

Report of the independent statutory auditor

For the Shareholders of Apator S.A.

Opinion

We have conducted an audit of the accompanying condensed semi-annual separate financial statements of Apator S.A. ("Company"), which include:

- condensed separate statements of financial position as at 30 June 2024;
- condensed separate statements of profit or loss and other comprehensive income prepared for the period from 1 January to 30 June 2024 and for the period from 1 April to 30 June 2024;

prepared for the period from 1 January to 30 June 2024:

- condensed separate statements of changes in equity;
- condensed separate statements of cash flows; and
- explanatory notes to the condensed consolidated semi-annual statements ("condensed semi-annual separate financial statements"), including a

summary of significant accounting policies.

In our opinion, the accompanying condensed semi-annual separate financial statements of the Company have been prepared, in all material aspects, in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as adopted by the European Union.



Basis for the Opinion

The audit was conducted in accordance with the provisions of the National Auditing Standards as set forth in the International Standards on Auditing as adopted by the National Council of Statutory Auditors and the Council of the Polish Agency for Audit Oversight ("NAS").

Our responsibility under these regulations was further described in the section of our report "Statutory Auditor's Responsibility" for the audit of the condensed semi-annual separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and ethics

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Standards of Independence) of the International Ethics Standards Board for Accountants ("IESBA Code"), adopted by a resolution of the National Council of Statutory Auditors, and other ethical requirements applicable to our audit of the separate financial statements in Poland, and we have fulfilled all of our ethical responsibilities under those requirements and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional opinion, were most significant during the audit of the condensed semi-annual separate financial statements for the current reporting period. They encompass the most significant assessed risks of material misstatement, including assessed risks of material misstatement due to fraud. We addressed these matters in the context of our audit of the condensed semi-annual separate financial statements as a whole, and while forming our opinion we summarised our response to those risks. We do not provide a separate opinion on those matters. We identified the following key audit matters:

Revenue recognition from contracts with customers

Revenue from contracts with customers for the period from 1 January to 30 June 2024: PLN 274,365 thousand (for the period from 1 January to 30 June 2023: PLN 223,074 thousand).

Revenue from contracts with customers for the period from 1 April to 30 June 2024: PLN 146,091 thousand (for the period from 1 April to 30 June 2023: PLN 109,161 thousand).

Reference to the condensed semi-annual separate financial statements: Note 7.16 *Revenues*.

Key audit matter	Our response
<p>In the three- and six-month periods ending on 30 June 2024, the Company's main revenue streams included the sale of measuring equipment amounting to PLN 100,178 thousand and PLN 188,347 thousand, the sale of switchgear amounting to PLN 32,920 thousand and PLN 59,287 thousand, and automation revenue amounting to PLN 12,993 thousand and PLN 26,731 thousand.</p> <p>Sales revenues is one of the key performance indicators of the Company's operations, the bonus system of its Head,</p>	<p>Our audit approach in this area included, among others:</p> <ul style="list-style-type: none"> - assessing the Company's accounting policy regarding revenue recognition in accordance with relevant financial reporting standards; - assessing the design and implementation of selected internal controls, including those related to the timing of revenue recognition, as well as the Company Head's segregation of duties among personnel involved in

<p>and is also of interest to analysts and investors. This significantly increases the risk of manipulation through the recognition of non-existent sales transactions in the separate financial statements.</p> <p>Moreover, the application of the financial reporting standard governing the recognition of sales revenue is complex and requires the Company Head's professional judgment. This complexity arises particularly from the diverse customer base across all revenue streams and the variety of sales terms applied in the Company's customer contracts, which increases the risk of assigning revenue to the incorrect reporting period. The Company's customers include both domestic and foreign contractors, therefore, it is necessary to closely monitor the fulfilment of delivery conditions, which determine the recognition of sales in the correct reporting period.</p> <p>For these reasons, we considered that the recognition of sales revenue in the condensed semi-annual separate financial statements carries a significant risk of misstatement. These matters were therefore the subject of our special attention and were considered a key audit matter.</p>	<ul style="list-style-type: none"> - sales revenue recognition to reduce the risk of manipulation; - analysing significant credit notes issued after the end of the reporting period to assess the accuracy of revenue recognition in the audited period; - obtaining independent confirmations from customers regarding: <ul style="list-style-type: none"> o a selected sample of unpaid sales invoices as of 30 June 2024, issued by the Company to unrelated customers, and o all balances as of 30 June 2024, in relation to related entities; - analysing a sample of sales transactions recognised by the Company immediately before and after the reporting date to assess the accuracy of revenue assignment to the appropriate period by inspecting the relevant accounting documents, including customer contracts, sales invoices, release documents, and waybills, and critically evaluating: <ul style="list-style-type: none"> o the fulfilment of revenue recognition criteria, including the obligation of the parties to perform their duties and the likelihood of the Company receiving the payment due; o the accuracy of identifying the moment of transfer of control and the recognition of revenue in the relevant period and amount; - reviewing a sample of sales transactions during the audited period to reconcile recorded revenue with source documents such as invoices, payment confirmations, and other documents evidencing the execution of the transaction; - evaluating the accuracy and completeness of disclosures in the condensed semi-annual separate financial statements regarding the recognition of sales revenue in accordance with applicable financial reporting standards.
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Other matters – comparative data

The separate financial statements of the Company for the financial year ended 31 December 2023 were audited by another statutory auditor, who issued an unqualified opinion on 25 April 2024.

