the company. In accordance with Article 420 sec. 2 of the Code of Commercial Companies, the Management Board is obliged to report the amendment to the Statute not later than within 3 months from the adoption of the relevant resolution by the Shareholders Meeting; however, Art. 22 of the Act on the National Court Register requires the submission of the application for entry into the Register no later than within 7 days from the date of the event justifying the entry.

14.10. Composition and description of the manner of operation of the Company's governing bodies

14.10.1. Composition of the governing bodies of Apator S.A. as at 31 december 2025

GENERAL SHAREHOLDERS MEETING

Shareholders

SUPERVISORY BOARD

Janusz Niedźwiecki,
Mariusz Lewicki, Janusz Marzygliński, Monika Guzowska, Kazimierz Piotrowski,
Grażyna Sudzińska-Amroziewicz, Tadeusz Sosgórnik

MANAGEMENT BOARD

Maciej Wyczesany, Łukasz Zaworski

14.10.2. Shareholders Meeting

Principles and powers of the Shareholders Meeting

The Shareholders Meeting is subject to the provisions of the Code of Commercial Companies, the Statute of the Company and the Regulations of the Shareholders Meeting of Apator S.A. The Statute of the Company and the Regulations of Shareholders Meetings of Apator S.A. are available on the website of Apator S.A.: www.apator.com in the Investor Relations tab.

Shareholders Meetings may be convened as Ordinary General Shareholders Meetings or Extraordinary General Shareholders Meetings. Ordinary General Shareholders Meetings are convened annually, no later than by the end of June.

Shareholders Meetings are convened by the announcement made in the manner prescribed by the Code of Commercial Companies for public companies at least 26 days before the date of the Shareholders Meeting. Only persons who are shareholders of the company 16 days prior to the date of the Shareholders Meeting (date of registration of participation in the Shareholders Meeting) have the right to participate in the Shareholders Meeting. The list of persons entitled to participate in the Shareholders Meeting is determined based on a list drawn up by the Central Securities Depository of Poland (KDPW S.A.) in accordance with the principles set out in the Code of Commercial Companies.

Shareholders may attend the Shareholders Meetings and exercise their voting rights in person or may be represented by a proxy; they may vote differently using each of their shares. Each series A registered share is preferred and has four votes, while each bearer share has one vote.

Shareholders holding at least half of the share capital or at least half of the total number of votes in the Company
may convene the Extraordinary General Shareholders Meetings by appointing the Chairman of the Meeting.

A shareholder or shareholders representing at least 1/20 of the share capital may:

- request the convening of an Extraordinary General Shareholders Meeting and the inclusion of certain matters on the agenda of that Meeting. The request to convene an Extraordinary General Shareholders Meeting should be submitted to the Management Board in writing or in an electronic form.
- request the inclusion of specific matters in the agenda of the Shareholders Meeting. The request should be submitted to the Management Board no later than 21 days before the scheduled date of the Meeting. The Management Board is obliged to announce immediately, and no later than 18 days prior to the scheduled date of the Meeting, any amendments to the agenda made at the request of shareholders. The announcement is made in the manner appropriate for convening the Shareholders Meeting;
- prior to the date of the Shareholders Meeting, submit to the company, in writing or by means of electronic communication, draft resolutions concerning the items placed on the agenda of the Shareholders Meeting or the items to be placed on the agenda. The Company immediately announces draft resolutions on its website. Each shareholder may submit draft resolutions regarding matters included in the agenda during the Shareholders Meeting.

The following persons should be present at the Shareholders Meeting:

- members of the company's Supervisory Board and Management Board in a composition that makes it possible to provide substantive answers to the questions posed during the Shareholders Meeting,
- statutory auditor, if the Company's financial matters are to be discussed.

The Shareholders Meeting is valid irrespective of the number of shareholders present and the shares represented at it, unless the provisions of the Code of Commercial Companies provide otherwise.

The Shareholders Meeting may only adopt resolutions on matters on the agenda, with the exception of resolutions on points of order, which may only relate to matters concerning to the conduct of the meeting. A resolution on abandoning to consider any matter included in the agenda may be adopted only for good reasons. The request in such a case must be reasoned. The Shareholders Meeting may not adopt a resolution on removal from the agenda or on abandoning consideration of an issue placed on the agenda at the request of shareholders.

Resolutions are adopted by an absolute majority of votes, unless the provisions of the Company's Statute or the Code of Commercial Companies provide otherwise. Voting is open except for the situations specified in Art. 420 of the Code of Commercial Companies, i.e. secret ballot is ordered:

- in the case of elections and motions for the dismissal of members of Company bodies,
- in the case of motions to hold the above-mentioned persons accountable,
- in the case of personal matters,
- at the request of at least one shareholder or a shareholder's proxy present at the Shareholders Meeting.

Resolutions of the Shareholders Meeting are binding for all shareholders.

In accordance with the Statute of Apator S.A., the Shareholders Meeting of Apator S.A. is the only body authorised to make decisions on:

- issuance of shares, convertible bonds or bonds with priority rights,
- purchase of shares for their redemption,
- increasing or reduction of share capital,
- determining the number, election and dismissal of the Members of the Supervisory Board.

14.10.3. Supervisory Board

Composition:

Composition of the Supervisory Board of Apator S.A. in the period from 1 January 2025 to 25 June 2025. was as follows:

- 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,
- Kazimierz Piotrowski - Member of the Supervisory Board,
- Tadeusz Sosgórnik - Member of the Supervisory Board,
- Marcin Murawski - Member of the Supervisory Board.

In connection with the expiry of the term of office of the Supervisory Board, on 25 June 2025 the General Meeting of Shareholders elected the Members of the Supervisory Board for a new 5-year term of office; therefore, in the period from 26 June 2025 to 31 December 2025, the body operated in the following composition:

- Janusz Niedźwiecki - Chairman of the Supervisory Board
- Mariusz Lewicki - Deputy Chairman of the Supervisory Board,
- Janusz Marzygliński - Member of the Supervisory Board,
- Monika Guzowska - Member of the Supervisory Board,
- Kazimierz Piotrowski - Member of the Supervisory Board,
- Tadeusz Sosgórnik - Member of the Supervisory Board,
- Grażyna Sudzińska-Amroziewicz - Member of the Supervisory Board.

The current term of office of the Supervisory Board ends on the date of the 2030 General Shareholders Meeting.

Expertise of the Supervisory Board and its role in relation to business conduct [ESRS2, GOV-1].

