

P-2024



**Condensed semi-annual
separate financial
statements**

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1. General information

1.1. Information about the entity

The Company Apator Spółka Akcyjna with its registered office in Toruń (ul. Gdańska 4a lok C4) was created by employees of a liquidated state enterprise operating under the name of Pomorskie Zakłady Aparatury Elektrycznej Apator in Toruń. Its registration in the District Court in Toruń, 5th Commercial Division, took place on 14 January 1993 under the number RHB 1364. On 24 October 2001, an entry was made in the Register of Entrepreneurs of the District Court in Toruń, 6th Commercial Division of the National Court Register, under number 0000056456. The Company operates in the territory of Poland under the provisions of the Commercial Companies Code.

1.2. Core business activity of the entity:

In accordance with the Company's Statute, the core business activity is production and service activity in the field of electricity distribution and control apparatus and the sale of measurement apparatus and systems. The shares of APATOR S.A. are listed on the main market of the Warsaw Stock Exchange, sector according to WSE classification – electromechanical industry.

1.3. Members of the Management Board and the Supervisory Board as at 30 June 2024

Management Board

Maciej Wyczesany – President of the Management Board (since 1 March 2023)
 Łukasz Zaworski – Member of the Management Board (from 22 November 2023)
 Robert Kowalski – Member of the Management Board (from 19 December 2023 to 14 May 2024)

Supervisory Board

Janusz Niedźwiecki – Chairman of the Supervisory Board
 Mariusz Lewicki – Deputy Chairman of the Supervisory Board
 Janusz Marzygliński – Member of the Supervisory Board
 Danuta Guzowska – Member of the Supervisory Board
 Marcin Murawski – Member of the Supervisory Board
 Kazimierz Piotrowski – Member of the Supervisory Board
 Tadeusz Sosgórnik – Member of the Supervisory Board

2. Information about the basis for the preparation of the condensed semi-annual separate financial statements, the reporting currency, and the level of rounding applied

2.1. Basis for the preparation of the condensed semi-annual separate financial statements

The presented condensed semi-annual separate financial statements of Apator S.A. as at and for the period of six months ending on 30 June 2024, have been prepared in accordance with the International Accounting Standard 34 approved by the European Union and with the Regulation of the Minister of Finance of 29 March 2018 on current and interim information delivered by issuers of securities and the conditions for recognising

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as equivalent the information required by the laws of a non-member state (Dz. U. /Journal of Laws/ of 2018, item 757)

These condensed semi-annual separate financial statements should be analysed in conjunction with the Company's separate financial statements as at and for the financial year ending on 31 December 2023.

The condensed semi-annual separate financial statements of Apator S.A. covers the first half of 2024 and contains comparative data:

- Separate financial statements - situation as of 30 June 2024, together with comparative data as of 31 December 2023;
- Condensed semi-annual separate statement of profit or loss and other comprehensive income for the period from 1 April to 30 June 2024 and for a period of 6 months ended on 30 June 2024 together with comparative data for the period from 1 April to 30 June 2023 and for a period of 6 months ended on 30 June 2023;
- Condensed semi-annual separate statement of cash flows - for the 6-month period ended 30 June 2024, together with comparative data for a period of 6 months ended 30 June 2023;
- Condensed semi-annual separate statement of changes in equity - for the period from January 1 to 30 June 2024, together with comparative data for the period from 1 January to 30 June 2023.

2.2. Accounting Principles

The condensed semi-annual separate financial statements have been prepared in accordance with the historical cost principle (concept), except for the measurement of certain fixed assets (investment property) and financial instruments (derivatives), which are measured at fair value. The accounting principles adopted in the preparation of the consolidated semi-annual separate financial statements are consistent with those adopted in the preparation of the annual financial statements for the financial year ended 31 December 2023, except for the recognition of income and deferred taxes. Income tax, in accordance with IAS 34, is recognised during the interim period based on the best estimate of the weighted average income tax rate expected for the full year. These condensed semi-annual separate financial statements do not contain all the disclosures required in complete financial statements prepared in accordance with the International Financial Reporting Standards approved by the European Union. However, it does include selected disclosures and explanatory notes which, in the opinion of the Company's Management Board, are necessary for understanding the changes in the economic position and results of the Company's operations since the end of the last annual reporting period.

2.3. Applied International Financial Accounting Standards

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

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

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

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The above standards did not have a significant impact on the condensed semi-annual separate financial statements for the first half of 2024.

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

The Company has not decided to apply standards, interpretations or amendments that are not yet in force in these semi-annual separate financial statements.

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

- Annual Improvements to IFRSs - Volume 11 (issued 18 July 2024). This includes amendments to five standards under the annual improvement project issued by the IASB, affecting IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. They will be effective for annual periods beginning on 1 January 2026 or after 1 January 2026;
- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" – Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025 – not yet approved by the EU as of the date of this financial statements);
- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" – changes to classification and measurement of financial instruments (effective for annual periods beginning on or after 1 January 2026 – not yet approved by the EU as of the date of this financial statements);
- IFRS 18 "Presentation and Disclosures in financial statements" (effective for annual periods beginning on or after 1 January 2027 – not yet approved by the EU as of the date of this financial statements);
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (effective for annual periods beginning on or after 1 January 2027 – not yet approved by the EU as of the date of this financial statements);
- Amendments to IFRS 10 "Consolidated financial statements" and IAS 28 "Investments in Associates and Joint Ventures" – effective date deferred indefinitely. Available for optional adoption in full IFRS financial statements. The European Commission has deferred approval indefinitely, and it is unlikely to be approved by the EU in the foreseeable future.

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

2.4. Reporting and functional currency and the rounding level applied

The reporting currency of these condensed semi-annual separate financial statements is Polish zloty (PLN), and all the amounts are expressed in PLN thousand (unless otherwise stated).

The functional currency of the Company is also the Polish zloty.

2.5. Duration of the activity of the entity

The duration of the activity of Apator S.A. is unlimited.

The condensed semi-annual separate financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future, i.e. within a period not shorter than 12 months from the end of the reporting period.

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2.6. Approval of the financial statements

These condensed semi-annual separate financial statements were approved for publication by the Company's Management Board on 29 August 2024.

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3. Condensed semi-annual separate financial statements of Apator S.A.

3.1. Condensed separate statements of financial position

SPECIFICATION	NOTE	as at	
		30 June 2024	31 December
		in thousands of PLN	in thousands of PLN (restated in accordance with
Fixed assets		334,232	336,423
Intangible assets	7.1	19,897	20,324
Goodwill		34,506	34,506
Tangible fixed assets	7.2	80,231	80,079
Right-of-use assets	7.3	17,041	15,196
Investment properties		1,180	1,180
Other long-term financial assets	7.4	171,007	171,007
- of which investments in subsidiaries		171,007	171,007
Other long-term assets	7.7	129	286
Deferred tax assets		10,241	13,845
Current assets		193,901	183,479
Inventory	7.5	86,445	110,906
Trade receivables	7.6	81,585	63,951
- from related entities	7.19	9,027	1,566
- from other entities		72,558	62,385
Other short-term receivables	7.6	224	218
- from other entities		224	218
Financial derivatives	7.18	606	185
- in other entities		606	185
Cash		8,414	3,298
Other short-term assets	7.7	16,627	4,921
- from related entities	7.19	1,266	528
- from other entities		15,361	4,393
TOTAL ASSETS		528,133	519,902

