



Ladies and Gentlemen, Dear Shareholders, Customers and Collaborators,

please find the summary of the activity of the Apator Group in 2023. Recent years have been the period of strong geopolitical shocks having a destabilising influence on the whole global market. In 2023, in spite of the still unfavourable macro environment for entrepreneurs, the Apator Group generated record revenue in the amount of over PLN 1.1 billion and due to diversification of its business activity and intensive work on the efficiency of our company, the Group also generated better margins than in the previous years.

During that period, the Group focused on seeking market opportunities and new sales directions to replace the more difficult ones to reach for market and political reasons. At the moment, the most challenging business area for the Group is the Gas segment, the prospects of which are strongly correlated with energy policy and the approach to gas fuel in the EU. The strategy for that segment is to diversify the offer in the event of Europe's faster shift away from fossil fuels. Due to the uncertainty of the development direction of the gas meter market, the Group has undertaken development works on new solutions to attract new groups of customers.

In other areas, the prospects of Grupa are very promising. The Apator Group benefits from favourable trends and legal changes related to the transformation in the economy and the upgrading of electricity and water utility networks. There is a growing demand observed for solutions in the field of energy efficiency, smart and ultrasonic metering, as well as management of distributed energy sources. In response to that, the Group has been developing its portfolio of solutions for wind farms and photovoltaics, as well as implementing energy storage solutions. Our customers - including the leading national operators as well as smaller entities (the so-called OSDN), local authorities and private investors - are looking for effective and comprehensive technical solutions for, i.a. efficient utility management, network balancing and the reduction of excessive loads during peaks in energy production from renewable sources.

It is worth emphasising that the Apator Group has unique nationwide competence in creating solutions for the measurement and management of all energy utilities and water, it develops proprietary solutions based on its R&D teams, has solid manufacturing facilities and offers technical support and on-site service. The Group operates transparently and ethically, it is open to verification by its customers and delivers safe, resource-efficient products - we hope that those strengths will be recognised and appreciated by our business partners, who are committed to building local content and care about Europe's technological sovereignty.

We entered another year, 2024, with new energy. We are confident that the unblocked EU funds and good climate for change will boost investment and accelerate the transformation of all sectors in which we operate. Europe is consistently pursuing its chosen direction of decarbonisation, decentralisation and digitisation of the energy market and the economy as a whole. Our solutions fit into this strategy perfectly well, which will allow us not only to implement new, ambitious projects and market initiatives but also provide our Shareholders with the return on their investment they deserve.

Maciej Wyczęsany

President of the Management
Board of Apator S.A.