Janusz Niedźwiecki - Chairman

Janusz Niedźwiecki holds a degree in electrical engineering and economy from Gdańsk University of Technology and completed additional studies in management and marketing at Nicolaus Copernicus University. He has been associated with Apator S.A. since 1989, beginning his career in the design department and later moving to the commercial division, where he held increasingly senior positions (manager, then director). In 1998, he joined the Management Board while simultaneously holding the position of Marketing Director, and in 2000 he became its head as the President of the Management Board - General Director and held this position for 13 years. Janusz Niedźwiecki specialises in management, building business strategies and conducting acquisition processes. Under his leadership, Apator S.A. experienced dynamic development, which was based on broadening the product offering, expansion into new markets, and acquisitions of new companies. In the years 2004 - 2012, he transformed the Apator Group into an international group of companies of manufacturers of measuring devices and systems. In 2013, "Forbes" magazine awarded Janusz Niedźwiecki the title of the best CEO of listed companies. Janusz Niedźwiecki has been the Chairman of the Supervisory Board of Apator S.A. for 12 years.

Mariusz Lewicki – Deputy Chairman

Mariusz Lewicki is a graduate of Nicolaus Copernicus University, with a degree in production economics and organisation, as well as postgraduate studies in tax and commercial law. He is an expert in accounting, financial reporting, and management accounting. He gained his experience in Polish industrial companies and was associated with Apator S.A. from 1991 to 1999, where he headed the Accounting Department. Between 2001 and 2007, he served as Chief Financial Officer at one of the Group’s subsidiaries. Lewicki brings over 25 years of supervisory experience gained in numerous entities within both the Apator Group and the Hydrotor Group. He is also a recognised manager and, since 2018, has served as President of the Management Board of the listed electromechanical company PHS Hydrotor S.A. In addition, Lewicki is a long-standing stock market investor and a significant shareholder of Apator S.A.

Janusz Marzygliński – Member of the Supervisory Board

Janusz Marzygliński has a higher technical education. He graduated from the Faculty of Electrical Engineering at the Gdańsk University of Technology, Completed Postgraduate Studies in Organisation and Management for Enterprise Management Staff, and completed a Management and Marketing course in Chicago (USA). He has been associated with Apator since 1971. Over the years, he has served as Head of the Design Department, Company Director, and, from 1993 to 2000, as President of the Management Board of Apator S.A. Marzygliński successfully led the company through the privatisation process and oversaw the transformation of its business model and organisational culture. On 24 April 1997, he rang the famous bell at the Warsaw Stock Exchange, marking Apator S.A.'s debut as the 102nd listed company – This was the beginning of the transformation and dynamic development ofApator S.A.

Marzygliński is a long-term shareholder of Apator S.A. and has extensive supervisory experience as a member of supervisory boards within the Apator Group as well as externally (e.g. Vobacom Sp. z o.o.). In parallel with his supervisory duties, he is co-owner of the manufacturing company Asco Co Ltd.

Monika Guzowska – Member of the Board

Monika Guzowska has a higher legal education obtained at the Faculty of Law and Administration of the Nicolaus Copernicus University in Toruń Monika Guzowska passed the state examination for Members of Supervisory Boards of State Treasury Companies and completed an internship at the Ownership Supervision Department II of the Ministry of the State Treasury in Warsaw. She has participated in numerous training courses, including in the fields of accounting, stock exchange operations and negotiations. Monika Guzowska has been associated with Apator S.A. for many years and has extensive experience in serving as a Member of Supervisory Boards of capital companies.

Kazimierz Piotrowski – Member of the Supervisory Board

Kazimierz Piotrowski holds a degree in economics and postgraduate qualifications in organisation, management, and finance from Nicolaus Copernicus University. He has been associated with Apator for many years and possesses valuable experience in finance, management, and business transformation. In the years 1993 - 2000, as a member of the management board (simultaneously holding the position of Administration Director, and subsequently Financial Director), he co-created the history of Apator in terms of the privatisation and stock exchange debut, laying the foundations for a strong group of companies. From 2005 to 2008, he also served as President of the Management Board of Apator Metrix S.A., a gas meter manufacturer acquired by the Group. Piotrowski specialises in supervisory roles and has over 20 years of experience gained within companies of the Apator Group. He is also a long-term shareholder of Apator S.A.

Tadeusz Sosgórnik – Member of the Supervisory Board

Tadeusz Sosgórnik holds a Master of Science in Mining Electrical Engineering. In 1989, he graduated from the Silesian University of Technology with a specialisation in Mine Electrification and Automation and later completed postgraduate studies in business management.

He has been associated with Apator S.A. for many years. Until 2000 he served as Commercial Director, Simultaneously, from 1996 to June 2020, he held the position of President of the Management Board of Apator Mining Sp. z o.o. with its registered office in Katowice (a company belonging to the Apator Group – a manufacturer of mining equipment). Sosgórnik has extensive experience in management, trade, and restructuring, as well as many years of supervisory experience in both Apator Group companies and external entities (e.g. Indos S.A., Energoaparatura S.A.). He is a significant and long-standing shareholder of Apator S.A., as well as a respected manager and investor.

Grażyna Sudzińska-Amroziewicz – Member of the Board

Grażyna Sudzińska-Amroziewicz is an economist with many years of managerial, supervisory and executive experience in the financial and insurance sectors. She began her career in the area of audit and business consulting, and subsequently, for many years, held directorial and management positions within the structures of Commercial Union and Aviva, where she was responsible, among others, for finance, operations, data analytics, property and casualty insurance management, as well as the balance sheet and financial performance of the companies. Grażyna Sudzińska-Amroziewicz also holds a diploma confirming that she has successfully passed the examination for candidates for members of supervisory bodies in State Treasury companies.

She has extensive practice in managing complex organisational structures, business processes, operational transformations and strategic projects. Her experience also encompasses ownership supervision – she has been a member of the supervisory boards of companies in the manufacturing, clothing and leasing industries, working in audit and nomination committees.

In the years 2024-2025, she was associated with LINK4 TU S.A., where she held the position of a member of the supervisory board delegated to manage the company, and subsequently assumed the position of President of the Management Board, being responsible for managing the transformation of the organisation and cooperation with the regulatory environment.

In her work, she combines a financial approach with the ability to assess processes and manage risk. She is socially engaged, including as a mentor, a member of expert organisations and a supporter of educational and social initiatives.

The number of shares held by the Members of the Supervisory Board at the end of 2025 was as follows:

Item	As of 31 December 2025				
	Shares	Nominal value of shares	Votes	Share in capital, total	Share in votes, total
Janusz Niedźwiecki	255,810	25,581.00	945,117	0.78%	1.73%
Mariusz Lewicki	2,348,000	234,800.00	5,910,128	7.19%	10.82%
Janusz Marzygliński	192,107	19,210.70	555,689	0.59%	1.02%
Monika Guzowska	120	12.00	120	0.00%	0.00%
Kazimierz Piotrowski	587,147	58,714.70	2,107,853	1.80%	3.86%
Tadeusz Sosgórnik	716,898	71,689.80	2,597,592	2.20%	4.76%
Grażyna Sudzińska-Amroziewicz	0	0	0	0.00%	0.00%
Total	**4,100,082**	**410,008.20**	**12,116,499**	**12.56%**	**22.19%**

Members of the Supervisory Board do not hold shares in other companies in the Apator Group.

