



Financial report



Consolidated quarterly report of the Apator Group for Q1 2025

Toruń, 16 May 2025

Selected financial data, including key items of the condensed financial statements (also converted into EUR)

ITEM	in thous. PLN		in thous. EUR	
	Q1 2025	Q1 2024	Q1 2025	Q1 2024
Revenue from sales of products, goods and materials	283,715	296,377	67,797	68,588
Operating profit	17,926	18,623	4,284	4,310
EBIDTA	34,970	31,916	8,356	7,386
Gross profit	16,221	15,378	3,876	3,559
Net profit	12,185	12,019	2,912	2,781
Net profit attributable to shareholders of the Group's parent company	12,029	11,970	2,874	2,770
Net profit attributable to non-controlling interests	156	49	37	11
Weighted average number of shares	29,047,073	29,047,073	29,047,073	29,047,073
Net earnings per common share [PLN/share]:	0.41	0.41	0.10	0.10
Cash flows from operating activities	42,049	27,435	10,048	6,349
Cash flows from investment activities	(16,750)	(11,433)	(4,003)	(2,646)
Cash flows from financial activities	(18,735)	(19,400)	(4,477)	(4,490)
Total cash flows	6,564	(3,398)	1,569	(787)
Consolidated financial statements	31 March 2025	31 December 2024	31 March 2025	31 December 2024
Total assets	985,346	965,357	235,509	225,920
Fixed assets	496,654	497,947	118,706	116,533
Current assets	488,692	467,410	116,803	109,387
Equity with non-controlling interests	603,852	592,502	144,328	138,662
Non-controlling interests	2,368	2,212	566	518
Share capital	3,265	3,265	780	764
Long-term liabilities and provisions	61,052	63,274	14,592	14,808
Short-term liabilities and provisions	320,442	309,581	76,589	72,451
Weighted average number of shares	29,047,073	29,047,073	29,047,073	29,047,073
Net book value per common share [PLN/share]:	20.79	20.40	4.97	4.77

The above financial data for the 3-month periods of 2025 and 2024, as well as as at 31 March 2025 and 31 December 2024, have been translated into EUR according to the following principles:

- individual items of the statement of comprehensive income and the statement of cash flows were translated using the exchange rate representing the arithmetic mean of the average EUR exchange rates published by the National Bank of Poland on the last day of each month of the reporting period: from 1 January to 31 March 2025 – 4.1848 EUR/PLN, and from 1 January to 31 March 2024 – 4.3211 EUR/PLN;
- individual items of the statement of financial position were translated using the average EUR exchange rate published by the National Bank of Poland on 31 March 2025 – 4.1839, and on 31 December 2024 – 4.2730.

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



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

1. Consolidated financial statements

The consolidated and separate financial statements for the first quarter of 2025 have been prepared in accordance with the International Accounting Standards (IAS / IFRS) and related interpretations promulgated in the form of regulations of the European Commission and the Ordinance of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognizing as equivalent the information required by the laws of a non-member state (Dz. U. /Journal of Laws/ of 2018, item 757).

The interim financial statements (consolidated and parent company) for the first quarter ended 31 March 2025 have been prepared in accordance with IAS 34 (Interim Financial Reporting). The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual report as of 31 December 2024.

1.1. Consolidated statement of financial position

ITEM	as at	
	31 March 2025	31 December 2024
Fixed assets	496,654	497,947
Intangible assets	86,715	88,444
Goodwill	119,589	120,004
Tangible fixed assets	217,612	215,334
Right-of-use assets	45,441	47,386
Investment property	1,006	1,019
Non-current receivables	2,571	2,367
- from other entities	2,571	2,367
Other long-term assets	198	210
- from other entities	198	210
Deferred tax assets	23,522	23,183
Current assets	488,692	467,410
Inventory	239,527	225,460
Trade receivables	181,714	185,495
- from other entities	181,714	185,495
Receivables from corporate income tax	1,016	1,198
Receivables from other taxes, customs duties and social insurance	9,868	9,804
Other short-term receivables	6,964	9,421
- from other entities	6,964	9,421
Other short-term financial assets	1,060	1,155
- in other entities	1,060	1,155
Cash and cash equivalents	24,280	17,716
Other short-term assets	18,310	11,208
- from other entities	18,310	11,208
Fixed assets classified as held for sale	5,953	5,953
TOTAL ASSETS	985,346	965,357

Name of the organisational unit:	Apator Group		
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ITEM	as at	
	31 March 2025	31 December 2024
Equity	603,852	592,502
Equity attributable to the shareholders of the parent company	601,484	590,290
Share capital	3,265	3,265
Own shares	(3,522)	(3,522)
Other capital	574,829	574,829
Capital from the revaluation of a defined benefit plan	607	607
Capital from valuation of hedging transactions	514	389
Exchange rate differences on consolidation	5,170	6,132
Undistributed financial result	20,621	8,590
- undistributed result from previous years	17,306	(55,756)
- result for the current period	12,029	73,060
- write-downs from current year result	(8,714)	(8,714)
Non-controlling interests	2,368	2,212
Liabilities	381,494	372,855
Long-term liabilities and provisions	61,052	63,274
Long-term credits and loans	23,390	24,621
- from other entities	23,390	24,621
Long-term lease liabilities	27,876	28,954
Provision for deferred income tax	2,559	2,565
Long-term liabilities due to employee benefits	5,632	5,567
Other long-term provisions	1,595	1,567
Short-term liabilities and provisions	320,442	309,581
Short-term credits and loans	78,305	90,226
- from other entities	78,305	90,226
Trade liabilities	107,246	101,768
- to related entities	811	612
- to other entities	106,435	101,156
Short-term contract liabilities	5,953	5,940
- to other entities	5,953	5,940
Liabilities due to corporate income tax	2,920	5,427
Liabilities due to other taxes, customs duties, and social insurance	21,661	19,722
Other short-term liabilities	33,207	16,853
- to other entities	33,207	16,853
Short-term lease liabilities	10,400	11,950
Short-term liabilities due to employee benefits	24,276	22,854
Other short-term provisions	31,418	29,785
Liabilities related to fixed assets classified as held for sale	5,056	5,056
TOTAL LIABILITIES	985,346	965,357

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Information on changes in contingent liabilities or contingent assets that have occurred since the end of the last fiscal year (off-balance sheet items) of the Apator Group:

ITEM	as at	
	31 March 2025	31 December 2024
Contingent receivables	3,849	6,063
Contingent receivables from other entities	3,849	6,063
Contingent liabilities	55,451	40,344
Contingent liabilities to other entities	55,451	40,344
- including from granting guarantees and sureties	55,451	40,344
Other off-balance sheet items	446,224	449,664
Mortgage	48,668	48,490
Capped mortgage	182,783	182,783
Security on assets	214,773	218,391
Total off-balance sheet items	505,523	496,071

In addition to contingent liabilities arising from guarantees issued by insurance and banking institutions, the Apator Group has the following collateral established for the repayment of liabilities:

- Multi-product agreement with ING Bank Śląski S.A (Group limit of PLN 250 million):
 - Contractual mortgage on the real estate of Apator S.A. in Ostaszewo up to PLN 40 million (included in the table above),
 - registered pledge on inventories owned by Apator S.A., Apator Telemetria Sp. z o.o., Apator Powogaz S.A., FAP Pafal S.A. with a book value of not less than PLN 145.2 million (included in the table above),
 - pledge on tangible fixed assets owned by Apator S.A., Apator Powogaz S.A., Apator Metrix S.A. and Apator Telemetria Sp. z o.o. with a contractual value of PLN 30 million (included in the table above),
 - power of attorney to dispose of funds in bank accounts,
 - blank promissory notes together with promissory note declarations submitted by 6 borrowers' companies (joint and several liability of the Group's companies),
 - assignment of rights under an all-risk property insurance policy.