Similarly, the condensed semi-annual separate financial statements for the period ending 30 June 2023, were audited by another statutory auditor, who issued an unqualified opinion on 29 August 2023.

Responsibility of the Head and the Supervisory Board of the Company for the condensed semi-annual separate financial statements

The Head of the Company is responsible for the preparation and presentation of the condensed semi-annual separate financial statements in accordance with the requirements of International Accounting Standard 34 *Interim Financial Reporting*, as approved by the European Union, and for such internal control as the Head of the Company determines is necessary to ensure that the condensed semi-annual separate financial statements are free from material misstatement due to fraud or error.

By drawing up the condensed semi-annual separate financial statements, the Company's Head is responsible for the assessment of the Company's ability to continue its operations, the disclosure, if applicable, of issues relating to the continued operation and for accepting the going-concern assumption as the basis of accounting, except when the Head of the Company either intends to liquidate the Company or cease operations or has no realistic alternative to liquidate the Company or cease operations.

In accordance with the Accounting Act of 29 September 1994 (the "Accounting Act"), the Company's Head and the members of the Supervisory Board are required to ensure that the condensed semi-annual separate financial statements meet the requirements outlined in this Act. The members of the Supervisory Board of the Company are responsible for supervising the financial reporting process of the Company.

Responsibility of the statutory auditor for the audit of the condensed semi-annual separate financial statements

Our objectives are to obtain reasonable assurance whether the condensed semi-annual separate financial statements as a whole are free from material misstatement due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NAS will always detect a material misstatement when it exists. Misstatements may result from fraud or error and are considered material if it can reasonably be expected that individually or in the aggregate, they could influence the economic decisions of the users taken on the basis of these condensed semi-annual separate financial statements.

As part of an audit in accordance with NAS, we exercise professional judgment and maintain professional scepticism throughout the audit and we also:

- we identify and assess the risks of the material misstatement of the condensed semi-annual separate financial statements, whether due to fraud or error, design and conduct review procedures which correspond to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of failing to detect the material misstatement due to fraud is higher than the risk resulting from an error, because fraud can involve collusion, forgery, deliberate omissions, misrepresentation or circumvention of internal control;
- we get an understanding of the internal control corresponding to the review in order to design review procedures that are appropriate under particular circumstances, however, not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;



- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Head;
- reach a conclusion on the adequacy of applying the going-concern principle by the Head of the Company as the basis of accounting, and, on the basis of the audit evidence obtained, on whether there is significant uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report on the condensed semi-annual separate financial statements to the related disclosures in the condensed semi-annual separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained until the day of drawing up our audit report on the condensed semi-annual separate financial statements. Nevertheless, future events or conditions may cause the Company not to continue as a going concern;

We communicate with the Audit Committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We make a statement to the Audit Committee of the Company that we have complied with relevant ethical requirements regarding independence, and notify them of all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, report on the steps taken to address the threats or the safeguards applied.

Of the matters reported to the Audit Committee of the Company, we have identified those matters that were most significant in the audit of the condensed semi-annual separate financial statements for the current reporting period, considering them to be key audit matters. We describe those matters in our report on the condensed semi-annual separate financial statements unless laws or regulations preclude public disclosure of the matter or when, in exceptional circumstances, we determine that a matter should not be presented in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other information

The Head of the Company is responsible for other information.

The other information includes the Report of the Management Board on the activities of Apator S.A. and the Apator Group in first half of 2024.

Our opinion on the audit of the condensed semi-annual separate financial statements does not include Other Information.

With respect to the audit of the condensed semi-annual separate financial statements, our responsibility is to read Other Information and, in doing so, to consider whether it is materially inconsistent with the condensed semi-annual separate financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work performed, we find material misstatements in Other Information, we are required to report that fact in our audit report.



We have not identified any matters that require reporting.

On behalf of the audit firm

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

No. on the list of audit firms: 3546

**RAFAŁ
WIZA**



*Signed with a qualified
electronic signature*

Rafał Wiza

Key Statutory Auditor No.
in the register: 11995
Proxy

Poznań, 29 August 2024