Principles of appointing and dismissing executives and their rights, in particular the right to decide on the issue or buyout of shares

Members of the Supervisory Board of Apator S.A. are appointed and dismissed by the Shareholders Meeting, which determines the number of members of the Supervisory Board and their remuneration. The members of the Supervisory Board should have due knowledge and experience. The Supervisory Board may consist of 5 to 7 members, elected by the Shareholders Meeting, for a joint term of 5 years. The reduction of the number of members of the Supervisory Board during the term of office to not less than 5 members does not require any addition to the composition of the Supervisory Board.

At the first meeting, the Supervisory Board elects the Chairman and the Deputy Chairman from among its members.

Members of the Supervisory Board are bound by the non-competition clause. Members of the Supervisory Board may not be: Members of the Management Board, Proxies, Chief Accountant employed by the company, Legal Counsel or Lawyer, persons who report directly to a Member of the Management Board. Also, members of the Supervisory Board may not be members of the subsidiary's Management Board.

It is permitted to adopt resolutions by the Supervisory Board in writing or using means of direct remote communication. For the validity of resolutions of the Supervisory Board, it is required that all Members of the

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

Supervisory Board are notified of the content of the resolution of the Supervisory Board. Adoption of resolutions in the above manner does not apply to the election of the Chairman and Deputy Chairman of the Supervisory Board, the appointment of a Member of the Management Board and the dismissal and suspension of a Member of the Management Board.

Resolutions in writing or by means of direct remote communication are adopted by an absolute majority of votes with the participation of:

- at least 3 members, if the Supervisory Board is composed of five members,
- at least 4 members, if the Supervisory Board is composed of five members.

Resolutions of the Supervisory Board are passed by an absolute majority of votes.

The Shareholders Meeting adopts the Regulations of the Supervisory Board.

The Supervisory Board is not authorised to decide on the issue or redemption of shares.

Manner of operation of the Supervisory Board

The manner of operation of the Supervisory Board is specified in the Code of Commercial Companies, the Statute of Apator S.A. and in the Regulations of the Supervisory Board of Apator S.A. The Statute and the Regulations can be found on the website of Apator S.A.: www.apator.com in the Investor Relations tab.

The Supervisory Board supervises the activities of the Company and the group of companies in all areas of their activities through:

- analysing materials obtained from the Management Board, which the Supervisory Board had requested,
- obtaining information and detailed explanations from the Members of the Management Board and other company employees during the meetings of the Supervisory Board,
- activities of the Audit Committee,
- activities of the statutory auditor who, on behalf of the Supervisory Board, reviewed and audited the financial and accounting documentation and the financial statements prepared on its basis.

The Supervisory Board, within the scope of its supervision, concentrates on matters of significant importance for the operation of Apator S.A. and the Apator Group. Moreover, the Supervisory Board executes permanent supervision over the work of the Management Board; however, it is not authorised to give binding orders to the Management Board concerning the way of management of the Company's matters. The description of the activity of the Supervisory Board over a financial year is included in the report on the activity of the Supervisory Board being the subject of discussion and approval by the Shareholders Meeting.

The list of powers of the Supervisory Board can be found in Art. 15, sec. 11 of the Company's Statute. The Supervisory Board performs its duties collectively; however, it may delegate its Members to perform supervisory activities independently.

Pursuant to the provisions of the Statute, the Supervisory Board meets once a quarter or more often if necessary, at the request of the Chairman of the Supervisory Board. In 2024, 24 meetings of the Supervisory Board took place. The Members of the Supervisory Board performed their duties personally, in a composition enabling the adoption of resolutions. All members of the Management Board of Apator S.A. also participated in the meetings of the Supervisory Board of Apator S.A, i.e., in accordance with good practices, in the composition that made it possible to give substantive answers to posed questions. Furthermore, the Management Board provided the Supervisory Board with exhaustive information on all important matters concerning the activity of Apator S.A. and the Apator Group, in particular with regard to: the situation, including its assets, as well as in the operational, investment and human resources areas, and progress in the implementation of the designated directions of development of the company and the Apator Group.

At the meetings of the Supervisory Board, resolutions were adopted on matters that were listed in the agendas sent to the members of the Supervisory Board in notices of the meetings.

An Audit Committee operates within the Supervisory Board, whereas a Nomination Committee and a Remuneration Committee have not been appointed. Those functions are performed by the whole Supervisory Board. However, the functions related to the monitoring of sustainability reporting and its assurance are performed by the Audit Committee.

14.10.4. Audit Committee of the Supervisory Board of Apator S.A.

Composition:

Composition of the Audit Committee in the period from 1 January 2025 to 26 June 2025. was as follows:

- Marcin Murawski - Chair of the Committee,
- Mariusz Lewicki - Member of the Committee,
- Kazimierz Piotrowski - Member of the Committee,

In connection with the expiry of the term of office of the Audit Committee on 25 June 2025, the Supervisory Board elected the Members of the Audit Committee for a new 5-year term of office; therefore, from 25 June 2025 to 31 December 2025, the composition of the Audit Committee was as follows:

- Grażyna Sudzińska-Amroziewicz - Chair of the Committee
- Mariusz Lewicki - Member of the Committee,
- Kazimierz Piotrowski - Member of the Committee.

The term of office of the Audit Committee is the same for its Members and is similar to the term of office of the Supervisory Board.

Principles of appointment and description of the manner of operation of the Audit Committee

The Audit Committee is a body of the Supervisory Board and has been operating in Apator S.A. since 23 September 2009. It is composed of three members, including the Chairman, appointed by the Supervisory Board from among its members.

The purpose of the functioning of the Audit Committee is to liaise with the auditors and advise the Supervisory Board on matters related to:

- separate and consolidated financial reporting and sustainability reporting,
- internal control and risk management,
- internal audits and financial auditing.

The main tasks of the Audit Committee include:

- monitoring the financial reporting process (including: assessment of adopted accounting standards, information circulation, prepared documents and planned changes in that area), and the group of companies' sustainability reporting,
- monitoring the effectiveness of internal control, internal audit, risk management and compliance systems,
- monitoring the performance of auditing activities,
- monitoring the independence of the statutory auditor for the audit of the financial statements and sustainability reports.

The detailed rules of operation of the Audit Committee are set out in the Regulations of the Audit Committee of the Supervisory Board of Apator S.A., which are available on the website of Apator S.A. at: www.apator.com in the "Inwestorzy" (Investors) section.