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

- PLN 67.2 million in utilised credit limits
 - PLN 16.4 million in issued guarantees and letters of credit
 - PLN 4.6 million in supplier financing transactions
- 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., the parties to the agreement are: Apator Powogaz S.A., Apator Metrix S.A.):
 - contractual mortgage on real estate owned by Apator Powogaz S.A. and Apator Metrix S.A. up to the amount of PLN 182.8 million,
 - declaration of submission to enforcement under Article 777 of the Code of Civil Procedure of the companies Apator S.A, Apator Powogaz S.A and Apator Metrix S.A, to the amount of PLN 80 million,
 - registered pledge over fixed assets of Apator S.A. and Apator Powogaz S.A. with a total value of PLN 12.4 million,

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- registered pledge over inventories of Apator Metrix S.A. with the value of PLN 27.1 million,
- power of attorney to dispose of funds in bank accounts,
- assignment of rights under an all-risk property insurance policy.

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

- PLN 6.2 million in utilised credit limits
- PLN 26 million in issued guarantees and letters of credit

- Other collateral for credits and loans:

Apator Powogaz Group

- ✓ Investment credit agreement of Apator Powogaz S.A. for the construction of manufacturing plant, concluded with PKO BP:
 - joint contractual mortgage on real estate owned by Apator Powogaz S.A. in Żerniki to the amount of PLN 182.8 million. The mortgage also secures a multi-purpose agreement with PKO,
 - blank promissory note and promissory note declaration,
 - assignment of rights under the insurance policy on the mortgaged property.
- ✓ Credit agreement for financing the suppliers of Apator Telemetria Sp. z o.o. concluded with mBank S.A.:
 - blank promissory note and promissory note declaration (agreement in the process of being terminated).
- ✓ Agreement on credit on current account of Apator Metra concluded with Raiffeisenbank a.s.:
 - mortgage in the amount of CZK 51.7 million, i.e. PLN 8.7 million according to the average exchange rate of ING BŚ as at 31 March 2025, for the CZK currency = 0.1676,
 - assignment of rights under insurance agreement established on the property of Apator Metra.

During the reporting period, the Group's companies fulfilled their obligations under their credit agreements.

Impact of the situation in the East

As of the date of this report, the Apator Group continues to identify 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 operations.

Since the outbreak of the war in February 2022, the Group has completely ceased sales in the Russian and Belarusian markets. Sales to Ukraine accounted for approximately 4% of the total sales of the Apator Group in the first quarter of 2025.

With regard to receivables from counterparties in high-risk markets, as at the end of the first quarter of 2025, the share of receivables from the Ukrainian market in the total value of receivables of the Apator Group amounted to approximately 0.9%. 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 March 2025 are presented in the table below.

Level of receivables as at 31 March 2025	Apator S.A.	Apator Group
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Receivables from contractors

Name of the organisational unit:	Apator Group		
Period covered by the financial statements:	1 January 2025 – 31 March 2025	Reporting currency:	Polish zloty (PLN)
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Level of receivables as at 31 March 2025	Apator S.A.	Apator Group
Ukraine	12	1,612
Total trade receivables as at 31 March 2025	75,045	181,714
Share in Company's trade receivables	0.0%	-
Share in trade receivables of the Apator Group	-	0.9%

1.2. Consolidated statement of comprehensive income

ITEM	for the period	
	from 1 January 2025	from 1 January 2024
	to 31 March 2025	to 31 March 2024
Sales revenue of products and services	283,715	296,377
- to other entities	283,715	296,377
Cost of goods sold	(208,132)	(225,564)
- to other entities	(208,132)	(225,564)
Gross profit from sales	75,583	70,813
Cost of sales	(12,063)	(11,253)
General administrative costs	(44,006)	(40,512)
Sales profit	19,514	19,048
Change in write-downs on receivables	(131)	(42)
Result on other operating activity, including:	(1,457)	(383)
Revenue	545	195
Costs	(2,002)	(578)
Operating profit	17,926	18,623
Result on financial activity, including:	(1,705)	(3,245)
Revenue	610	1,573
Costs	(2,315)	(4,818)
Profit before tax	16,221	15,378
Income tax	(4,036)	(3,359)
Net profit, of which attributable to:	12,185	12,019
shareholders of the parent company	12,029	11,970
non-controlling interests	156	49
Other comprehensive income		
Other net comprehensive income	(837)	(1,035)
Items that may be reclassified to the financial result in the future:		
Foreign exchange differences on translation of foreign operations	(962)	(979)
Result on hedge accounting with tax effect	125	(56)
Total comprehensive income	11,348	10,984
Total comprehensive income, of which attributable to:	11,348	10,984
the company's shareholders	11,192	10,935
non-controlling shareholders	156	49

Name of the organisational unit:	Apator Group		
Period covered by the financial statements:	1 January 2025 – 31 March 2025	Reporting currency:	Polish zloty (PLN)
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1.3. Consolidated statement of changes in equity

ITEM	Share capital	Own shares	Other capital	Capital from the revaluation of a defined benefit plan	Capital from valuation of hedging transactions	Exchange rate differences on consolidation	Undistributed financial result	Total	Non-controlling interests	Total equity
Balance as at 1 January 2025	3,265	(3,522)	574,829	607	389	6,132	8,590	590,290	2,212	592,502
<i>Changes in equity from 1 January 2025 to 31 March 2025</i>	-	-	-	-	125	(962)	12,031	11,194	156	11,350
Net profit for the period from 1 January 2025 to 31 March 2025	-	-	-	-	-	-	12,029	12,029	156	12,185
Other comprehensive income:	-	-	-	-	125	(962)	-	(837)	-	(837)
<i>Items that may be reclassified to the financial result in the future:</i>										
Result on hedge accounting with tax effect	-	-	-	-	125	-	-	125	-	125
Net foreign exchange differences on the translation of financial statements into presentation currency	-	-	-	-	-	(962)	-	(962)	-	(962)
Comprehensive income recognised in the period from 1 January 2025 to 31 March 2025	-	-	-	-	125	(962)	12,029	11,192	156	11,348
Transactions with owners recognised directly in equity:	-	-	-	-	-	-	2	2	-	2
Other changes in capital	-	-	-	-	-	-	2	2	-	2
Balance as at 31 March 2025	3,265	(3,522)	574,829	607	514	5,170	20,621	601,484	2,368	603,852

ITEM	Share capital	Own shares	Other capital	Capital from the revaluation of a defined benefit plan	Capital from valuation of hedging transactions	Exchange rate differences on consolidation	Undistributed financial result	Total	Non-controlling interests	Total equity
Balance as at 1 January 2024	3,265	(3,522)	600,182	894	1,645	7,200	(72,699)	536,965	2,058	539,023
Changes in equity from 1 January 2024 to 31 March 2024	-	-	-	-	(56)	(979)	11,970	10,935	49	10,984
Net profit for the period from 1 January 2024 to 31 March 2024	-	-	-	-	-	-	11,970	11,970	49	12,019
Other comprehensive income:	-	-	-	-	(56)	(979)	-	(1,035)	-	(1,035)
<i>Items that may be reclassified to the financial result in the future:</i>										
Result on hedge accounting with tax effect	-	-	-	-	(56)	-	-	(56)	-	(56)
Net foreign exchange differences on the translation of financial statements into presentation currency	-	-	-	-	-	(979)	-	(979)	-	(979)
Comprehensive income recognised in the period from 1 January 2024 to 31 March 2024	-	-	-	-	(56)	(979)	11,970	10,935	49	10,984
Balance as at 31 March 2024	3,265	(3,522)	600,182	894	1,589	6,221	(60,729)	547,900	2,107	550,007

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1.4. Consolidated cash flow statement