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

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Period covered by the financial statements:	1 January 2024 – 30 June 2024	Reporting currency:	Polish zloty (PLN)
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SPECIFICATION	NOTE	as at	
		30 June 2024	31 December 2023
		in thousands of PLN	in thousands of PLN (restated in ...)
Equity		397,189	381,335
Equity attributable to the shareholders of the parent company		397,189	381,335
Share capital	7.8	3,265	3,265
Other capital	7.9	368,562	350,271
Capital from the revaluation of a defined benefit plan		(164)	(164)
Capital from valuation of hedging transactions		404	(122)
Undistributed financial result		25,122	28,085
- result for the current period		25,122	34,615
- write-downs from current year result	7.9	-	(6,530)
Liabilities		130,944	138,567
Long-term liabilities and provisions		17,165	15,866
Deferred revenues	7.12	1,040	1,040
Long-term lease liabilities		12,684	11,385
Long-term liabilities due to employee benefits	7.13	3,441	3,441
Short-term liabilities and provisions		113,779	122,701
Short-term credits and loans	7.10	-	45,408
- from other entities			45,408
Trade liabilities	7.11	55,519	36,525
- towards related entities	7.19	4,032	3,449
- towards other entities		51,487	33,076
Deferred revenues	7.12	5,766	1,568
- towards related entities	7.19	4,198	-
- towards other entities		1,568	1,568
Liabilities due to corporate income tax	7.11	1,163	1,511
Liabilities due to other taxes, customs duties, and social insurance	7.11	9,172	6,893
Other short-term liabilities	7.11	16,916	7,244
- towards related entities	7.19	1,080	-
- towards other entities		15,836	7,244
Short-term lease liabilities		3,763	3,097
Short-term liabilities due to employee benefits	7.13	10,590	11,178
Other short-term provisions	7.13	10,890	9,277
TOTAL LIABILITIES		528,133	519,902

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

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3.2. Condensed separate statement of profit or loss and other comprehensive income

SPECIFICATION	NOTE	for the period			
		from 1 April 2024	from 1 April 2023	from 1 January 2024	from 1 January 2023
		to 30 June 2024	to 30 June 2023	to 30 June 2024	to 30 June 2023
		in thousands of PLN	in thousands of PLN	in thousands of PLN	in thousands of PLN
Sales revenue of products and services		146,091	109,161	274,365	223,074
- to related entities	7.16, 7.19	14,482	17,327	32,690	39,237
- to other entities	7.16	131,609	91,834	241,675	183,837
Cost of goods sold		(105,429)	(85,404)	(202,545)	(175,580)
- to related entities	7.15, 7.19	(12,353)	(14,589)	(28,401)	(33,586)
- to other entities	7.15	(93,076)	(70,815)	(174,144)	(141,994)
Gross profit from sales		40,662	23,757	71,820	47,494
Sales costs	7.15	(5,675)	(3,617)	(10,205)	(7,976)
Management and administration costs	7.15	(17,385)	(14,693)	(33,711)	(29,547)
Profit on sales		17,602	5,447	27,904	9,971
Other operating revenues (costs), including:		(588)	174	(883)	(317)
Revenues		349	396	472	472
Costs		(937)	(222)	(1,355)	(789)
Profit on operating activities		17,014	5,621	27,021	9,654
Financial revenue, including:		4,128	1,516	3,283	5,949
Revenues		4,439	2,802	4,558	8,516
Costs		(311)	(1,286)	(1,275)	(2,567)
Profit before tax		21,142	7,137	30,304	15,603
Income tax	7.14	(3,418)	(1,440)	(5,182)	(2,422)
Net profit, of which attributable to:		17,724	5,697	25,122	13,181
the company's shareholders		17,724	5,697	25,122	13,181
Net profit per ordinary share:					
- basic		0.54	0.17	0.77	0.40
- diluted		0.54	0.17	0.77	0.40
Weighted average number of shares	7.8	32,647,073	32,647,073	32,647,073	32,647,073

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

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SPECIFICATION	for the period			
	from 1 April 2024	from 1 April 2023	from 1 January 2024	from 1 January 2023
	to 30 June 2024	to 30 June 2023	to 30 June 2024	to 30 June 2023
	in thousands of PLN	in thousands of PLN	in thousands of PLN	in thousands of PLN
Other comprehensive income	244	194	526	248
Items that may be reclassified to the financial result in the future:				
Result on hedge accounting with tax effect	244	194	526	248
Total comprehensive income, of which attributable to:	17,968	5,891	25,648	13,429
the company's shareholders	17,968	5,891	25,648	13,429

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

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3.3. Condensed separate statement of changes in equity

SPECIFICATION	Share capital (in thousands of PLN)	Other capital (in thousands of PLN)	Capital from the revaluation of a defined benefit plan (in thousands of PLN)	Capital from valuation of hedging transactions (in thousands of PLN)	Undistributed financial result (in thousands of PLN)	TOTAL EQUITY (in thousands of PLN)
NOTE	7.8	7.9			7.9	
Balance as at 1 January 2024	3,265	350,271	(164)	(122)	28,085	381,335
Changes in equity from 1 January 2024 to 30 June 2024						
Comprehensive income:						
Net profit for the period from 1 January 2024 to 30 June 2024	-	-	-	-	25,122	25,122
Distribution of result to supplementary capital	-	18,291	-	-	(18,291)	-
Other comprehensive income:						
Items that may be reclassified to the financial result in the future:						
Result on hedge accounting with tax effect	-	-	-	526	-	526
Total other comprehensive income	-	-	-	526	-	526
Comprehensive income recognised in the period from 1 January 2024 to 30 June 2024	-	18,291	-	526	6,831	25,648
Transactions with owners recognised directly in equity:						
Dividends	-	-	-	-	(9,794)	(9,794)
Balance as at 30 June 2024	3,265	368,562	(164)	404	25,122	397,189

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SPECIFICATION	Share capital (in thousands of PLN)	Other capital (in thousands of PLN)	Capital from the revaluation of a defined benefit plan (in thousands of PLN)	Capital from valuation of hedging transactions (in thousands of PLN)	Undistributed financial result (in thousands of PLN)	TOTAL EQUITY (in thousands of PLN)
NOTE	7.8	7.9			7.9	
Balance as at 1 January 2023	3,265	334,472	(165)	(178)	25,593	362,987
Changes in equity during the period from 1 January 2023 to 30 June 2023						
Comprehensive income:						
Net profit for the period from 1 January 2023 to 30 June 2023	-	-	-	-	13,181	13,181
Distribution of result to supplementary capital	-	15,799	-	-	(15,799)	-
Other comprehensive income:						
Items that may be reclassified to the financial result in the future:						
Result on hedge accounting with tax effect	-	-	-	248	-	248
Total other comprehensive income	-	-	-	248	-	248
Comprehensive income recognised in the period from 1 January 2023 to 30 June 2023	-	15,799	-	248	(2,618)	13,429
Transactions with owners recognised directly in equity:						
Dividends	-	-	-	-	(9,794)	(9,794)
Balance as at 30 June 2023	3,265	350,271	(165)	70	13,181	366,622

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

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3.4. Condensed separate statement of cash flows

SPECIFICATION	NOTE	for the period	
		from 1 January 2024	from 1 January 2023
		to 30 June 2024	to 30 June 2023
		in thousands of PLN	in thousands of PLN (restated in accordance with note 8)
Cash flows from operating activities			
Profit before tax		30,304	15,603
Adjustments:		8,102	8,636
Amortisation of intangible assets	7.1	2,918	4,257
Depreciation of tangible fixed assets	7.2	6,580	7,225
Depreciation of right-of-use assets	7.3	1,825	1,023
Profit on sale of tangible fixed assets and intangible assets		(270)	(62)
Profits due to change in fair value of derivatives		(103)	(65)
Interest costs		887	2,325
Revenue from dividends		(4,134)	(5,942)
Other adjustments		399	(125)
Cash from operating activity before changes in working capital		38,406	24,239
Change in inventory		24,461	(33,299)
Change in receivables	7.17	(17,642)	(4,789)
Change in liabilities	7.17	21,795	16,140
Change in provisions	7.17	1,026	3,284
Change in deferred revenues		4,198	(3,893)
Change in other assets	7.17	(5,746)	2,634
Cash generated in the course of operating activities		66,498	4,316
Income tax paid		(2,050)	(829)
Net cash from operating activities		64,448	3,487
Cash flows from investment activities			
Expenditure on the acquisition of intangible assets	7.17	(2,869)	(1,842)
Expenditure on the acquisition of tangible fixed assets	7.17	(5,888)	(2,573)
Proceeds from the sale of tangible fixed assets		271	178
Dividends received	7.17	4,134	5,630
Other expenditure	7.17	(6,978)	(630)
Net cash used from investment activities		(11,330)	763
Cash flows from financial activities			
Proceeds from credits and loans		-	70
Repayment of credits and loans		(45,408)	(2,055)
Interest paid		(615)	(2,187)
Dividends paid		-	-
Repayment of lease liabilities		(1,705)	(1,169)
Other expenditure		(274)	(195)
Net cash from financial activities		(48,002)	(5,536)
Net increase (decrease) in cash and cash equivalents		5,116	(1,286)
Opening balance of cash		3,298	1,903
Closing balance of cash		8,414	617