Pursuant to the Regulations, meetings of the Audit Committee are held as required, but not less frequently than twice a year, before the company publishes its financial statements (semi-annual and annual). In 2025, 11 meetings of the Committee were held, during which 10 resolutions were adopted.

The report on the Audit Committee's activities for a given financial year is part of the report on the activity of the Supervisory Board.

Compliance with the Act on statutory auditors, audit companies and public supervision

To the extent indicated by the Act of 11 May 2017 on statutory auditors, audit companies and public supervision:

- Grażyna Sudzińska-Amroziewicz and Kazimierz Piotrowski meet the independence criteria;
- Grażyna Sudzińska-Amroziewicz and Mariusz Lewicki possess knowledge and skills in accounting or auditing of financial statements:

  Grażyna Sudzińska-Amroziewicz graduated in Economics and Organisation of Foreign Trade from the University of Gdańsk and completed specialised courses in finance and various aspects of management organised by the London Business School (Leadership and Business Development Programme), and the Institut Européen d'Administration des Affaires (GM Programme). In addition, Grażyna Sudzińska-Amroziewicz has professional experience in accounting resulting from holding the following positions:

  - ✓ 1994 – 1999 – Consultant, Senior Consultant - Arthur Andersen Sp. z o.o. - participation in and management of audit and Business Consulting projects,
  - ✓ 1999 – 2001 – Director in the Financial Department – CU TU NA ŻYCIE S.A. - supervision of financial reporting processes in accordance with Polish regulations and international standards, implementation of financial information consolidation processes and responsibility for their execution,
  - ✓ 2002 – 2006 – Member of the Management Board / Company's Financial Director / Financial Controller of the Commercial Union Group - responsibility for reporting, budgeting and consolidating financial and operational information,
  - ✓ 2006 – 2007 – Vice-President of the Management Board (CFO/COO) - Commercial Union PTE BPH CU WBK S.A. - responsibility for all financial and operational matters of the company, excluding investment portfolio management,
  - ✓ 2014 – 2016 – Director of Data Analytics and Business Prediction (Big Data Analytics) - AVIVA Sp. z o.o. - supervision of the execution of effective analyses and predictive inference,
  - ✓ 2007 – 2016 – Vice-President of the Management Board (Chief Executive of Property and Casualty Insurance in Poland) – AVIVA TUO S.A. - management and development of property and casualty insurance across all product lines, responsibility for the full balance sheet and profit and loss account of the company,
  - ✓ 2017 – present – independent Member of Supervisory Boards and Member of Audit Committees of companies listed on the Warsaw Stock Exchange (PCM S.A. – Member of the Supervisory Board in the years 2018 – 2019, VGR S.A. – Member of the Supervisory Board and the Audit Committee in the years 2017 – 2020, SANOK RUBBER Company S.A. – Member of the Supervisory Board and the Audit Committee, 2019 – present). to February 2026). Furthermore, in the years 2024 – 2025 – Member of the Supervisory Board, subsequently President of the Management Board - LINK4 TU S.A. - management of the company across all areas of its operations.

  Mariusz Lewicki graduated from the Faculty of Economic Sciences at the Nicolaus Copernicus University in Toruń in the field of economics and production organisation, he completed Postgraduate Studies in Tax Law and Postgraduate Studies in Commercial Law at the Faculty of Law and Administration at the Nicolaus Copernicus University.

  He gained professional experience in bookkeeping, as well as financial and management accounting, in industrial companies:

  - ✓ 1991 – 1999 – Manager of the Accounting Department at the state-owned enterprise PZAE Apator and Apator S.A. (legal successor of PZAE Apator) – organisation and supervision of the department's work, keeping the company's accounts in accordance with applicable regulations and internal rules, supervision of financial and accounting processes,

- ✓ 1994 – 2001 – Chief Accountant at Reuther Polska Sp. z o.o. and Rotar Poland Sp. z o.o. – keeping the company's accounts in accordance with applicable regulations and internal rules, supervision of financial and accounting processes,
- ✓ 1993 – 2013 – Chief Accountant at ZPDZ "Nagro" – keeping the company's accounts in accordance with applicable regulations and internal rules, supervision of financial and accounting processes,
- ✓ 2001 – 2007 – Financial Director, Proxy at Apator Control Sp. z o.o. (which was a subsidiary of Apator S.A.) – financial management, creation and implementation of the financial strategy, supervision over the budget, accounting and reporting, financial risk management, and cooperation with banks and institutions,
- ✓ 2007 - 2013 - Financial Advisor at Z.P.H.U. Walter,
- ✓ 2008 – 2018 – Deputy Chair of the Supervisory Board of PHS Hydrotor SA (2008 – June 2014), Chair of the Supervisory Board of PHS Hydrotor SA (July 2014 – June 2018), Chair of the Audit Committee of PHS Hydrotor SA (from June 2009 to June 2018), Member of the Audit Committee of PHS Hydrotor SA (July 2017 – June 2018),
- ✓ July 2018 – present – President of the Management Board of PHS Hydrotor S.A. – management of the company across all areas of its operations,
- ✓ 2009 – December 2015 – Chair of the Audit Committee of Apator S.A., subsequently Member of the Audit Committee of Apator S.A. until present – supervision of the company's operations,
- ✓ May 2019 – present – Chairman of the Supervisory Board of Więcborskie Zakłady Metalowe Wizamor Sp. z o.o. – supervision of the company's operations.

- All Members of the Audit Committee have knowledge and skills in the industry in which Apator S.A. operates:

Grażyna Sudzińska-Amroziewicz possesses knowledge and skills regarding the specific nature of a manufacturing company's operations, management and supervision within complex organisational and product-distribution structures, which is confirmed by her graduation from the University of Gdańsk (field of study: Economics and Organisation of Foreign Trade), specialised courses in finance and various aspects of management organised by the London Business School (Leadership and Business Development Programme) and the Institut Européen d'Administration des Affaires (GM Programme), and simultaneously through holding the following position:

- ✓ June 2019 – February 2026 – Member of the Supervisory Board of Sanok Rubber Company S.A. – knowledge of the specific nature of the operations of a multi-product manufacturing enterprise utilising advanced and modern technical and technological solutions, and the functioning of an organisation operating in various countries across different continents, under highly diverse cultural and legal conditions.