ITEM	for the period	
	from 1 January 2025	from 1 January 2024
	to 31 March 2025	to 31 March 2024
Cash flows from operating activities		
Profit before tax	16,221	15,378
Adjustments:	19,396	17,655
Amortisation of intangible assets	5,847	3,207
Amortisation of tangible fixed assets	8,604	7,423
Depreciation of right-of-use assets	2,593	2,663
Profit on sale of tangible fixed assets and intangible assets	(310)	(10)
Loss due to change in fair value of derivatives	818	1,136
Interest costs	1,718	2,875
Interest revenue	(158)	(74)
Other adjustments	284	435
Cash from operating activity before changes in working capital	35,617	33,033
Change in inventories	(14,617)	17,707
Change in receivables	5,577	(26,639)
Change in other assets	(4,950)	(4,032)
Change in liabilities	23,175	11,814
Change in provisions	3,935	682
Cash generated in the course of operating activities	48,737	32,565
Tax return	(488)	-
Income tax paid	(6,200)	(5,130)
Net cash from operating activities	42,049	27,435
Cash flows from investment activities		
Expenditure on the acquisition of intangible assets	(7,382)	(4,062)
Expenditure on the acquisition of tangible fixed assets	(9,644)	(6,849)
Proceeds from the sale of tangible fixed assets	4,384	1,487
Other expenditure	(4,108)	(2,009)
Net cash used from investment activities	(16,750)	(11,433)
Cash flows from financial activities		
Proceeds from credits and loans	6,163	5,658
Repayment of credits and loans	(19,507)	(19,379)
Interest paid	(1,225)	(2,401)
Repayment of lease liabilities	(3,642)	(2,871)
Other expenditure	(524)	(407)
Net cash from financial activities	(18,735)	(19,400)
Net increase (decrease) in cash and cash equivalents	6,564	(3,398)
Opening balance of cash	17,716	22,939
Closing balance of cash	24,280	19,541

Name of the organisational unit:	Apator Group		
Period covered by the financial statements:	1 January 2025 – 31 March 2025	Reporting currency:	Polish zloty (PLN)
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1.5. Consolidated statement by operating segment

The activities of Apator Group are concentrated in three main segments:

- Electricity
- Gas
- Water and Heat

Activities outside these segments were presented as “unallocated.”

ITEM	Electricity	Gas	Water and Heat	Unallocated	Total
Financial results of operating segments for the period from 1 January 2025 to 31 March 2025					
Sales revenue	124,601	58,420	100,694	-	283,715
Cost of goods sold	92,362	47,360	68,410	-	208,132
Gross profit from sales	32,239	11,060	32,284	-	75,583
Cost of sales	5,321	1,617	5,057	68	12,063
General administrative costs	19,500	6,529	17,294	683	44,006
Sales profit	7,418	2,914	9,933	(751)	19,514
Change in write-downs on receivables	(54)	(161)	84	-	(131)
Other operating revenues (costs)	106	37	(1,600)	-	(1,457)
Operating profit	7,470	2,790	8,417	(751)	17,926
Amortisation and depreciation	7,443	2,407	7,194	-	17,044
EBITDA	14,913	5,197	15,611	(751)	34,970
Other financial revenues (costs)	290	(433)	(1,562)	-	(1,705)
Gross profit	7,760	2,357	6,855	(751)	16,221
Financial results of operating segments for the period from 1 January 2024 to 31 March 2024					
Sales revenue	134,569	73,176	88,632	-	296,377
Cost of goods sold	101,863	60,843	62,858	-	225,564
Gross profit from sales	32,706	12,333	25,774	-	70,813
Cost of sales	5,075	1,616	4,494	68	11,253
General administrative costs	17,425	7,990	14,426	671	40,512
Sales profit	10,206	2,727	6,854	(739)	19,048
Change in write-downs on receivables	53	(13)	(82)	-	(42)
Other operating revenues (costs)	(413)	17	13	-	(383)
Operating profit	9,846	2,731	6,785	(739)	18,623
Amortisation and depreciation	5,946	2,764	4,583	-	13,293
EBITDA	15,792	5,495	11,368	(739)	31,916
Other financial revenues (costs)	(844)	(997)	(1,404)	-	(3,245)
Gross profit	9,002	1,734	5,381	(739)	15,378

Name of the organisational unit:	Apator Group		
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1.6. Geographical sales structure

The sales of the Apator Group by the following geographies are presented below:

- Country – covering sales within the country
- EU + UK – sales made in the European Union and the United Kingdom
- Exports – sales made in other countries

ITEM	Domestic	Export	EU	Total
Sales revenues of geographical segments for the period from 1 January 2025 to 31 March 2025				
Total revenues	163,213	31,700	88,802	283,715
External sales	163,213	31,700	88,802	283,715
Sales revenues of geographical segments for the period from 1 January 2024 to 31 March 2024				
Total revenues	155,071	28,240	113,066	296,377
External sales	155,071	28,240	113,066	296,377

1.7. Costs by type

ITEM	for the period	
	from 1 January 2025	from 1 January 2024
	to 31 March 2025	to 31 March 2024
Amortisation and depreciation	17,044	13,293
Consumption of materials and energy	136,015	138,304
External services	32,891	26,984
Employee benefits	81,867	75,887
Other costs	11,355	10,584
Manufacturing costs of products for entity's own purposes	(1,023)	(1,087)
Change in the status of finished products, work in progress	(27,637)	1,992
Cost of goods and materials sold	13,689	11,372
Total costs	264,201	277,329

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

2. General information

This quarterly report should be read in conjunction with Apator Group's 2023 statement of activities, available at the following link: https://api.apator.com/uploads/relacje-inwestorskie/dane-finansowe-i-raporty-okresowe/raporty-okresowe/2023/sko-roczne/Sprawozdanie_Zarzadu.xhtml

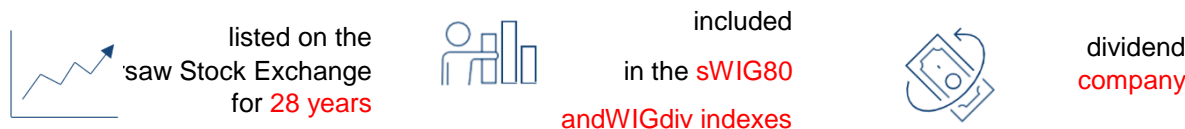
2.1. Organisation of the Apator Group

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.



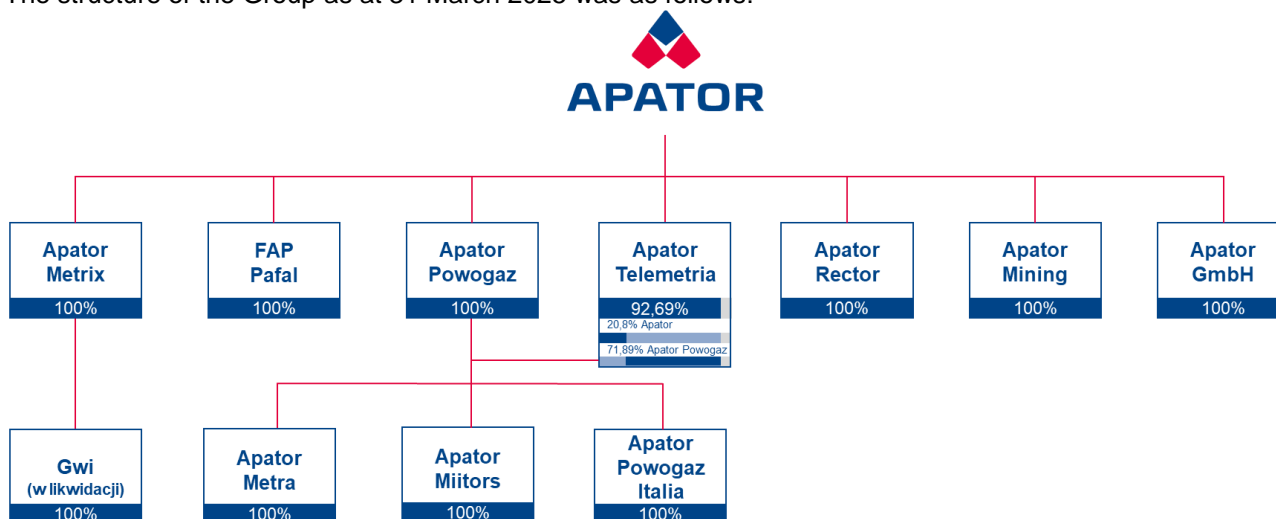
The companies of the Apator Group are part of the electromechanical sector and focus their activity on manufacturing and sales of measuring equipment (electricity meters, gas meters, water meters, and heat meters), control and measurement instruments, distribution and control equipment, IT systems of 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.