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The condensed separate statement of cash flows should be analysed in conjunction with explanatory notes which form an integral part of the financial statements

4. Basic judgements and basis for uncertainty estimation

The preparation of these condensed semi-annual separate financial statements required the Company's Management Board to make a number of judgements and estimates that affect the reported amounts of assets and liabilities, revenue and expenses. However, the actual values may differ from those estimated. The main judgments and estimates of the Management Board of Apator S.A. concerning the application of accounting principles and the main sources of information used to establish the above-mentioned estimates are the same as those adopted in the preparation of the separate financial statements of Apator S.A. as at and for the year ending on 31 December 2023.

5. Information on the seasonality of operations

In Apator S.A., seasonality is not particularly important.

6. Impact of the environment on the financial position of Apator S.A.

The factors that will affect the results in the coming years are the global and local effects of the overlapping crises that have occurred in recent years. The Company is subject to global trends and environmental conditions that continue to be influenced by, among other things, the negative effects of the war in Ukraine and the conflict in the Middle East.

As at the date of this report, the Company identifies risks arising from the war in Ukraine; however, their level depends on the further development of the situation and its impact on exchange rates, prices of raw materials and other areas of operation. Since the outbreak of the war, sales in the Russian and Belarusian markets have been halted. The suspension of deliveries has not negatively affected the Company's results. At the date of publication of the financial statements, the situation in the East does not have a significant impact on the Company's operations due to the low share of receivables from contractors in the affected markets.

Other key risk factors that may negatively impact the results in the near future include:

- rising price pressure from Asian manufacturers. The Company has noted some stabilisation and normalisation in this market;
- volatile financial markets, high interest rates and high volatility in exchange rates and raw material prices. The Company strives to minimise financial risks by securing currency positions and commodity price fluctuations, managing working capital, and reducing debt servicing costs;
- inflation, increases in labour costs, unstable prices of energy carriers. In order to mitigate the negative effects of price increases, the Company continuously works on cost optimisation and implements a number of efficiency-improving measures such as production optimisation/automation, improved profitability and dynamic pricing policies;
- climate change and global warming caused by greenhouse gas emissions related to human activity. These changes lead to regulatory and technological shifts, as well as increased reporting obligations imposed on companies. The impact of climate change on a business may include physical deterioration of assets due to extreme weather events, temporary disruptions to business continuity (e.g. energy outages, breakdowns), and deterioration of working conditions due to rising temperatures. The Company has implemented an ESG reporting system where climate-related risks associated with current and future operations have been identified:
 - legal regulations,

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- o increasing customer expectations regarding ESG issues.

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

In addition, the high standards implemented in the Company with regard to the efficient use of resources, raw materials and utilities make it possible to minimise the negative impact on the environment, and also translate into improved business efficiency. The Company uses and successively implements new technologies and processes that are optimised in terms of the consumption of raw materials and utilities, as well as the amount of pollution and waste generated. In the preparation of these condensed semi-annual separate financial statements, the Company's Management Board has assessed the impact of these issues on asset and liability values as of the reporting date, including, among others, reviewing depreciation rates and factors that may indicate potential impairment of significant assets. No significant adjustments were deemed necessary.

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7. Explanatory notes to the condensed semi-annual separate financial statements (in thousands of PLN)

7.1. Intangible assets

The following tables present the specification of intangible assets.

SPECIFICATION	as at	
	30 June 2024	31 December 2023
Customer relations	1,956	2,106
Patents, licences, computer software	2,757	2,908
Costs of development works	8,112	8,762
Other intangible assets	112	149
Unfinished investment in intangible assets	55	329
Unfinished investment in development work	6,905	6,070
Total	19,897	20,324

SPECIFICATION	CUSTOMER RELATIONS	PATENTS AND LICENCES, COMPUTER SOFTWARE	COSTS OF DEVELOPMENT WORKS	OTHER INTANGIBLE ASSETS	UNFINISHED INVESTMENT IN INTANGIBLE ASSETS	TOTAL
Net value as at 1 January 2024	2,106	2,908	8,762	149	6,399	20,324
Increase due to acquisition	-	512	-	-	-	512
Increase on account of own production	-	-	1,418	-	-	1,418
Expenditure on intangible assets	-	-	-	-	2,720	2,720
Decrease due to abandonment of investments	-	-	-	-	(229)	(229)
Accounting for expenditure on intangible assets	-	-	-	-	(1,930)	(1,930)
Amortisation and depreciation	(150)	(663)	(2,068)	(37)	-	(2,918)
Net value as at 30 June 2024	1,956	2,757	8,112	112	6,960	19,897

Investments in unfinished intangible assets relate to development work conducted independently by the Company. R&D projects are aimed at creating new or improving existing products and processes. The majority of the capitalised project costs are direct employee expenses from the development offices involved in carrying out tasks (man-hours).

7.2. Tangible fixed assets

Data on tangible fixed assets are presented in the tables below.

SPECIFICATION	as at	
	30 June 2024	31 December 2023
Land, buildings and structures	33,517	34,114
Machinery and equipment	17,906	19,162
Means of transport	2,037	642
Tools and instruments	20,222	22,644
Unfinished investment in tangible fixed assets	6,549	3,517
Total	80,231	80,079

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SPECIFICATION	LAND, BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	MEANS OF TRANSPORT	TOOLS AND INSTRUMENTS	UNFINISHED INVESTMENT IN TANGIBLE FIXED ASSETS	TOTAL
Net value as at 1 January 2024	34,114	19,162	642	22,644	3,517	80,079
Increase due to acquisition	-	1,295	1,665	369	-	3,329
Increase due to modernisation	-	297	-	75	-	372
Tangible fixed assets under construction	-	-	-	-	6,734	6,734
Decrease due to disposal	-	(25)	(710)	-	-	(735)
Decrease due to liquidation	-	(30)	(135)	(32)	-	(197)
Settlement of expenditures on tangible fixed assets under construction (acceptance)	-	-	-	-	(3,702)	(3,702)
Amortisation and depreciation	(592)	(2,846)	(271)	(2,871)	-	(6,580)
Decrease in existing depreciation due to disposal	-	26	710	-	-	736
Decrease in existing depreciation due to liquidation	-	29	136	30	-	195
Other changes - gross	(5)	(2)	-	7	-	-
Net value as at 30 June 2024	33,517	17,906	2,037	20,222	6,549	80,231

The most significant expenditures on tangible fixed assets during the first half of 2024 were investments in machinery, equipment, moulds, and manufacturing tools (item "Unfinished investment in tangible fixed assets"), which will be put into use in the second half of the current year.

7.3. Right-of-use assets

Capitalised leased assets include:

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

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

SPECIFICATION	as at	
	30 June 2024	31 December 2023
Land, buildings and structures	15,491	13,863
Machinery and equipment	1,001	1,237
Means of transport	549	96
Total	17,041	15,196

SPECIFICATION	LAND, BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	MEANS OF TRANSPORT	TOTAL
Net value as at 1 January 2024	13,863	1,237	96	15,196
Increase due to leasing acceptance	3,201	-	469	3,670
Amortisation and depreciation	(1,573)	(236)	(16)	(1,825)
Net value as at 30 June 2024	15,491	1,001	549	17,041

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7.4. Other financial assets

Data concerning shares and stocks included by Apator S.A. in other financial assets are presented in the table below.