Mariusz Lewicki possesses knowledge and skills in the industry in which Apator S.A. operates, which is confirmed by the course of Mariusz Lewicki's professional career to date. He graduated from the Faculty of Economic Sciences at the Nicolaus Copernicus University in Toruń in the field of economics and production organisation, and acquired his skills while holding the following positions:

- ✓ 2000 – present – Member of the Supervisory Board of Apator S.A., since 2010 Deputy Chairman of the Supervisory Board – knowledge of the specific nature of a manufacturing enterprise and the electrical engineering sector in the area of measuring devices and systems for utility distribution companies (electricity metering and switchgear),
- ✓ 2005 – present – Chairman of the Supervisory Board of Apator Mining Sp. z o.o. (a subsidiary of Apator S.A.) – knowledge of the specific nature of a manufacturing enterprise and the electrical

engineering sector in the area of mining machinery and equipment, which the company conducted until the end of 2018,

- ✓ 2007 – present – Chairman of the Supervisory Board of Apator Metrix S.A. (a subsidiary of Apator S.A.) – knowledge of the specific nature of a manufacturing enterprise and the electrical engineering sector in the area of the production of measuring equipment for utility distribution companies (gas metering),
- ✓ 2014 – 2022 – Member of the Supervisory Board of Apator Elkomtech S.A. (an entity incorporated into Apator S.A. since 2022) – knowledge of the specific nature of a manufacturing enterprise and the electrical engineering sector in the area of the production of systems supporting the operations of power services in transmission and distribution of energy (control and supervision systems),
- ✓ 2020 – present – Member of the Supervisory Board of Apator Powogaz S.A. (a subsidiary of Apator S.A.) – knowledge of the specific nature of a manufacturing enterprise and the water and sewerage sector in the area of the production of water meters, heat meters and heat cost allocators,
- ✓ 2008 – present – Deputy Chairman of the Supervisory Board of PHS Hydrotor S.A. (2008 – June 2014), Chairman of the Supervisory Board of PHS Hydrotor S.A. (July 2014 – June 2018), Chair of the Audit Committee of PHS Hydrotor S.A. (June 2009 – June 2018), Member of the Audit Committee of PHS Hydrotor S.A. (July 2017 – June 2018), President of the Management Board of PHS Hydrotor S.A. (July 2018 – present), Chairman of the Supervisory Board of Więcborskie Zakłady Metalowe Wizamor Sp. z o.o. (May 2019 – present) – knowledge of the specific nature of a manufacturing enterprise and the electrical engineering sector in the area of the production of mechanical devices,
- ✓ 2015 – present – Deputy Chairman of the Supervisory Board of Agromet ZEHS Lubań S.A. (June 2015 – June 2018), Chairman of the Supervisory Board of Agromet ZEHS Lubań S.A. (July 2018 – present) – knowledge of the specific nature of a manufacturing enterprise and the hydraulic cylinder production sector.

Kazimierz Piotrowski holds a university degree in economics. He graduated in Industrial Economics and completed postgraduate studies in organisation, management and finance at the Nicolaus Copernicus University in Toruń. Kazimierz Piotrowski has been associated with Apator S.A. for many years and has gained experience in the areas of finance, management and business transformation. Kazimierz Piotrowski possesses knowledge and skills in the industry in which Apator S.A. operates, which is confirmed by the course of his professional career to date:

- ✓ 1993 – 2000 – Member of the Management Board of Apator S.A., including: Administrative Director (1993 – 1998 – management and supervision of the administration's functioning) and Financial Director (1998 – 2000 – company's financial management, budget supervision, forecasting and risk management), previously he worked in managerial positions in the state-owned enterprise of which Apator S.A. is the legal successor. – knowledge of the specific nature of a manufacturing enterprise and the electrical engineering sector in the area of the production of measuring devices and systems for utility distribution companies (electricity metering and switchgear),
- ✓ 2005 – 2008 – President of the Management Board of Apator Metrix S.A. (a subsidiary of Apator S.A.) – management of the company across all areas of its operations – knowledge of the specific nature of a manufacturing enterprise and the electrical engineering sector in the area of the production of measuring equipment for utility distribution companies (gas metering),
- ✓ 2009 – 2013 – Chairman of the Supervisory Board of FAP Pafal S.A. (a subsidiary of Apator S.A.) – knowledge of the specific nature of a manufacturing enterprise and the electrical engineering sector in the area of the production of measuring devices for utility distribution companies (electricity metering),
- ✓ 2001 – present – Member of the Supervisory Board of Apator Mining Sp. z o.o. (a subsidiary of Apator S.A.) – knowledge of the specific nature of a manufacturing enterprise and the electrical engineering

sector in the area of the production of mining machinery and equipment, which the company conducted until the end of 2018,

- ✓ 2013 – present – Member of the Supervisory Board of Apator Metrix S.A. (a subsidiary of Apator S.A.) – knowledge of the specific nature of a manufacturing enterprise and the electrical engineering sector in the area of the production of measuring equipment for utility distribution companies (gas metering),
- ✓ 2015 – present – Member of the Supervisory Board of Apator S.A., Member of the Audit Committee – knowledge of the specific nature of a manufacturing enterprise and the electrical engineering sector in the area of the production of measuring devices and systems for utility distribution companies (electricity metering and switchgear).

Information regarding the procedure for selecting a statutory auditor for the audit of financial statements and assurance of sustainability reporting

When selecting an audit firm for the audit of financial statements and assurance of sustainability reporting, transparent and clear selection criteria are applied. The main of those are:

- experience in the audit of financial statements or assurance of sustainability reporting of public interest entities,
- experience in the area of risk management, internal control, IT control and corporate governance,
- maintenance of the principles of impartiality and independence of the audit firm,
- no conflict of interest,
- optimisation of the costs of the audit of financial statements or assurance of sustainability reporting,
- fulfillment of the requirements regarding independence and competencies enabling the proper execution of the audit of financial statements and assurance of sustainability reporting,
- positive verification of findings or conclusions concerning the audit firm contained in the annual report referred to in Article 90 sec. 5 of the Act on Statutory Auditors, which may affect the selection of the audit firm,
- positive verification of the annual transparency report published by the audit firm in accordance with the requirement of Article 13 of Regulation No. 537/2014.

In the process of selecting audit firms, the rotation principle is applied for a period not longer than 10 years, while in the process of selecting a key statutory auditor by the selected audit firm, the rotation principle is applied for a period not longer than 5 years.

The provision of permitted non-audit services is only possible to the extent not related to the Company's tax policy, following the approval of the Audit Committee and assessment of the risks and independence safeguards. The scope of the provision of other non-audit services is in line with the provisions of the Act of 11 May 2017 on statutory auditors, audit companies and public supervision.

Statutory auditor authorised to review and audit separate and consolidated financial statements

The entity authorised to review and audit the separate and consolidated financial statements for the years 2024–2025 is KPMG Audyt Sp. z o.o. sp. k. with its registered office in Warsaw. The agreement for the audit of the financial statements was concluded on 10 July 2024. The selection of the statutory auditor was made following the procedure for selecting a statutory auditor in place at the company.