2.2. Composition of the Apator Group and its business segments




The structure of the Group as at 31 March 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.

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

Business segments	electricity	gas	water and heat
Business Lines	<ul style="list-style-type: none"> electricity metering switchgear automation ICT 		
Companies forming the Segment	<ul style="list-style-type: none"> Apator S.A. (Toruń) Apator Rector (Zielona Góra) FAP Pafal (Świdnica) Apator GmbH (Germany) 	<ul style="list-style-type: none"> Apator Metrix (Tczew) Apator GmbH (Germany) 	<ul style="list-style-type: none"> Apator Powogaz (Jarzycki) Apator Telemetry (Słupsk) Apator Metra (Czech Republic) Apator Miitors (Denmark) Apator Powogaz Italia (Italy)
Solutions	<ul style="list-style-type: none"> 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)  <p>OTUS 3 meter Control and supervision systems ARS evo disconnect</p>	<ul style="list-style-type: none"> 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  <p>iSMART 2 gas meter hybridSMART</p>	<ul style="list-style-type: none"> 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  <p>ULTRIMIS W water JS Smart + E-ITN allocator</p>
Main customers	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> gas companies/gas distributors and gas suppliers 	<ul style="list-style-type: none"> water, sewerage and heating companies housing cooperatives construction industry
Main markets	Poland, Germany, Brazil, Romania, Hungary, Sweden	Poland, Belgium, Ukraine, Germany, Hungary, Turkey	Poland, Czech Republic, Germany, Spain, Saudi Arabia, Romania, Serbia
Scale of sales in Q1 2025	PLN 124.6 million	PLN 58.4 million	PLN 100.7 million
Share of exports in revenue of the segment in Q1 2025	16.2%	73.9%	56.8%

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3. Summary of financial results

This section identifies significant achievements or failures and lists the most important events concerning the Issuer and its Group, as well as factors and events, including those of an unusual nature, that significantly impact the financial statements. This quarterly report should be read in conjunction with Apator Group's 2024 statement of activities, available at the following link: <https://api.apator.com/uploads/relacje-inwestorskie/dane-finansowe-i-raporty-okresowe/raporty-okresowe/2024/2024/SzD-pl-2024-12-31-0-pl.xhtml>

3.1. Results for the first quarter of 2025

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

Item	Q1 2025	Q1 2024	Change	Growth rate
Sales revenue, including:	283,715	296,377	-12,662	95.7%
<i>domestic</i>	163,213	155,071	8,142	105.3%
<i>export</i>	120,502	141,306	-20,804	85.3%
Cost of goods sold	208,132	225,564	-17,432	92.3%
Gross profit from sales	75,583	70,813	4,770	106.7%
Cost of sales	12,063	11,253	810	107.2%
General administrative costs	44,006	40,512	3,494	108.6%
Sales profit	19,514	19,048	466	102.4%
Change in write-downs on receivables	-131	-42	-89	311.9%
Result on other operating activities	-1,457	-383	-1,074	380.4%
Share in profit of entities consolidated using the equity method	-	-	-	-
Operating profit	17,926	18,623	-697	96.3%
EBITDA	34,970	31,916	3,054	109.6%
Result on financial activities	-1,705	-3,245	1,540	52.5%
Acquisition/loss of control over a subsidiary (negative goodwill)	-	-	-	-
Profit before tax	16,221	15,378	843	105.5%
Current income tax	-4,390	-3,309	-1,081	132.7%
Deferred income tax	354	-50	404	-
Net profit	12,185	12,019	166	101.4%
Profitability ratios:				
Gross profit margin on sales	26.6%	23.9%		
Profit margin on sales	6.9%	6.4%		
EBITDA profit margin	12.3%	10.8%		
Net profit margin	4.3%	4.1%		

The main factors affecting the financial results in the first quarter of 2025 include:

- lower sales in the Electricity segment, due to a decline in exports in certain product lines within the segment (a temporary slowdown in activity in selected Western European markets), while domestic sales remained stable and at a good level;
- accelerated sales growth in the Water and Heat segment, which effectively capitalised on visible signs of market recovery. Double-digit sales growth was recorded both domestically and in export markets across all major product groups. In addition to higher sales, there was an improvement in margins at all levels;
- a stable and predictable situation in the Gas segment. The impact of the anticipated decline in export sales (in line with the agreed delivery schedule under the largest contract in the Belgian market, where the largest delivery tranches were completed in 2024) was largely offset by improved efficiency at the total manufacturing cost level and effective control of fixed costs;
- improvement in gross profit on sales and EBITDA margin in each segment (optimisation efforts and an effective procurement policy);
- a year-on-year decline in the result on other operating activities, due to provisions made for liabilities in the Water and Heat segment.

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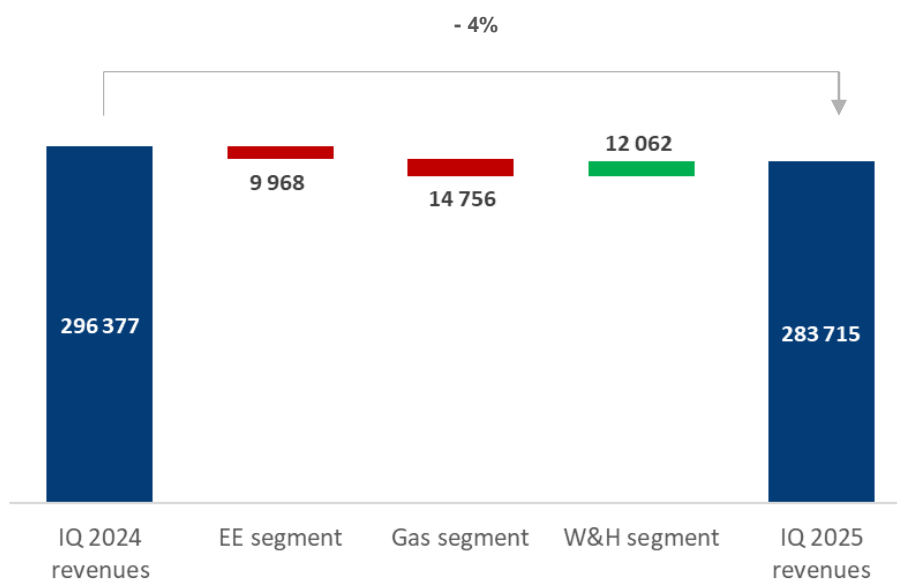
- improved result on financial activities, owing to lower debt servicing costs as a result of optimising net working capital and reducing the associated debt.

Sales revenue

In the first quarter of 2025, the Apator Group recorded sales revenue of PLN 283.7 million, representing a year-on-year decline of 4 percent. This decrease was attributable to lower turnover in the Electricity and Gas segments, partially offset by improved results in the Water and Heat segment. Considering the geographical distribution of sales, a predominance of domestic turnover was evident across the Group, primarily due to positive developments in the Gas and Water and Heat segments. Revenue in Poland increased by 5 percent year-on-year, while exports declined by 15 percent year-on-year. As a result, the share of domestic sales in total turnover rose by 5.2 percentage points, reaching over 57 percent of the Group's revenue.