SPECIFICATION	as at	
	30 June 2024	31 December 2023
Shares in subsidiaries	171,007	171,007
Shares in Apator Telemetry Sp. z o.o., (Słupsk)	12,236	12,236
Shares in Apator Metrix S.A. (Tczew)	8,935	8,935
Shares in Apator Mining Sp. z o.o. (Katowice)	4,747	4,747
Shares in Apator Powogaz S.A. (Jaryszki)	68,647	68,647
Shares in Apator Rector Sp. z o.o. (Zielona Góra)	74,287	74,287
Shares in FAP Pafal S.A. (Świdnica)	565	565
Shares in Apator GmbH (Berlin)	1,590	1,590

SPECIFICATION	Segment	% of share	Book value	Equity as at 30 June 2024
Shares in Apator Telemetry Sp. z o.o. (Słupsk)*	Water and Heat	20.80%	12,236	36,010
Shares in Apator Metrix S.A. (Tczew)	Gas	100.00%	8,935	36,010
Shares in Apator Mining Sp. z o.o. (Katowice)	Electricity	100.00%	4,747	52,293
Shares in Apator Powogaz S.A. (Jaryszki)	Water and Heat	100.00%	68,647	183,641
Shares in Apator Rector (Zielona Góra)	Network Automation Centre	100.00%	74,287	7,830
Shares in FAP Pafal S.A. (Świdnica)	Electricity	100.00%	565	5,379
Shares in Apator GmbH (Berlin)	Electricity, Gas	100.00%	1,590	3,277
Total			171,007	324,440

*) The share of Apator S.A. in Apator Telemetry Sp. z o.o. amounts to 92.69%, with Apator S.A. directly holding 20.80% and Apator Powogaz S.A. directly holding 71.89%.

The Management Board assessed the existence of indications of impairment of shares in subsidiaries by analysing market, external and internal factors and verified the validity of the assumptions used in the impairment test conducted as of 31 December 2023. Based on the analysis, the Management Board concluded that as of 30 June 2024, there were no indicators requiring an impairment test for investments in subsidiaries.

7.5. Inventory

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

SPECIFICATION	as at	
	30 June 2024	31 December 2023 (restated in accordance with note)
Materials	50,758	64,568
Work in progress	21,849	24,325
Finished products	11,660	20,180
Goods	2,178	1,833
Total value of inventory	86,445	110,906

Inventory write-downs are included below.

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SPECIFICATION	in the period	
	from 1 January 2024	from 1 January 2023
	to 30 June 2024	to 31 December 2023
Materials		
Value of write-downs at the beginning of the period	12,562	9,334
Increase - creation of a write-down charged against current result	2,004	3,739
Exercise of a write-down - write-off	(628)	(511)
Value of write-downs at the end of the period	13,938	12,562
Work in progress		
Value of write-downs at the beginning of the period	3,713	3,459
Increase - creation of a write-down charged against current result	1,242	695
Exercise of a write-down - write-off	(17)	(441)
Value of write-downs at the end of the period	4,938	3,713
Finished products		
Value of write-downs at the beginning of the period	1,114	2,168
Increase - creation of a write-down charged against current result	266	-
Decrease- as a reduction of cost of sales	-	(1,054)
Value of write-downs at the end of the period	1,380	1,114
Goods		
Value of write-downs at the beginning of the period	568	550
Increase - creation of a write-down charged against current result	48	18
Value of write-downs at the end of the period	616	568
Total inventory write-down		
Value of write-downs at the beginning of the period	17,957	15,511
Increase - creation of a write-down charged against current result	3,560	4,452
Decrease- as a reduction of cost of sales	-	(1,054)
Exercise of a write-down - write-off	(645)	(952)
Value of write-downs at the end of the period	20,872	17,957

The Company periodically reviews its current assets in terms of their potential use in further manufacturing processes. In the first half of the current year, the Company made write-downs for non-rotating inventories amounting to PLN 3,560 thousand, the majority of which relates to materials and semi-finished products. A portion of the previously established write-downs, amounting to PLN 645 thousand, was recognised as an expense in the form of scrapping of materials that permanently lost their usefulness.

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

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7.6. Trade receivables and other receivables

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

SPECIFICATION	as at	
	30 June 2024	31 December 2023 (restated in accordance with note 9)
Short-term receivables, including:	81,809	64,169
Trade receivables	81,585	63,951
Gross trade receivables	83,994	66,447
Impairment loss on trade receivables	(2,409)	(2,496)
Other short-term receivables	224	218
Receivables from sold tangible fixed assets and intangible assets	1	3
Deposits, bid bonds, sureties	115	188
Other receivables	109	28
Impairment loss on other short-term receivables	(1)	(1)

The age structure of trade receivables at the end of the reporting periods is shown in the table below.

SPECIFICATION	30 June 2024		31 December 2023	
	Gross amount	Impairment loss on financial assets	Gross amount	Impairment loss on assets
Not due	78,490	-	61,516	-
Overdue from 0 to 30 days	2,341	-	1,405	-
Overdue from 31 to 180 days	806	(52)	1,082	(52)
Overdue from 180 days to one year	79	(79)	377	(377)
Overdue more than 1 year	2,278	(2,278)	2,067	(2,067)
Total	83,994	(2,409)	66,447	(2,496)

The change in impairment loss of total receivables (including trade receivables) is presented below.

SPECIFICATION	as at	
	30 June 2024	31 December 2023
Value of write-downs at the beginning of the period	2,497	2,341
Creation of individual write-downs (step 3 of the impairment model)	187	408
Reversal of individual write-downs	(204)	(240)
Exercise of individual write-downs	(70)	(12)
Value of write-downs at the end of the period	2,410	2,497
Individual write-down	2,357	2,449
Write-down calculated based on matrix	53	53

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7.7. Other assets

SPECIFICATION	as at	
	30 June 2024	31 December 2023 (restated in accordance with note 8)
Other long-term assets, settled over time	129	286
IT services	88	131
Other	41	155
Other short-term assets, settled over time	3,933	3,294
Subscription	43	4
Marketing services	5	11
Exchange	44	-
Trade fairs	-	79
Business trips	4	34
Car insurance policies	119	97
Training courses	14	28
Membership fees	105	30
Insurance	16	464
IT services	1,533	2,075
Employee Benefit Fund	1,359	-
Other	691	472
Short-term advances for purchases	12,694	1,627
Advances for the purchase of services	236	131
Advances on tangible fixed assets	7,111	1,308
Advances for inventories	5,347	188
Total other assets, including	16,756	5,207
long-term	129	286
short-term	16,627	4,921

The increase in advances for tangible fixed assets is related to the investment process in new technical infrastructure – moulds and tooling. The planned settlement date for these investments is the first quarter of 2025.

The increase in advances for inventories is related to the need to purchase electronic components for the production of electricity meters, for the supply of which the Company has signed commercial contracts.

The Employee Benefit Fund item includes the amount resulting from the annual calculation of the write-down for this fund. The value of the write-down is settled within 12 months. As of 30 June 2024, the amount to be settled in the following months is PLN 1,359 thousand, whereas the amount as of 31 December 2023 was PLN 0, as the annual write-down was settled in full.

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7.8. Share capital

The share capital amounts to PLN 3,265 thousand and is divided into 32,647,073 shares, including:

- 7,326,515 registered shares
- 25,320,558 bearer shares

Information concerning share capital is presented in the tables below.

SPECIFICATION	as at		
	30 June 2024	31 December 2023	30 June 2023
Number of shares	32,647,073	32,647,073	32,647,073
Nominal value of shares	0.10	0.10	0.10
Share capital	3,265	3,265	3,265

The shareholder's structure as at 30 June 2024 is presented in the table below.