The Audit Committee, after conducting an assessment of threats and safeguards to independence, on 8 July 2024, consented to the provision by the statutory auditor – KPMG Audyt Sp. z o.o. sp. k. – of additional services permitted under Article 136 sec. 2 of the Act of 11 May 2017 on statutory auditors, audit companies and public supervision consisting of:

- assessment of the correctness of the tagging of the consolidated financial statements for the years 2024 and 2025 in the XBRL format, in accordance with the European Single Electronic Format (ESEF) introduced by ESMA,

- assessment of the Supervisory Board's remuneration report for the years 2024 and 2025, in accordance with the requirements of Article 90g, sec. 10 of the Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organised trading, and public companies.

The total remuneration of KPMG Audyt Sp. z o.o. sp.k. for the audit of the financial statements within the Apator Group for the year 2025 amounted to PLN 988 thousand.

In addition to the remuneration specified above, the Apator Group also covers other documented audit-related expenses (including travel and accommodation costs). Further information in this regard is provided in point 7.35 of the consolidated financial statements.

Statutory auditor authorised for the assurance of the sustainability report

The entity authorised for the assurance of the sustainability report, which constitutes a part of this Management Board's report for the year 2025, is PKF Consult Sp. z o.o. sp. k. with its registered office in Warsaw. The agreement for the assurance of sustainability reporting was concluded on 4 November 2025 following the statutory auditor selection procedure.

In 2025, PKF Consult Sp. z o.o. sp.k. did not provide any other services to the Apator Group. The remuneration for the assurance of the ESG report for the year 2025 will amount to PLN 129 thousand.

The Audit Committee systematically monitors the financial reporting and financial audit processes, monitors the processes of preparing sustainability reporting, and presents significant information in this regard to the Supervisory Board.

14.10.5. Management Board

Composition:

From 1 January to 25 June 2025, the Management Board of Apator S.A. operated in the following two-person composition:

1. Maciej Wyczesany – President of the Management Board,
2. Łukasz Zaworski – Member of the Management Board,

In connection with the expiry of the term of office of the Management Board on 25 June 2025 the Supervisory Board on 26 June 2025 appointed Maciej Wyczesany for a new term of office to hold the position of President of the Management Board; therefore, from 26 June 2025, until 31 December 2025 the Management Board of Apator S.A. operated in the following composition:

1. Maciej Wyczesany – President of the Management Board,
2. Łukasz Zaworski — Member of the Management Board.

The joint three-year term of office of the Management Board ends on the date of the Ordinary General Shareholders Meeting in 2028.

Maciej Wyczesany

President of the Management Board
General Director of Apator S.A.

Appointed to the current term of office on 26 June 2025.

He directs the work of the Management Board of Apator S.A. and is responsible for the strategy and development directions of Apator S.A. and the Apator Group.

Łukasz Zaworski

Member of the Management Board
Product Development Director

Appointed to the current term of office on 26 June 2025.

He shares responsibility for managing the affairs of the Management Board of Apator S.A. as well as creating and implementing the Apator Group's strategy in the area of product development.

Expertise of the Management Board and its role in relation to business conduct (ESRS2, GOV-1).

Maciej Wyczesany – President of the Management Board, CEO

Maciej Wyczesany is a graduate in Economics from the Nicolaus Copernicus University in Toruń and has completed the IMD programme "Digital Disruption in Business". He is a manager with over 25 years of experience gained in industrial companies with both Polish and international capital. In the years 2009–2022, he held the positions of Financial Director and Member of the Management Board at DOVISTA Polska Sp. z o.o., belonging to the Danish VKR Group, a manufacturer of windows and doors, which includes Velux, among others. Between 2006 and 2009, he was CFO and Chief Accountant at Gunnebo Industries, a construction-sector company belonging to a Swedish group of companies. He was responsible, among other things, for mergers and acquisitions and investment processes aimed at increasing company value. He directly managed finance, controlling, HR, and IT functions. He has led projects involving the development and implementation of company strategies, team building, and organisational culture transformation. Since March 2023, he has headed Apator S.A., a company at the centre of an international group of companies, and also sits on the Supervisory Boards of Group companies to ensure closer ownership oversight.

Areas of responsibility:

- setting directions and operationalisation of strategy of Apator S.A. and the Apator Group.
- supervision over companies in the Apator Group and over consolidated financial results
- supervision over matters of the Management Board of Apator S.A. and managing its works in line with the Code of Commercial Companies Code, the Statute of Apator S.A. and internal regulations in force in Apator S.A.
- supervision of the following areas within Apator S.A.: finance, procurement, production, technology, marketing and sales, investor relations, communication, and PR.

Łukasz Zaworski – Member of the Management Board - Product Development Director

Łukasz Zaworski holds a degree in Technical Physics from the Nicolaus Copernicus University and a PhD in Technical Sciences in the field of Electronics from Wrocław University of Science and Technology. He also completed postgraduate Executive MBA studies at the SGH Warsaw School of Economics.

He has been associated with Apator S.A. since 2011. Initially, he worked as an R&D project manager, and since 2018, he held the position of Director of Measuring Equipment and Systems Development and Proxy for Research and Development in the Apator Group. From 2023, he has been a member of the Management Board of Apator S.A.

Zaworski is an expert in the field of electricity metering and has co-developed the company's portfolio of meters and related products. He has extensive experience in managing R&D teams and analysing market needs. He is responsible for product- and market-driven innovation as well as continuous improvement of the product offering. He has also served for many years on the Supervisory Boards of companies within the Apator Group. He is a member of the Board of Directors of the Danish company Apator Miitors ApS – a research and development unit focused on ultrasonic technology for water and heat metering.

Areas of responsibility:

- performance of the strategy of Apator S.A. in the scope of development of new and existing products,
- cooperation with sales departments in the scope of market needs, analyses and market trends as well as plans for the development and commercialisation of products,
- supervision of the development and implementation of new products into production and the market,
- coordination of product development strategy at the level of the Apator Group,
- coordination of R&D budgets and optimisation of the use of resources of the Group,
- sustainable development and supervision of ESG strategy implementation.

Principles of appointing and recalling executives and their rights, in particular the right to decide on the issue or buyout of shares

Members of the Management Board of Apator S.A. are appointed and dismissed in accordance with the provisions of the Code of Commercial Companies and the Statute of the Company. the Management Board of Apator S.A. consists of one to six members appointed for three years by the Supervisory Board for a joint term of office. The Supervisory Board adopts resolutions on:

- determination of the number of Members of the Company's Management Board,
- appointment of the President of the Management Board and then, at the request of the President, of other Members of the Management Board,
- dismissal of Members of the Company's Management Board,
- suspending all or individual Members of the Management Board for important reasons,
- delegating Members of the Supervisory Board to temporarily perform the duties of Members of the Management Board,
- remuneration for the Management Board taking into account its motivational character.