Item	Q1 2025 (PLN thousand)	Q1 2024 (PLN thousand)	Change y/y (PLN thousand)	Growth rate (%)
Electricity (EE) segment	124,601	134,569	-9,968	92.6%
<i>domestic</i>	104,435	106,962	-2,528	97.6%
<i>export</i>	20,166	27,607	-7,440	73.0%
<i>share of exports in segment revenue</i>	16.2%	20.5%		
<i>electricity (EE) segment export share in total sales revenue</i>	7.1%	9.3%		
Gas segment	58,420	73,176	-14,756	79.8%
<i>domestic</i>	15,242	10,996	4,246	138.6%
<i>export</i>	43,178	62,180	-19,002	69.4%
<i>share of exports in segment revenue</i>	73.9%	85.0%		
<i>Gas segment export share in total sales revenue</i>	15.2%	21.0%		
Water and Heat (W&H) segment	100,694	88,632	12,062	113.6%
<i>domestic</i>	43,536	37,113	6,423	117.3%
<i>export</i>	57,158	51,519	5,639	110.9%
<i>share of exports in segment revenue</i>	56.8%	58.1%		
<i>share of exports of the Gas segment W&H segment in total sales revenue</i>	20.1%	17.4%		
Total sales revenue	283,715	296,377	-12,662	95.7%
<i>domestic</i>	163,213	155,071	8,142	105.3%
<i>export</i>	120,502	141,306	-20,804	85.3%
<i>share of total exports in total revenue</i>	42.5%	47.7%		

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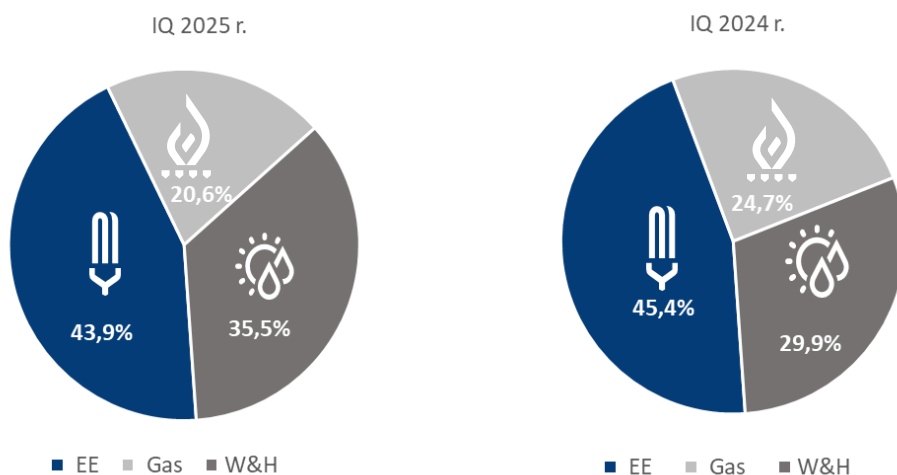
The sales structure by segment was as follows:

- Electricity (EE) segment – a 7% year-on-year decline in sales:
 - domestic sales of meters (the largest business line, accounting for approximately two-thirds of EE segment revenue in Q1 2025) were 3% lower year-on-year. Apator is delivering smart meters and solutions for medium-voltage station balancing and remote meter communication in accordance with schedules agreed with clients. The lower year-on-year turnover is partly due to previous delays in tender decisions and partly due to the high baseline in the first quarter of 2024. The decline in exports within this line is related to reduced year-on-year deliveries of meters to the German market, resulting from the already visible reduction in the number of tenders announced in 2024;
 - higher sales results in the Switchgear line (the second-largest business line, accounting for 20% of the segment’s revenue) were achieved due to a clear revival in export markets (+24% year-on-year), while domestic turnover remained comparable to the previous year. This improvement reflects intensified efforts to strengthen the Group’s position amid increasing price competition;
 - lower turnover was recorded in the ICT line (accounting for over 8% of the EE segment’s revenue), while sales in the Automation line (nearly 5% of the segment’s revenue) increased;
- Gas segment – sales decreased by 20% year-on-year despite a significant increase in domestic turnover (+39% year-on-year), due to a substantial reduction in exports (–31% year-on-year). The lower international sales resulted from markedly smaller deliveries under the Belgian contract (in line with the agreed schedule), alongside reduced activity in key markets such as Germany, the United Kingdom and Türkiye. Currency exchange fluctuations (a stronger Polish zloty against the euro) had an additional adverse effect on the segment’s international turnover. Due to the reduced scale of operations in several previously significant export markets, the Apator Group is intensifying its sales efforts to maintain or rebuild its position in existing markets while simultaneously increasing its presence in new ones, including Croatia, Hungary and the Czech Republic. These markets offer the greatest potential for introducing the Group’s product portfolio. In the domestic market, deliveries continued under the tender for the main gas network operator in Poland. At the same time, the Group is actively participating in new procurement processes and, in response to increasingly frequent client expectations, is developing IT systems for network management and building a complementary offering;
- Water and Heat segment – a visible and anticipated revival, with Q1 2025 turnover up 14% year-on-year, driven by double-digit growth in both domestic and export sales. Higher domestic revenue, partly related to a concentration of water meter replacements in housing cooperatives, was achieved thanks to

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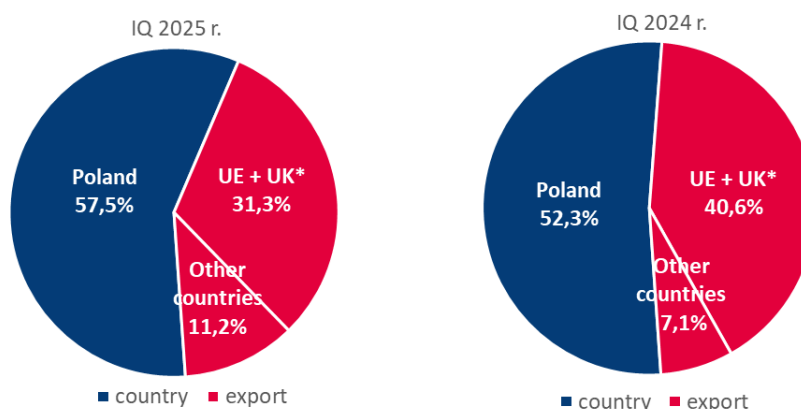
promotional efforts initiated in 2024 and increased product availability. Export sales also rose, despite the adverse effect of the strong zloty, supported by higher turnover across most markets, including key ones (Czech Republic, Germany, Spain) as well as more distant locations (Saudi Arabia, Serbia, Moldova, Portugal, Tunisia). Double-digit growth was maintained across all main product groups, both domestically and abroad. The positive upward trend in ultrasonic water meters and remote communication devices continued. Signs of recovery were also visible in the heat metering segment, following unsatisfactory results and a low baseline in 2024, partly due to temporary product availability constraints.

In light of the changes in the Apator Group’s sales structure described above, the share of the Water and Heat segment increased, while the year-on-year share of the other two segments, particularly the Gas segment, decreased as a result.



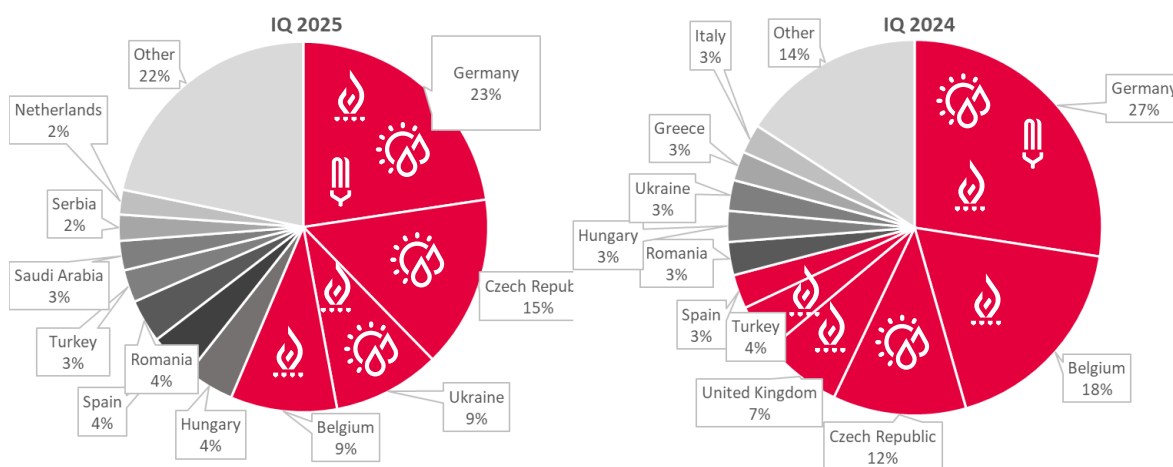
Geographical sales structure

In the first quarter of 2025, the Apator Group’s domestic sales grew faster than export turnover. As a result, the share of domestic sales in the Group’s total revenue increased. The geographical sales structure remains relatively stable, with exports still accounting for a significant share of over 40 percent of revenue. This ensures adequate diversification of operations and greater predictability of future sales performance, regardless of changing conditions in specific target markets.