Shareholders	Registered shares	Bearer shares	Number of shares	Number of votes	Share in capital	Share in votes
Tadeusz Sosgórnik with closely associated persons	1,545,000	302,700	1,847,700	6,482,700	5.66%	11.87%
Mariusz Lewicki	1,187,376	1,150,624	2,338,000	5,900,128	7.16%	10.80%
PTE Allianz Polska	0	4,545,864	4,545,864	4,545,864	13.92%	8.32%
Danuta Guzowska	954,214	566,065	1,520,279	4,382,921	4.66%	8.02%
Zbigniew Jaworski	766,348	735,652	1,502,000	3,801,044	4.60%	6.96%
Apator Mining sp. z o.o.	0	3,600,000	3,600,000	3,600,000	11.03%	6.59%
Kazimierz Piotrowski with a closely associated person	664,774	159,181	823,955	2,818,277	2.52%	5.16%
Other shareholders	2,208,803	14,260,472	16,469,275	23,095,684	50.45%	42.28%
Total	7,326,515	25,320,558	32,647,073	54,626,618	100.00%	100.00%

7.9. Other capital

Information on other capitals is presented in the table.

SPECIFICATION	as at		
	30 June 2024	31 December 2023	30 June 2024
Supplementary capital, including:	376,545	332,455	358,254
<i>Share premium reserve</i>	15,142	15,142	15,142
<i>Other reserve capital</i>	361,403	343,112	343,112
Capital from merger of entities	(7,983)	(7,983)	(7,983)
Total other capitals	368,562	350,271	350,271

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Detailed changes in other capitals during the first half of 2024 are presented in the table below.

SPECIFICATION	SHARE PREMIUM RESERVE	OTHER RESERVE CAPITAL	REVALUATION CAPITAL	TOTAL
Balance as at 1 January 2024	15,142	343,112	(7,983)	350,271
Increase in the period from 1 January 2024 to 30 June 2024	-	18,291	-	18,291
Distribution of profit for the financial year 2023	-	18,291	-	18,291
Balance as at 30 June 2024	15,142	361,403	(7,983)	368,562

In accordance with Resolution No. 20/VI/2024 of the Ordinary General Shareholders Meeting of Apator S.A. of 26 June 2024, the net profit for the financial year 2023 in the amount of PLN 34,615,166.19 was distributed as follows:

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

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

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

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

SPECIFICATION	as at	
	30 June 2024	30 June 2023
Value of dividend in accordance with the resolution approving the distribution of the result for the financial year	16,324	9,794
Settlement of the advance dividend paid in 2023	(6,530)	-
Dividend shown in the statements of changes in equity	9,794	9,794

An advance dividend of PLN 6,530 thousand against profit for the financial year 2023 was paid on 21 December 2023. As at 31 December 2023, it was reported under the item "write-downs from current year result". As at 30 June 2024, the remaining dividend to be paid from the 2023 profit is recognised as a liability (Note 7.11).

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

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7.10. Credits and loans

Information on credits and loans is presented below.

SPECIFICATION	as at	
	30 June 2024	31 December 2023
Short-term credits and loans	-	45,408
Total credits and loans, including	-	45,408
- from other entities	-	45,408

In connection with the loan agreements signed, the Company has established the following collaterals.

1) Multi-product agreement with ING Bank Śląski S.A (Group limit of PLN 250 million, increased by annex of 30 June 2022):

- Contractual mortgage on the real estate of Apator S.A. in Ostaszewo of up to PLN 40 million,
- Registered pledge over inventory of PLN 73.3 million,
- Registered pledge over fixed assets of PLN 20.6 million,
- Assignment of rights under an all-risk property insurance policy,
- Power of Attorney to dispose of funds in bank accounts,
- Blank promissory note and promissory note declaration.

Based on the above agreement, a credit limit was made available to Apator S.A. up to PLN 94.3 million and EUR 6.5 million in current accounts. As at 30 June 2024, the Company had no debt under this limit.

2) Multi-purpose credit limit agreement with Powszechna Kasa Oszczędności Bank Polski S.A. (PKO BP S.A.) of

26 May 2023 for the total amount of PLN 80 million (in addition to Apator S.A., parties to the agreement include two companies that belong to the Group: Apator Powogaz S.A. and Apator Metrix S.A.):

- Declaration of submission to enforcement up to the amount of PLN 80 million,
- Registered pledge on fixed assets worth PLN 9.6 million,
- Power of Attorney to dispose of funds in bank accounts,
- Assignment of rights under an all-risk property insurance policy.

The working capital facility obtained under the above agreement has not been drawn upon by 30 June 2024. In the current reporting period, Apator S.A. performed the obligations resulting from the concluded credit agreements.

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7.11. Trade liabilities and other liabilities

The specification of liabilities is presented in the table below.

SPECIFICATION	as at	
	30 June 2024	31 December 2023 (restated in accordance with note 8)
Long-term liabilities	12,684	11,385
Long-term lease liabilities	12,684	11,385
Short-term liabilities, including:	86,533	55,270
Trade liabilities	55,519	36,525
Current liabilities	54,343	29,831
Overdue liabilities	1,176	6,694
Liabilities due to corporate income tax	1,163	1,511
Liabilities due to other taxes, customs duties, and social insurance	9,172	6,893
Other short-term liabilities	16,916	7,244
Payroll liabilities	4,622	4,592
Dividend liabilities (Note 7.9)	9,836	42
Derivative liabilities	-	332
Investment liabilities	667	794
Prepayments - advances received for deliveries	723	1,101
Other liabilities	1,068	383
Short-term lease liabilities	3,763	3,097

7.12. Deferred revenues

The following table presents deferred revenues.

SPECIFICATION	as at	
	30 June 2024	31 December 2023 (restated in accordance with note 8)
Long-term deferred revenues, including:	1,040	1,040
-from agreements settled over time, towards other entities	1,040	1,040
Short-term deferred revenues, including:	5,766	1,568
-from agreements settled over time, towards other entities	1,568	1,568
-from agreements settled over time, towards related entities	4,198	-
Total deferred revenues, including:	6,806	2,608
- towards other entities	2,608	2,608
- towards related entities	4,198	-

Agreements settled over time using the percentage of completion method relate to the delivery of software licences along with implementation services for the customer. The degree of completion is measured by comparing the actual incurred costs to the costs assumed for the project.

Agreements with related entities settled over time involve granting, by Apator S.A., trademark licences to entities

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within the Apator Group. The remuneration of Apator S.A. from such transactions is estimated for a period of one year and is recognised over its duration.

7.13. Provisions for liabilities

Information on provisions for liabilities is presented in the table.

SPECIFICATION	PROVISIONS / LIABILITIES			OTHER PROVISIONS		TOTAL
	RETIREMENT BENEFITS, JUBILEE AWARDS	BONUSES	LEAVES	WARRANTIES	OTHER	
Value of provisions as at 1 January 2024	3,937	8,459	2,223	6,716	2,561	23,896
Increase – creation of a provision charged against the current result	-	6,492	1,488	2,915	1,769	12,664
Decrease — write-down of unused amounts as income	-	(1,728)	-	-	-	(1,728)
Exercise of a provision — cost settlement		(6,731)	(109)	(1,273)	(1,798)	(9,911)
Value of provisions as at 30 June 2024, including:	3,937	6,492	3,602	8,358	2,532	24,921
- long-term provisions	3,441	-	-	-		3,441
- short-term provisions	496	6,492	3,602	8,358	2,532	21,480

7.14. Income tax

On 21 June 2024, the Company received Support Decision No. PSSE.DW.36.2024 for a new investment to increase current employment. The eligible costs for the investment must not be less than PLN 20 million and not exceed PLN 53.7 million. The decision is valid for a specified period of 15 years from the date of issuance. As at 30 June 2024, the Company has not recognised any asset related to this Decision.