The Members of the Management Board may be dismissed at any time by the Supervisory Board or the Shareholders Meeting before the expiry of their term of office. This does not prejudice their claims under their employment contract.

Description of the manner of operation of the Management Board

the Management Board of Apator S.A. acts based on the provisions of the Code of Commercial Companies, the Statute of the Company and the Regulations of the Management Board of Apator S.A. The Regulations of the Management Board are adopted by the Supervisory Board.

The work of the Management Board is supervised by the President of the Management Board. Resolutions of the Management Board are passed by an absolute majority of votes. In the case of an equal number of votes, the casting vote is held by the President of the Management Board.

Two Members of the Management Board acting jointly, a Member of the Management Board acting jointly with a Proxy or two Proxies acting jointly are authorised to make statements regarding the Company's property rights and obligations and to sign them. Each member of the Management Board has the right and obligation to manage the Company's affairs, not exceeding the scope of the Company's ordinary activities.

Proxies are appointed by the Management Board. The granted power of attorney may be revoked by any Member of the Management Board. Members of the Management Board and Proxies are bound by a non-competition clause.

The Management Board supervises the overall operation of the company, represents the company externally, manages its assets and all matters not reserved for other bodies, is responsible for the proper keeping of the company's accounts and strictly adheres to the provisions of the Statute, the Regulations of the Management Board and resolutions of the company's authorities. While performing its activities, the Management Board takes into account both the interest of the company and the whole Apator Group. When making decisions on matters related to the company, the Members of the Management Board act within the limits of justified economic risk, i.e. after consideration of all information, analyses and opinions, which, in the opinion of the Management Board, should be taken into consideration in a given case taking into account the interest of the company and the Apator Group. The legitimate long-term interests of shareholders, creditors, employees, other entities and persons cooperating with the company in the field of economic activity, as well as the interests of local communities are taken into account. The Management Board acts with particular care to ensure that all transactions with persons whose interests affect the interests of the company are made on an arm's length basis.

The Management Board is not authorised to decide on the issue or redemption of shares.

14.11. Remuneration Policy [ESRS 2 GOV-3]

The Remuneration Policy for Members of the Management Board and the Supervisory Board was adopted by the Ordinary General Meeting of Apator S.A. pursuant to art. 90d of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 (consolidated text Dz. U. /Journal of Laws/ of 2019, item 623 as amended, hereinafter referred to as the Act on Public Offering, adopted the Remuneration Policy for the Members of the Management Board and Supervisory Board.

The Remuneration Policy defines the principles for remunerating the Company's Management Board in a manner that supports the implementation of the long-term business strategy, long-term interests, and stability of the Apator Group.

The full and up-to-date content of the Remuneration Policy is available on the website: www.apator.com in the "Inwestorzy" (Investors) tab.

Remuneration of the Members of the Management Board

The remuneration system for members of the Management Board of Apator S.A. consists of fixed remuneration - basic remuneration and variable remuneration - annual bonuses granted by the Supervisory Board. The Supervisory Board may establish different bases for the legal relationship for individual members of the Management Board, and may also establish different rates of remuneration for individual members of the Management Board for the management of the Company, but regardless of this, the principles for dividing the remuneration of a given member of the Management Board into basic remuneration and variable remuneration must remain the same, regardless of the basis of the legal relationship applied.

Components of the remuneration of a Member of the Management Board:

Basic remuneration	Basic remuneration is paid monthly in the amount set out in a resolution of the Board, on the date of payment of the remuneration to the Company's employees. The amount of basic remuneration is determined by the Supervisory Board, taking into account the expectations of the Member of the Management Board, the company's achieved profit level and remuneration benchmarks.
Variable remuneration	Variable remuneration represents up to 80% of basic remuneration and is paid in the form of an annual bonus on the date following the approval of the Company's financial statements by the General Shareholders Meeting. The payment of the annual bonus depends on the achievement of certain management objectives by the individual Members of the Management Board and on the Company's performance. The management objectives are primarily financial and non-financial indicators. The Supervisory Board may differentiate the targets set for individual Members of the Management Board, also taking into account any additional functions entrusted to them. The level of performance of the objectives is the basis for granting the annual bonus to the Management Board of Apator S.A.
Additional non-cash benefits	Each Member of the Management Board may also receive additional non-cash benefits from the Company, under the principles applicable to the Company's employees, such as: • contribution to the costs of renting an apartment, • co-financing of benefits available to the Company's employees (multisport card and medical package, additional life and motor insurance), • company car for private use. The Company does not offer additional pension schemes and does not grant remuneration in the form of financial instruments.

Upon termination of the employment relationship, the Members of the Management Board may be entitled to severance pay in the amount of

3 months' gross basic salary and the possibility of obtaining compensation for non-competition (if decided so by the Supervisory Board).

Gross remuneration of the Members of the Management Board for the 2025 term of office is as follows:

Item	Remuneration from Apator SA for 2025				Remuneration from other Apator Group companies, including bonus provisions for 2025 or bonuses for 2024 paid in 2025, and non-wage benefits.	Overall remuneration
	fixed remuneration (employment contract, appointment to the Management Board, contract for provision of services)	remuneration from other titles (sick pay, sickness benefit, inventions, severance pay, non-competition)	bonus (paid and provisions for bonuses) for 2025	non-salary benefits (company car, health package, life insurance)		
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Maciej Wyczesany	852.00		609.6	18.5	102.18	**1,582.28**
Łukasz Zaworski	538.66	0.98	270	8.51	67.76	**885.91**
Total	**1,390.66**	**0.98**	**879.60**	**27.01**	**169.94**	**2,468.19**

In 2025, members of the Management Board were members of the governing bodies of the following subsidiaries:

- Maciej Wyczesany - Member of the Supervisory Board of Apator Metrix S.A.
  - Member of the Supervisory Board of Apator Powogaz S.A.
  - Member of the Supervisory Board of Apator Rector Sp. z o.o. (until 17 June 2025)
- Łukasz Zaworski - Member of the Supervisory Board of Apator Rector Sp. o.o.
  - Member of the Board of Directors of Apator Miitors ApS.
  - Member of the Supervisory Board of Apator Powogaz Czechia s.r.o. (until 31 August 2025)

The remuneration of the Members of the Management Board is determined based on transparent procedures and principles, taking into account its incentive nature and ensuring effective and smooth management of the company. The remuneration meets the criteria of the scope of responsibility resulting from the performed function and remains in reasonable relation to the level of remuneration of the members of management boards in similar companies in a comparable market.

Remuneration of the Members of the Supervisory Board

The basis for remuneration of the Members of the Supervisory Board for performing their functions in the supervisory body are resolutions of the Shareholders Meeting. The principles of remuneration of a Member of the Supervisory Board may be set out in the resolution appointing a Supervisory Board Member or in a separate resolution.