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Poland remains the Apator Group's primary sales market. The European Union is the Group's second most important commercial area, with significant contributions from the German, Czech, Belgian, Hungarian, Spanish, Romanian and Dutch markets, followed by the United Kingdom. After the first quarter of 2025, Germany retained its position as the leading export destination, despite a decrease in its share of total Group exports from 27 percent in Q1 2024 to 23 percent a year later. Next in line were the Czech Republic, Ukraine and Belgium, followed by Hungary, Spain and Romania, all with comparable shares. The decline in Germany's share is due to lower sales in the Electricity and Gas segments, while turnover in the Water and Heat segment continues to grow. The German market is primarily supplied with ultrasonic water meters, which represent the fastest-growing product group in this segment. 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. Conversely, the Czech and Ukrainian markets gained importance within the Apator Group's export portfolio. The Czech market increased its share from 12 percent to 15 percent, mainly due to a rebound in Water and Heat sales following a relatively weak 2024. In Ukraine, all segments contributed to the increase in turnover, particularly the Gas segment, which saw a nearly fourfold year-on-year rise in Q1 2025 compared with Q1 2024, reaching a level of over PLN 9.2 million.



Foreign sales - countries with a share of more than 5% in exports	Share in exports in Q1 2025	Sold products
Germany	23%	electricity meters, gas meters and water meters
Czech Republic	15%	mainly water meters and cost allocators
Ukraine	9%	gas meters, water meters
Belgium	9%	gas meters

Seasonality of sales

Seasonality in the Apator Group's activity is not particularly significant, especially because of the effects of the pandemic and now also the war in Ukraine. The turnover structure in recent years should not be considered representative of the phenomenon of seasonality, where factors of an unusual nature (disturbances in supply chains, high inflation) have a substantial impact.

Reported revenue by year	Q1	Q2	Q3	Q4
2023	288,506	275,565	288,693	284,410
2024	296,377	338,053	292,645	300,724
2025	283,715			

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Operating costs by function and nature

Item	Q1 2025 (PLN thousand)	Q1 2024 (PLN thousand)	Change y/y (PLN thousand)	Growth rate (%)
Costs by function				
Cost of goods sold (COGS)	208,132	225,564	-17,432	92.3%
Selling, general and administrative expenses (SG&A)	56,069	51,765	4,304	108.3%
Total	264,201	277,329	-13,128	95.3%
Costs by nature				
Amortisation and depreciation	17,044	13,293	3,751	128.2%
Consumption of materials and energy	136,015	138,304	-2,289	98.3%
External services	32,891	26,984	5,907	121.9%
Employee benefits	81,867	75,887	5,980	107.9%
Other	11,355	10,584	771	107.3%
Change in finished goods, work in progress and prepayments and accruals	-27,637	1,992	-29,629	-
Manufacturing costs of products for entity's own purposes	-1,023	-1,087	64	94.1%
Cost of goods and materials sold	13,689	11,372	2,317	120.4%
Total	264,201	277,329	-13,128	95.3%

The decrease in the cost of goods sold (COGS) correlates with the reduced scale of revenue. However, the rate of decrease in COGS exceeded that of revenue, reflecting improvements in operational efficiency. As a result of these efficiency gains, gross margins on sales in all three of the Apator Group's segments were higher in Q1 2025 compared to Q1 2024, regardless of macroeconomic conditions. Adverse macroeconomic conditions were particularly evident in employee benefit expenses (due to a further significant increase in the minimum wage) and external services (driven by persistently high inflation in Poland and rising labour-related costs).

These same macroeconomic factors contributed to year-on-year increases in SG&A costs in the Electricity and Water and Heat segments, as well as for the Apator Group as a whole. In the EE segment, this resulted in a slight decline in the sales margin due to lower turnover. In contrast, in the Water and Heat segment, higher turnover led to an improvement in the margin, which reached nearly 10 percent. The Gas segment managed to improve its margins despite lower turnover, thanks to effective and consistent cost control in an uncertain environment with limited predictability regarding the sector's future scale of operations.

Although the nature of SG&A costs, the majority of which are not directly linked to the current scale of sales, means that their share in revenue increases when turnover declines (from 17.5 percent of turnover in the first quarter of 2024 to 19.8 percent a year later), their level remains under constant control both across the Apator Group and within individual companies. These costs are continuously optimised through measures aimed, among other things, at further improving operational efficiency.

EBITDA

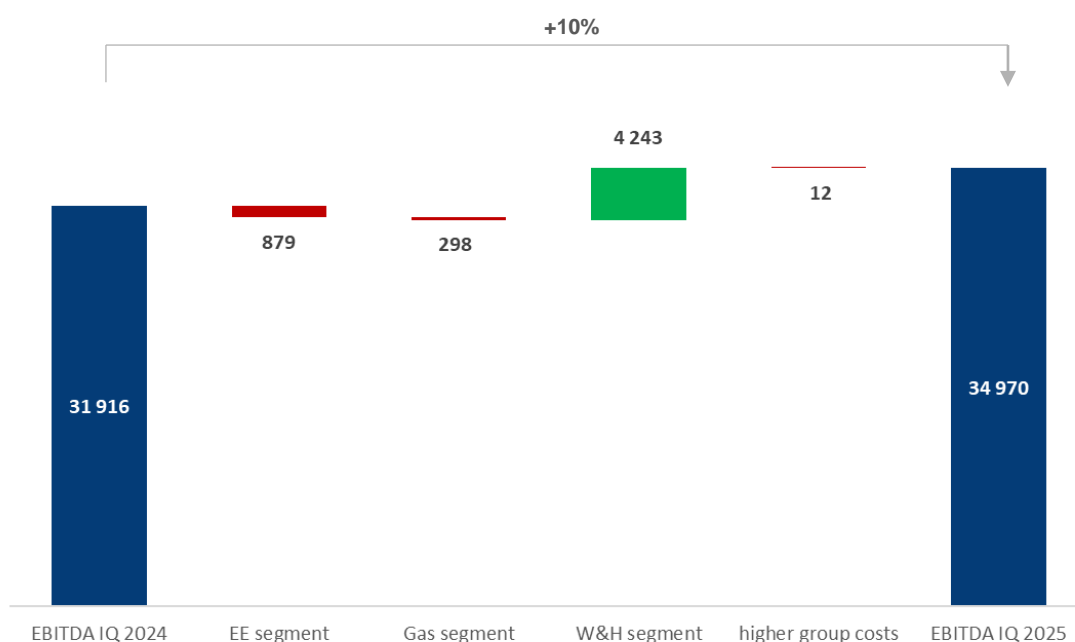
The increase in the Apator Group's consolidated EBITDA in the first quarter of 2025 (to PLN 35.0 million, up 10 percent year-on-year) was primarily driven by a marked improvement in the performance of the Water and Heat segment. The segment's EBITDA rose by 37 percent year-on-year, reaching over PLN 15.6 million by the end of the first quarter of 2025. This was the result of a simultaneous significant increase in turnover and improved profitability (an EBITDA margin higher by 2.7 percentage points year-on-year, reaching 15.5 percent), supported by a favourable product mix. The improvement in profitability, already the highest among all Apator Group segments, was made possible by optimising the TMC (total manufacturing cost) and

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operational leverage associated with an expanding scale of activity. With turnover up nearly 14 percent year-on-year, the segment’s cost of sales increased by less than 9 percent, enabling a notable improvement in EBITDA, even despite higher general administrative costs and a lower year-on-year result from other operating activities.

The results of the other two segments reflect lower turnover levels, although margin levels improved, particularly in the Gas segment. This confirms the stabilisation of the segment and the effectiveness of efforts to align the scale of operations (and consequently fixed costs) with current market conditions.