The effective tax rate was calculated based on the best estimate of the weighted average annual income tax rate. Charges on financial result due to income tax are recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. If the estimated annual income tax rates change, it may be necessary to adjust the amounts included in the charges on the financial result due to income tax in one interim period during a subsequent interim period of the same financial year.

Differences in effective tax rates in the periods presented are mainly due to the share of dividend revenues from subsidiaries in gross profit, which constitutes the primary item of permanent differences

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7.15. Costs by nature and function

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

SPECIFICATION	for the period			
	from 1 April 2024	from 1 April 2023	from 1 January 2024	from 1 January 2023
	to 30 June 2024	to 30 June 2023	to 30 June 2024	to 30 June 2023
Cost of products and services sold, including:	(101,200)	(82,023)	(195,868)	(167,839)
<i>write-down on inventories</i>	(1,001)	(732)	(1,491)	(496)
<i>exercise of a write-down - scrapping</i>	(239)	(835)	(239)	(1,129)
<i>inventory differences</i>	73	(300)	36	(300)
Cost of goods and materials sold, including:	(4,229)	(3,381)	(6,677)	(7,741)
<i>write-down on inventories</i>	(797)	71	(1,424)	(300)
<i>exercise of a write-down - scrapping</i>	(378)	-	(405)	-
<i>inventory differences</i>	191	(34)	833	(34)
Sales costs	(5,675)	(3,617)	(10,205)	(7,976)
Management and administration costs	(17,385)	(14,693)	(33,711)	(29,547)
Total costs by function	(128,489)	(103,714)	(246,461)	(213,103)

The table below presents the costs by nature, reconciling to the costs by function.

SPECIFICATION	for the period			
	from 1 April 2024	from 1 April 2023	from 1 January 2024	from 1 January 2023
	to 30 June 2024	to 30 June 2023	to 30 June 2024	to 30 June 2023
Change in finished goods and work in progress	(8,125)	8,512	(12,806)	8,514
Manufacturing costs of products for entity's own purposes	3,168	608	4,243	1,639
Amortisation and depreciation	(5,817)	(6,258)	(11,323)	(12,505)
Consumption of materials	(67,068)	(60,805)	(123,172)	(118,445)
Energy consumption	(833)	(1,111)	(1,903)	(2,534)
External services	(17,382)	(17,044)	(31,227)	(32,040)
Remuneration	(20,218)	(17,848)	(44,799)	(35,589)
Employee benefits	(4,537)	(3,793)	(12,315)	(9,177)
Taxes	(824)	(557)	(1,965)	(1,890)
Business trips	(257)	(209)	(484)	(366)
Other costs	(2,367)	(1,828)	(4,033)	(2,969)
Cost of goods and materials sold	(4,229)	(3,381)	(6,677)	(7,741)
Total costs by nature	(128,489)	(103,714)	(246,461)	(213,103)

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Rounding level:	all amounts are expressed in thousands of Polish zloty (unless otherwise indicated)		

7.16. Revenues

The Company recognises the vast majority of its sales revenues at a point in time, upon the transfer of control over the good to the customer, or over time in the case of services, once the obligation under the agreement has been fully or partially (in the case of services) performed. The Company also recognises revenues over time, which are measured by the percentage of completion of the project. The degree of completion is measured by comparing the actual incurred costs to the costs assumed for the project. Revenues recognised over time pertain to customer agreements for software licences and modification services, along with implementation at the end customer.

The specification of revenue by business line and domestic and foreign sales is presented in the table below.

SPECIFICATION	for the period			
	from 1 April 2024	from 1 April 2023	from 1 January 2024	from 1 January 2023
	to 30 June 2024	to 30 June 2023	to 30 June 2024	to 30 June 2023
Switchgear, including:	32,920	35,908	59,287	76,524
<i>domestic</i>	22,329	21,136	40,424	49,567
<i>export</i>	10,592	14,772	18,864	26,957
Measuring equipment, including:	100,178	58,301	188,347	118,585
<i>domestic</i>	89,722	44,481	159,391	86,162
<i>export</i>	10,457	13,820	28,955	32,422
Automation, including:	12,993	14,953	26,731	27,966
<i>domestic</i>	12,981	14,953	26,709	27,966
<i>export</i>	12	-	22	-
Total	146,091	109,161	274,365	223,074

In the first half of 2024, there was a significant increase in domestic sales revenue, from PLN 86,162 thousand to PLN 159,391 thousand, compared to the first half of 2023, in the measuring equipment segment. This increase is largely due to deliveries of meters, as part of domestic tenders won in previous periods.

In accordance with Art. 4 of International Financial Reporting Standard 8, the Company has opted not to present operating segments in the separate financial statements, as segment information is included in the consolidated financial statements for the first half of 2024.

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Rounding level:	all amounts are expressed in thousands of Polish zloty (unless otherwise indicated)		

7.17. Explanations regarding the cash flow statement

The table below presents explanations of inconsistencies between the changes in the balance of the condensed separate statements of financial position and the changes in the balance of these items disclosed in the statement of cash flows.

SPECIFICATION	in the period	
	from 1 January 2024	from 1 January 2023
	to 30 June 2024	to 30 June 2023
Change in receivables		
Change in trade receivables	(17,634)	(3,553)
Change in corporate tax receivables	-	920
Change in receivables from other taxes, customs duties and social insurances	-	(923)
Change in other receivables	(7)	(601)
Adjustment for dividend receivables	-	312
Adjustment for income tax receivables	-	(920)
Adjustment for investment receivables	(1)	(24)
Change in the balance shown in the cash flow statement	(17,642)	(4,789)
Change in liabilities		
Change in long-term lease liabilities	1,299	(688)
Change in trade liabilities	18,993	9,235
Change in corporate tax liabilities	(348)	-
Change in liabilities from other taxes, customs duties and social insurances	2,280	(1,857)
Change in other liabilities	9,672	18,367
Change in short-term lease liabilities	666	(163)
Adjustment for dividend liabilities	(9,752)	(9,794)
Adjustment for lease liabilities	(1,966)	851
Adjustment for derivative liabilities	332	98
Adjustment for income tax liabilities	348	-
Adjustment for investment liabilities	271	91
Change in the balance shown in the cash flow statement	21,795	16,140
Change in provisions		
Change in short-term provisions for employee benefits	(588)	3,138
Change in other short-term provisions	1,614	146
Change in the balance shown in the cash flow statement	1,026	3,284
Change in other assets		
Change in other long-term assets	157	-
Change in other short-term assets	(11,705)	2,663
Change in advances for tangible fixed assets	5,802	(29)
Change in the balance shown in the cash flow statement	(5,746)	2,634

SPECIFICATION		in the period	
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	from 1 January 2024	from 1 January 2023
	to 30 June 2024	to 30 June 2023
Inflow from dividends		
FAP Pafal S.A.	3,532	5,000
Mining Sp. z o.o.	602	503
Apator Gmbh	-	127
Total	4,134	5,630

SPECIFICATION	in the period	
	from 1 January 2024	from 1 January 2023
	to 30 June 2024	to 30 June 2023
Expenditure on the acquisition of intangible assets		
Purchase of intangible assets	(1,655)	(2,599)
Change in development work under construction	(1,067)	774
Change in investment liabilities	(147)	(17)
Total	(2,869)	(1,842)

SPECIFICATION	in the period	
	from 1 January 2024	from 1 January 2023
	to 30 June 2024	to 30 June 2023
Expenditure on the acquisition of tangible fixed assets		
Purchase of tangible fixed assets	(5,907)	(2,935)
Change in inventory for internal projects	(827)	(254)
Change in investment liabilities	(124)	(74)
Other	970	690
Total	(5,888)	(2,573)

SPECIFICATION	in the period	
	from 1 January 2024	from 1 January 2023
	to 30 June 2024	to 30 June 2023
Other expenses from investing activity		
Proceeds and expenses related to forward contracts and options	(204)	32
Advances on tangible fixed assets	(6,774)	(662)
Total	(6,978)	(630)

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Period covered by the financial statements:	1 January 2024 – 30 June 2024	Reporting currency:	Polish zloty (PLN)
Rounding level:	all amounts are expressed in thousands of Polish zloty (unless otherwise indicated)		

7.18. Financial instruments

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

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

The categories and classes of financial instruments at book value are presented below.