Remuneration of the Members of the Supervisory Board

Basic remuneration	A Member of the Supervisory Board receives remuneration in the form of a fixed monthly amount determined by resolution of the General Shareholders Meeting, irrespective of attendance at meetings of the Supervisory Board. The remuneration of the Members of the Supervisory Board is paid on the same date as the remuneration of the Company's employees.

Variable remuneration	Members of the Supervisory Board do not receive additional remuneration in the form of a bonus.
Additional non-cash benefits	Each Member of the Supervisory Board may receive additional non-cash benefits from the Company, under the principles applicable to the Company's employees, such as: • co-financing of benefits available to the Company's employees (multisport card and medical package, additional life and motor insurance), • ECP, The Company does not offer additional pension schemes and does not grant remuneration to the Members of the Supervisory Board in the form of financial instruments.

Members of the Supervisory Board, pursuant to Art. 392, sec. 3 of the Code of Commercial Companies and Partnerships are entitled to the reimbursement of expenses (e.g. business trips) related to the performance of their duties.

Until 25 June 2025, the remuneration level of the Supervisory Board was adopted by the Ordinary General Meeting on 2 July 2020 and amounted to:

- Chairman of the Supervisory Board - PLN 8,500 gross per month,
- other Members of the Supervisory Board - PLN 7,000 gross per month,
- allowance for serving in committees of the Supervisory Board - PLN 1,500 gross per month.

On 25 June 2025, the Ordinary General Meeting adopted a new remuneration level, determined by resolution no. 27/VI/2025, which amounts to:

- for the Chairman of the Supervisory Board – PLN 11,000 gross monthly,
- for the other Members of the Supervisory Board – PLN 9,000 gross monthly,
- allowance for holding a position in committees of the Supervisory Board – PLN 2,000 gross monthly.

Remuneration of the Members of the Supervisory Board did not constitute a significant item of the company's operating costs and did not significantly affect its financial result.

The remuneration of individual Members of the Supervisory Board obtained for 2025 is as follows:

Item	Fixed remuneration from Apator S.A. PLN thousand	Additional non-cash benefits from Apator S.A. PLN thousand	Remuneration from other companies of the Apator Group PLN thousand	Overall remuneration PLN thousand
Janusz Niedźwiecki	117.50		0.00	117.50
Mariusz Lewicki	117.50	1.70*	115.05	234.25
Janusz Marzygliński	96.40		30.43	126.83
Monika Guzowska (since 26 June 2025)	55.80		76.00	131.80
Grażyna Sudzińska-Amroziewicz (since 26 June 2025)	68.20		0.00	68.20
Kazimierz Piotrowski	117.50		64.00	181.50
Tadeusz Sosgórnik	96.40	1.22*	248.56	346.18
Danuta Guzowska (until 25 June 2025)	40.60		0.00	40.60
Marcin Murawski (until 25 June 2025)	49.30	0.87*	0.00	50.17
Total	**759.20**	**3.79**	**534.04**	**1,297.03**

**) Employee Capital Plans (PPK)*

In 2025, Members of the Supervisory Board of Apator SA also performed functions in the bodies of the companies of the Apator Group, which involved receiving remuneration from those companies:

- Mariusz Lewicki
  - Chairman of the Supervisory Board of Apator Metrix S.A.,
  - Chairman of the Supervisory Board of Apator Mining Sp. z o.o.,
  - Member of the Supervisory Board of Apator Powogaz S.A.

- Janusz Marzygliński - Chairman of the Supervisory Board of Apator Rector Sp. z o.o.,
- Kazimierz Piotrowski - Deputy Chairman of the Supervisory Board of Apator Metrix S.A.,
  - Member of the Supervisory Board of Apator Mining Sp. z o.o.,
- Tadeusz Sosgórnik - Chairman of the Supervisory Board of Apator Powogaz S.A.,
  - Chairman of the Supervisory Board of FAP Pafal S.A.,
  - Member of the Supervisory Board of Apator Rector Sp. o.o.
  - Commercial Director of Apator Mining Sp. z o.o.,
- Monika Guzowska - Member of the Supervisory Board of FAP Pafal S.A. (in liquidation),
  - Member of the Supervisory Board of Apator Metrix S.A.

The Supervisory Board, pursuant to Art. 90g of the Act of 29th July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (Dz. U. /Journal of Laws/ of 2005 no. 184, item 1539) is obliged to prepare a report on the remuneration of the Members of the Management Board and Supervisory Board for the year 2025, which will constitute a separate document. The report will be published at the moment of convening the Ordinary General Shareholders Meeting of Apator S.A.

14.12. Diversity policy

The purpose of the diversity policy in Apator S.A. is to build awareness and an organisational culture open to diversity, which leads to an increase in work efficiency and counteracts discrimination. Based on the Code of Ethics in force, the basis of diversity management in Apator S.A. is the creation of equal opportunities in access to professional development and promotion.

When appointing the company's authorities and key managers, the company strives to ensure versatility and diversity, particularly in respect of gender, educational branch, age and professional experience. High qualifications and substantive preparation for performing a specific function are the aspects that matter most.

14.13. Sponsorship policy

The Sponsorship Policy supports the strategy of building brand awareness and strengthening its image, and constitutes a part of external promotion, while simultaneously ensuring compliance with corporate governance principles and respecting the rules of effective resource management.

The aim of the Company's Sponsorship Policy is to support the development of local communities by engaging in selected local initiatives, particularly of a sports nature, and to strengthen the image of a company that has a positive impact on its immediate surroundings.

In 2025, the Apator Group allocated 0.47% of the consolidated adjusted net profit to sponsorship and charitable activities. As part of their sponsorship activities, the Group companies cooperated, among others, with:

- Twarde Pierniki sports club,
- Warta Poznań sports club,
- Lechia Zielona Góra sports club,
- Academic Sports Association of the Nicolaus Copernicus University in Toruń,
- Children's Creative Art Centre and Gallery – XXIV International Biennale of Children and
- Youth Art Competition,
- Inter-school Student Sports Club Wieża Kórnicka,
- Organiser of the Grzegorz Ciechowski Festival in Tczew,

In the area of charity activity, donations were made to the following institutions:

- The More Beautiful World Foundation,
- Stowarzyszenie Hospicjum Światło (Hospice Association "Light") in Toruń,
- Association of Polish Mechanical Engineers and Technicians,
- Vabank Orchestra Association,
- Creative School Association,
- Toruń Fencing School.
- Szlachetna Paczka (Noble Gift) 2025

Signatures

28 April 2026

Maciej Wyczesany

signed with a qualified electronic signature

President of the Management Board, General Director of Apator S.A.

28 April 2026

Łukasz Zaworski

signed with a qualified electronic signature

Member of the Management Board, Product Development Director