In the Electricity segment, a temporary and previously anticipated decline in turnover followed an exceptionally strong performance in 2024. Nevertheless, even in this segment, effective operational optimisation (resulting in a more than proportional reduction in TMC relative to the decline in sales), along with a year-on-year improvement in the result from other operating activities, led to a slightly higher EBITDA margin in the first quarter of 2025 compared to the same period in the previous year.



Net result

The Apator Group’s consolidated net profit amounted to PLN 12.2 million. In addition to the factors mentioned above, this result was influenced by a loss on financial activities totalling PLN 1.7 million, which comprised the following elements:

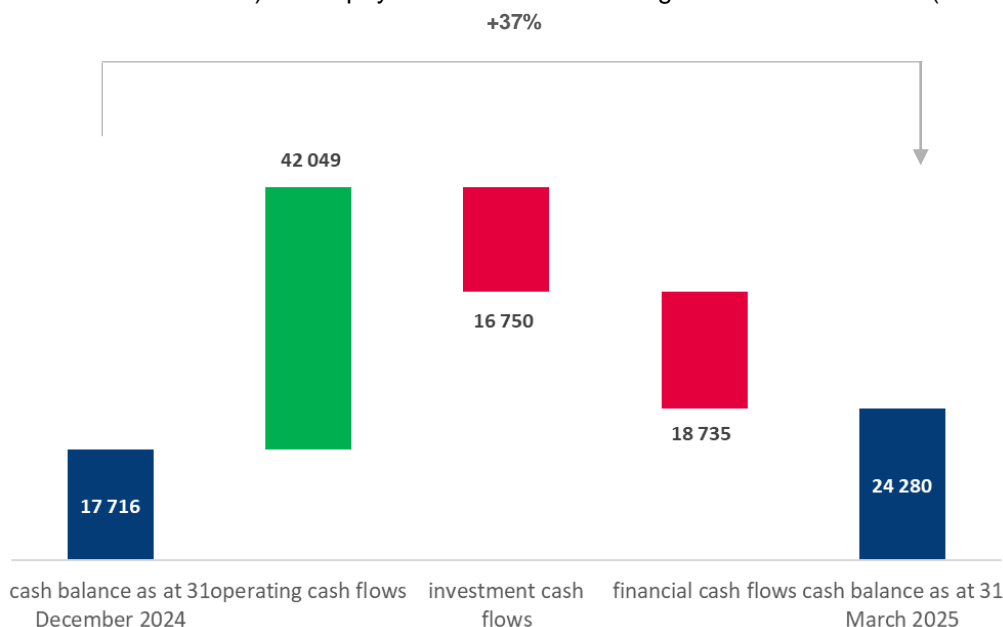
- lower credit servicing costs (PLN 1.3 million) – a year-on-year decrease of PLN 1.2 million, achieved through the systematic reduction of debt levels, along with a decline in other interest expenses (PLN 0.8 million, down PLN 0.2 million year-on-year);
- a positive result on foreign exchange transactions (PLN 0.3 million), as well as favourable foreign exchange differences.

3.2. Assessment of the financial position

As at 31 March 2025, the cash balance was PLN 24.3 million, representing an increase of PLN 6.6 million compared to the end of 2024, accompanied by a PLN 13.2 million reduction in the balance of loans and borrowings. The following factors influenced the level of cash:

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- strong positive cash flows from operating activities, driven by an improved EBITDA-to-cash conversion ratio resulting from working capital optimisation, including better turnover ratios for trade receivables and payables;
- negative cash flows from investing activities, primarily due to capital expenditure on property, plant and equipment, and intangible assets;
- negative cash flow balance related to repayment of credit debt (balance of credit liabilities including interest costs paid – PLN 14.6 million) and repayment of liabilities arising from financial leases (PLN -3.6 million).



Other key indicators	Q1 2025	2024	Q1 2024	Formula
Current liquidity ratio	1.53	1.51	1.38	current assets/short-term liabilities
Quick ratio	0.78	0.78	0.75	(current assets – inventories) /short-term liabilities
Return on asset (ROA)*	6.52%	6.54%	3.99%	net profit for the last 12 months/average total assets, calculated as an average of the opening and closing balances
Return on equity (ROE)*	10.63%	11.21%	7.18%	net profit for the last 12 months/average equity calculated as the average of the opening and closing balances
Net debt (in PLN thousand)	77,415	97,131	159,020	credits and loans – cash and cash equivalents – granted loans
Net debt / LTM EBITDA*	0.53	0.68	1.39	(credits and loans – cash and cash equivalents – granted loans) / EBITDA profit level for the last 12 months
CAPEX (in PLN thousand)	17,633	57,322	12,920	tangible and intangible investment expenditure
Working capital (in PLN thousand)	222,275	230,339	266,669	(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).

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***) The difference in the value of capex between Q1 2025 and Q1 2024 is partly due to a change in the method of presenting capital expenditure (capex for Q1 2025 was determined based on accounting notes relating to fixed assets and intangible assets, moving away from reconciliation of capital expenditure with cash flows). Under the previous year's methodology, capital expenditure for Q1 2025 would have amounted to PLN 17,026 thousand.*

The level of net working capital (NWC) as at the end of March 2025 was PLN 8.1 million lower compared to the end of 2024 (and as much as PLN 44.4 million lower compared to the end of March of the previous year). The reduction in working capital in the first quarter of 2025 was driven by a lower level of trade receivables (down PLN 3.8 million) and a higher balance of liabilities (up PLN 5.5 million). At the same time, inventory levels increased by PLN 14.1 million compared to December 2024, resulting from earlier and consistent optimisation of stock levels and planned execution schedules. The current level of working capital is considered close to optimal for the present scale of operations. The Group's priority remains maintaining an acceptable level of operational security and ensuring continuity of production and deliveries.

Thanks to working capital optimisation and the resulting reduction in the scale of borrowing, the Apator Group's net financial debt at the end of Q1 2025 was PLN 19.7 million lower than at the end of 2024 (and PLN 81.6 million lower compared to the end of March 2024), with loan utilisation reduced by PLN 13.2 million. As a result of this debt reduction combined with a higher EBITDA, the net debt to LTM EBITDA ratio stood at a low level of 0.53x as at the end of March 2025 (compared to 0.68x at the end of 2024 and 1.39x at the end of March 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).

Capital expenditure incurred in the first quarter of 2025 primarily related to R&D investments across the Group. This included ongoing development work on the Ultrimis water meter family, new types of electricity meters, and the development or implementation of new generations of software solutions such as remote reading systems for water and heat meters. It also encompassed a range of other innovations aimed at supporting resource management, improving clients' energy efficiency, and enhancing the complementarity and comprehensiveness of the Apator Group's offering.

4. Information on factors that will affect the future results of the Apator Group

4.1. Risk and threat factors

All significant risk factors and threats in the Apator Group are identified, analysed and controlled on an ongoing basis. Risk management is implemented based on the model of three lines of defence and uniform principles and methodology developed based on 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:

- financial management risk,
- strategic risk related to the development and value creation of the Apator Group,
- operational risk, including day-to-day performance, legal compliance, occupational health and safety, information security, and environmental protection.