SPECIFICATION	Assets measured at fair value through financial result	Assets measured at amortised cost	Financial liabilities measured at fair value through financial result	Liabilities measured at amortised cost	Total
Book value as at 30 June 2024					
Derivatives	606	-	-	-	606
Trade receivables	-	81,585	-	-	81,585
Cash	-	8,414	-	-	8,414
Trade liabilities and other liabilities	-	-	-	67,493	67,493
Lease liabilities	-	-	-	16,447	16,447
TOTAL	606	89,999		83,940	174,545
Book value as at 31 December 2023					
Derivatives	185	-	-	-	185
Trade and other receivables	-	63,954	-	-	63,954
Cash	-	3,298	-	-	3,298
Derivative liabilities	-	-	332	-	332
Trade liabilities and other liabilities	-	-	-	37,361	37,361
Lease liabilities	-	-	-	14,481	14,481
Liabilities due to credits	-	-	-	45,408	45,408
TOTAL	185	67,252	332	82,769	165,019

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

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

SPECIFICATION	as at 30 June 2024	as at 31 December 2023	
Name of the entity:	Apator SA	Page 32	
Period covered by the financial statements:	1 January 2024 – 30 June 2024	Reporting currency:	Polish zloty (PLN)
Rounding level:	all amounts are expressed in thousands of Polish zloty (unless otherwise indicated)		

	Book value	Level 1	Level 2	Level 3	Total	Book value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Derivatives	606	-	606	-	606	185	-	185	-	185
Financial assets measured at amortised cost										
Trade receivables	81,585	-	-	-	(*)	63,954	-	-	-	(*)
Cash	8,414	-	-	-	8,414	3,298	-	-	-	3,298
Total assets	90,605	-	606	-	-	67,437	-	185	-	-
Financial liabilities measured at fair value										
Derivatives	-	-	-	-	-	332	-	332	-	-
Financial liabilities measured at amortised cost										
Trade liabilities	67,493	-	-	-	(*)	37,361	-	-	-	(*)
Liabilities due to credits	-	-	-	-	(*)	45,408	-	-	-	(*)
Total liabilities	67,493	-	-	-	-	83,101	-	332	-	-

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

During the periods ended 30 June 2024, and 31 December 2023, there were no transfers of financial instruments between Levels 1 and 2 of the fair value hierarchy.

7.19. Information about related entities

Information on benefits for key managerial staff is presented in the table.

SPECIFICATION	for the period	for the period	for the period	for the period
	from 1 April 2024	from 1 April 2023	from 1 January 2024	from 1 January 2023
	to 30 June 2024	to 30 June 2023	to 30 June 2024	to 30 June 2023
Short-term employee benefits	899	1,370	3,475	3,326
Post-employment benefits	-	216	-	260
Termination benefits	-	15	-	135
Total	899	1,601	3,475	3,721

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

Data on transactions with related entities in the period from 1 January 2024 to 30 June 2024, from 1 January 2023 to 30 June 2023, for the three-month period from 1 April to 30 June 2024 and for the three-month period from 1 April to 30 June 2023, as well as information on outstanding balances as at 30 June 2024 and 31 December 2023 are presented in the tables below.

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Period covered by the financial statements:	1 January 2024 – 30 June 2024	Reporting currency:	Polish zloty (PLN)
Rounding level:	all amounts are expressed in thousands of Polish zloty (unless otherwise indicated)		

SPECIFICATION	Apator Gmbh	Apator Metrix S.A.	Apator Mining Sp.z o.o.	Apator Powogaz S.A.	Apator Telemetria Sp.z o.o.	Apator Rector Sp. z o.o.	FAP Pafal S.A.	TOTAL
Balance as at 30 June 2024								
Trade receivables	6,177	69	-	260	2,342	163	16	9,027
Other assets (advances)	-	1,266	-	-	-	-	-	1,266
Trade liabilities	-	31	-	6	2,464	1,007	524	4,032
Deferred revenues	-	1,378	12	2,470	12	326	-	4,198
Dividend liabilities	-	-	1,080	-	-	-	-	1,080
Balance as at 31 December 2023								
Trade receivables	723	-	-	693	78	59	13	1,566
Other assets (advances)	-	528	-	-	-	-	-	528
Trade liabilities	1	1,316	6	-	11	1,146	969	3,449

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Period covered by the financial statements:	1 January 2024 – 30 June 2024	Reporting currency:	Polish zloty (PLN)
Rounding level:	all amounts are expressed in thousands of Polish zloty (unless otherwise indicated)		

SPECIFICATION	Apator Gmbh	Apator Metrix S.A.	George Wilson Industries Ltd.	Apator Mining Sp. z o.o.	Apator Powogaz S.A.	Apator Telemetria Sp.z o.o.	Apator Rector Sp. z o.o.	FAP Pafal S.A.	TOTAL
Transactions in the period from 1 January 2024 to 30 June 2024									
Sales of products and services	25,673	1,905	1	9	3,698	388	843	82	32,599
Sales of goods and materials	10	65	-	-	-	-	16	-	91
Cost relating to sales transactions of products and services	25,757	540	-	-	1,159	343	446	76	28,321
Cost relating to sales transactions of goods and materials	8	61	-	-	-	-	11	-	80
Financial revenue from dividend	-	-	-	602	-	-	-	3,532	4,134
Other revenue	-	16	8	-	7	-	2	-	33
Purchase of products, services, goods and materials	-	40	-	-	9	7,354	2,112	2,522	12,037
Purchase of fixed assets and intangible assets	-	781	-	-	-	23	-	-	804
Distribution of the result of Apator S.A. attributable to Apator Mining Sp. z o.o.	-	-	-	1,800	-	-	-	-	1,800
Transactions in the period from 1 January 2023 to 30 June 2023									
Sales of products and services	33,258	1,956	-	9	3,176	61	538	102	39,100
Sales of goods and materials	55	45	-	-	-	1	2	34	137
Cost relating to sales transactions of products and services	31,760	432	-	-	933	28	219	94	33,466
Cost relating to sales transactions of goods and materials	42	43	-	-	-	-	1	34	120
Financial revenue from dividend	127	-	-	503	-	312	-	5,000	5,942
Purchase of products, services, goods and materials	160	67	-	-	-	175	1,244	1,890	3,536
Purchase of fixed assets and intangible assets	-	102	-	-	-	-	-	-	102
Distribution of the result of Apator S.A. attributable to Apator Mining Sp. z o.o.	-	-	-	1,080	-	-	-	-	1,080

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Period covered by the financial statements:	1 January 2024 – 30 June 2024	Reporting currency:	Polish zloty (PLN)
Rounding level:	all amounts are expressed in thousands of Polish zloty (unless otherwise indicated)		

SPECIFICATION	Apator Gmbh	Apator Metrix S.A.	George Wilson Industries Ltd.	Apator Mining Sp. z o.o.	Apator Powogaz S.A.	Apator Telemetry Sp.z o.o.	Apator Rector Sp. z o.o.	FAP Pafal S.A.	TOTAL
Transactions in the period from 1 April 2024 to 30 June 2024									
Sales of products and services	10,690	975	-	8	2,020	368	380	38	14,479
Sales of goods and materials	3	-	-	-	-	-	-	-	3
Cost relating to sales transactions of products and services	10,846	362	-	-	599	335	174	35	12,351
Cost relating to sales transactions of goods and materials	2	-	-	-	-	-	-	-	2
Financial revenue from dividend	-	-	-	602	-	-	-	3,532	4,134
Other revenue	-	3	4	-	4	-	2	-	13
Purchase of products, services, goods and materials	-	28	-	-	7	5,497	1,277	1,007	7,816
Purchase of fixed assets and intangible assets	-	426	-	-	-	-	-	-	426
Distribution of the result of Apator S.A. attributable to Apator Mining Sp. z o.o.	-	-	-	1,800	-	-	-	-	1,800
Transactions in the period from 1 April 2023 to 30 June 2023									
Sales of products and services	14,206	979	-	5	1,610	36	339	45	17,220
Sales of goods and materials	38	35	-	-	-	-	2	32	107
Cost relating to sales transactions of products and services	13,608	195	-	-	487	14	147	43	14,494
Cost relating to sales transactions of goods and materials	29	33	-	-	-	-	1	32	95
Financial revenue from dividend	127	-	-	-	-	312	-	-	439
Purchase of fixed assets and intangible assets	-	102	-	-	-	-	-	-	102
Distribution of the result of Apator S.A. attributable to Apator Mining Sp. z o.o.	-	-	-	1,080	-	-	-	-	1,080

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7.20. Employment structure

Employment at Apator S.A. is presented in the table.

SPECIFICATION	period	
	from 1 January 2024	from 1 January 2023
	to 30 June 2024	to 31 December 2023
Average employment in full-time positions for the period	880	838
Blue-collar workers	532	491
White-collar workers	348	347
Employment in full-time positions at the end of the period	886	876
Blue-collar workers	534	523
White-collar workers	352	353

In addition to workers employed at Apator S.A. under an employment contract, the Company also uses the services of a temporary employment agency. On average, in the first half of 2024, 50 people were employed on a temporary basis.

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8. Adjustment of errors in comparative data

In the course of the work related to the preparation of the condensed semi-annual financial statements for the first half of 2024 and during the auditing procedure of the financial statements by the statutory auditor, the Company identified irregularities in the manner of recognition of advances for inventory supplies, services, and tangible fixed assets, as well as deferred revenues.

- 1) In the separate financial statements for 2023, advances for inventory supplies were recognised under the balance sheet item "Inventories", while advances for services and tangible fixed assets were recognised under "Other receivables". Due to the incorrect classification of these items, the comparative data for 2023 has been restated by decreasing the inventory value by the advances paid for inventory supplies and decreasing "Other receivables" by the advances paid for services and tangible fixed assets. These advances have been reclassified to "Other short-term assets".
- 2) In the annual separate financial statements, the Company recognised liabilities from agreements settled over time under short-term liabilities. After analysing the related agreements, it was determined that these liabilities should be reported in a separate balance sheet item titled "Deferred revenues". Consequently, the Company decided to adjust the comparative data. The presentation of deferred revenues was changed by transferring them from short-term liabilities to "Deferred revenues", and dividing them into short-term and long-term components. The presentation of deferred revenues in the interim separate statement of cash flows for 2023 was also adjusted accordingly.
- 3) Additionally, the balances of VAT receivables and payables were adjusted. The adjustments resulted in a reduction of current assets and liabilities, and thus a reduction of the balance sheet total by PLN 1,077 thousand.

The impact of these adjustments on the financial statements of Apator S.A. are presented in the table below.

- 1) Reclassification of advances to "Other short-term assets"

Annual separate statements of financial position as at 31 December 2023:

Financial statements item	Value before adjustment	Adjustment	Value after adjustment
Current assets	184,556	-	184,556
Inventory	111,094	(188)	110,906
Other short-term receivables	1,657	(1,439)	218
- from related entities	528	(528)	-
- from other entities	1,129	(911)	218
Other short-term assets	3,294	1,627	4,921
Other items	68,511	-	68,511

Interim separate statement of cash flows as at 30 June 2023:

Financial statements item	Value before adjustment	Adjustment	Value after adjustment
Cash from operating activity before changes in working capital	24,239	-	24,239
Change in inventory	(30,063)	(3,236)	(33,299)
Change in receivables	(4,818)	29	(4,789)
Change in other short-term assets	(573)	3,207	2,634
Other items	15,531	-	15,531
Cash generated in the course of operating activities	4,316	-	4,316

- 2) Reclassification of deferred revenues to a separate item in the statements of financial position

Annual separate statements of financial position as at 31 December 2023:

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Period covered by the financial statements:	1 January 2024 – 30 June 2024	Reporting currency:	Polish zloty (PLN)
Rounding level:	all amounts are expressed in thousands of Polish zloty (unless otherwise indicated)		

Financial statements item	Value before adjustment	Adjustment	Value after adjustment
Liabilities	139,644	-	139,644
Long-term liabilities and provisions	14,826	1,040	15,866
Deferred revenues	-	1,040	1,040
Other items	14,826	-	14,826
Short-term liabilities and provisions	124,818	(1,040)	123,778
Deferred revenues	-	1,568	1,568
Other short-term liabilities	9,852	(2,608)	7,244
- towards other entities	9,852	(2,608)	7,244
Other items	114,966	-	114,966

Interim separate statement of cash flows as at 30 June 2023:

Financial statements item	Value before adjustment	Adjustment	Value after adjustment
Cash from operating activity before changes in working capital	24,239	-	24,239
Change in liabilities	12,247	3,893	16,140
Change in deferred revenues	-	(3,893)	(3,893)
Other items	(32,170)	-	(32,170)
Cash generated in the course of operating activities	4,316	-	4,316

3) Presentation of public law VAT settlements

Annual separate statements of financial position as at 31 December 2023:

Financial statements item	Value before adjustment	Adjustment	Value after adjustment
Fixed assets	336,423	-	336,423
Current assets	184,556	(1,077)	183,479
Receivables from taxes, customs duties and social insurances	1,077	(1,077)	-
Other items	183,479	-	183,479
TOTAL ASSETS	520,979	(1,077)	519,902
Equity	381,335	-	381,335
Liabilities	139,644	(1,077)	138,567
Liabilities from taxes, customs duties and social insurances	7,970	(1,077)	6,893
Other items	131,674	-	131,674
TOTAL LIABILITIES	520,979	(1,077)	519,902

9. Events after the balance sheet date

In accordance with Resolution No. 20/VI/2024 of the Ordinary General Shareholders Meeting of Apator S.A. of

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26 June 2024, on 11 July 2024, the Company paid a dividend to shareholders from its 2023 profit in the total amount of PLN 9,794 thousand.

On 28 August 2024, the Management Board of Apator S.A. announced a decision to merge FAP Pafal S.A. into Apator S.A. as part of the Apator Group's strategy implementation. This merger aims to simplify the structure of the Apator Group by concentrating manufacturing competencies and strengthening synergies, which will enhance management efficiency and optimise costs. The merger of FAP Pafal S.A.'s assets into Apator S.A. is scheduled for 1 January 2026.

The Management Board of Apator S.A. declared plans after the balance sheet date to sell assets to Apator Rector Sp. z o.o. The subject of the transaction will be tangible and intangible assets, as well as contractual relationships related to IT activities in the Gas segment. This transaction is planned for Q4 2024. As of 30 June 2024, the net book value of the assets intended for sale amounted to PLN 2,383 thousand, with the breakdown as follows:

- customer relations – PLN 1,956 thousand
- other intangible assets – PLN 112 thousand
- fixed assets – PLN 233 thousand
- inventories – PLN 82 thousand

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Rounding level:	all amounts are expressed in thousands of Polish zloty (unless otherwise indicated)		

10. Signatures

Management Board

29 August 2024

Maciej Wyczęsany

President of the Management Board, General Director of Apator

Łukasz Zaworski

Member of the Management Board, Product Development Director

The person responsible for maintaining the accounting records

29 August 2024

Małgorzata Mazurek

Financial Director

Name of the entity:	Apator SA		Page 41
Period covered by the financial statements:	1 January 2024 – 30 June 2024	Reporting currency:	Polish zloty (PLN)
Rounding level:	all amounts are expressed in thousands of Polish zloty (unless otherwise indicated)		