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A detailed description of the risk factors that may affect the Apator Group's operations is presented in Chapter 7 of the Management Board Report on the operations of the Apator Group for 2024, published on the investor relations website at: <https://api.apator.com/uploads/relacje-inwestorskie/dane-finansowe-i-raporty-okresowe/raporty-okresowe/2024/2024/SzD-pl-2024-12-31-0-pl.xhtml>

In the opinion of the Management Board, the risks indicated in the above-mentioned document remain valid. However, the Management Board emphasises that global trends and geopolitical conditions may determine the results in the coming quarters. Accordingly, the main risk factors that may negatively affect the Group's results in the near term continue to include:

- increasing price pressure from Asian manufacturers (particularly Chinese), supported by targeted state subsidies and legal measures aimed at promoting their economic expansion in the European market at the expense of European industrial companies;
- tightening of U.S. trade policy towards the European Union and China, and anticipated retaliatory measures by governments, which could disrupt the supply chains of components and raw materials, including rare earth metals (e.g. tungsten, tellurium, bismuth). This, in turn, could directly impact major producers of advanced semiconductor systems used by the Apator Group in the manufacture of metering devices. High tariffs and the trend toward deglobalisation of supply chains may lead to a global economic slowdown, reduced trade activity, increased prices for advanced multi-component devices, longer order fulfilment times, and slower financial flows;
- gradual loss of technological sovereignty in certain areas of EU economies and increased dependence on imported technologies and products from outside the EU, particularly from China;
- the negative consequences of the war in Ukraine and the conflict in the Middle East, the renewed India–Pakistan conflict, and the increasingly apparent catastrophic effects of climate change;
- unstable financial markets, persistently high interest rates, and high volatility in exchange rates and commodity prices. 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;
- uncertainty in the gas market, resulting from energy policy and the gradual phasing out of gas as a fuel (due to CO₂ emissions). In EU countries, there is a visible trend of fuel switching by economies and consumers. However, the industry emphasises that the future of energy lies in gas fuels, comprising a mix of natural gas and renewable gases, including hydrogen or biomethane. 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 Apator Group expects the gas market to stabilise and believes that gas will remain a key stabiliser in the energy transition for decades to come, supporting the shift to renewables and zero-emission fuels. The future of the Gas segment is the subject of strategic initiatives, including the search for alternative markets for existing product lines and the adaptation of the product offering to new customer groups. It should be noted that the effects of these efforts are expected to materialise over a longer time horizon;
- noticeably weaker financial condition of local authorities and housing cooperatives, resulting from persistently high inflation, especially in the energy sector, which is limiting demand for new metering solutions (particularly in the area of water and sewerage and district heating). The sector awaits the disbursement of National Recovery Plan (NRP) funds, greater market liberalisation in the energy sector, openness to new technologies, and better planning and allocation of budgetary resources for municipalities;
- 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 cyberattacks on critical infrastructure.

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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;

- potential costs and risks associated with the liquidation of GWi Ltd., which are difficult to estimate as at the date of publication of this report. More information is provided in item 6.5 of this report.

At the same time, the Management Board stresses that risk factors arising from legal, political, and economic conditions (both local and global), which lie beyond the control of the Company or Group, may have a significant impact on results, potentially causing them to fall below expectations.

The Management Board of Apator S.A. continuously monitors the political and economic situation, analyses its impact on the operations of the Company and the Group of Companies, assesses the possibilities of mitigating risk, and takes appropriate action.

4.2. Prospects

Chapters 3 and 4 of the Report of the Management Board on the activities of the Apator Group for 2023 present a detailed description of the prospects and development factors for individual segments, which will determine the Apator Group's operations and results. In the opinion of the Management Board, the prospects indicated in the aforementioned document remain valid. Link to the document: https://api.apator.com/uploads/relacje-inwestorskie/dane-finansowe-i-raporty-okresowe/raporty-okresowe/2023/sko-roczne/Sprawozdanie_Zarzadu.xhtml

Among significant favourable trends (internal factors), the following should be indicated:

- 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 product and service offering (e.g. energy storage, expansion of the ultrasonic water meter portfolio, smart prepayment meters, development of IT systems for remote reading and network management),
- sales development in new markets (changes in the sales model, establishment of a distribution company in Italy),
- new contracts and partnerships (e.g. partnership with Rittal in switchgear production, innovative partnership with Enea Operator Sp. z o.o. for the design and delivery of a smart meter, successful bid in the PSG tender for smart gas meters),
- optimisation of working capital, debt, and continuation of investment plans,
- implementation of the business strategy;

Among significant favourable trends (external factors), the following should be indicated:

- 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) 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;
- 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

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the development of a zero-carbon economy. In June 2024, dynamic tariffs were allowed in the market and new balancing market rules were introduced that require the use of smart meters for billing in 15-minute periods.

- Implementation into Polish law of *Directive (EU) 2019/944, Regulation (EU) 2024/1747 of 13 June 2024, and Directive (EU) 2024/1711 of 13 June 2024*, which oblige Member States to measure and settle demand response (DR) and energy flexibility and enable consumers to sign contracts with multiple suppliers at a single connection point. These regulations are expected to promote broader use of metering systems and devices.
- 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;
- successful acquisition by Polish electricity distribution companies of low-interest long-term loans (NRP/NDB), amounting to several tens of billions of zloty, for modernising and automating energy networks in the years 2025–2040
- gradual 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 systems) caused by reaching a tipping point in the share of unstable RES energy sources;
- new EU regulations aimed at improving the digital security of devices (NIS 2 directive, new cyber security requirements in the RED directive, and the CRA directive), which classify manufacturers of devices operating in network infrastructure as key and important groups, subject to stricter local European requirements;
- 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)
- announcements by new members of the European Commission on strengthening Europe's technological sovereignty and protection against cyber threats, backed up by first measures against unfair competition (tariffs on electric vehicles from Asia). A review and revision of the European public procurement directives has been announced to ensure that preference is given to European suppliers in strategic sectors and technologies and that non-price and environmental criteria are given greater weight, as well as strengthening EU regulations on foreign subsidies;
- promising prospects for products related to energy measurement and management, driven by rising utility and water costs due to resource shortages, as well as regulatory pressure (replacements of traditional water and heat meters with remote-reading meters being implemented throughout Europe). In the domestic market, increased 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. Additionally, there is growing interest in remote reading systems, water and heat billing services, solutions for monitoring water quality or leak detection (with particularly strong demand for comprehensive solutions among water and sewage companies);
- 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 which reduce water losses; Pressure to use measurement devices with extended lifespans (e.g. ultrasonic water meters without mechanical moving parts).

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5. List of major events

5.1. List of events in 2025

- On 28 January 2025, following a successful tender, the Board announced that it had entered into an innovation partnership agreement with Enea Operator sp. z o.o. (the "Ordering Party"). The agreement includes four implementation stages aimed at developing an innovative 1- and 3-phase remote-readable electricity meter that meets all the requirements and functionalities specified by the Ordering Party (stages I and II), obtaining the required certification (stage III), and then manufacturing and delivering the meters together with communication modules (stage IV). The agreement value according to the tender conditions is PLN 62.3 million, assuming the completion of the three previous stages of the agreement. The delivery of the meters is expected to start in late 2025 or early 2026. In accordance with the requirements of the Ordering Party, Apator SA granted 72 months guarantee for the meters supplied. In addition, the Ordering Party provides for the possibility, as part of the agreement, of purchasing a total of approx. 2.4 million meters from the contractors selected in the tender by 2030.
- On 30 January 2025, Apator Powogaz SA established a subsidiary, Apator Powogaz Italia Srl, with a registered office in Padua (Italy). For more information, see item 6.5.2
- On 11 February 2025, the Management Board announced that it had entered into a technology partnership agreement with RITTAL GmbH&Co KG, 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 estimates that projected revenues may amount to several million PLN in 2025, with the prospect of successive increases in subsequent years.
- On 7 March 2025, 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. The terms and conditions of the agreement do not differ from those commonly used in agreements of this type, including contractual penalties.
- 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.
- 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.

5.2. List of events after the balance sheet date

- On 5 May 2025, the offer submitted by 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

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transmission functionality for Polska Spółka Gazownictwa sp. z o.o. ("PSG") under the eGazomierz project.

The value of the offer is PLN 134.4 million, and deliveries are to be completed 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%. As the procedure was conducted as a non-public procurement, PSG has stipulated that no protests or appeals may be filed. Consequently, contracts for the individual tasks are to be concluded within 30 days from the date on which the decision regarding the tender award was communicated.

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.

6. Additional information

6.1. Credits, loans, guarantees

The state of credits and loans of the Apator Group:

Item	as at		Change
	31 March 2025	31 December 2024	
Long-term credits and loans	23,390	24,621	-1,231
Short-term credits and loans	78,305	90,226	-11,921
Total credits and loans	101,695	114,847	-13,152

6.1.1. Credits

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

1. Apator Group

- a) Multi-product agreement of 22 June 2016

On 30 June 2022, 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., FAP Pafal S.A., Apator Rector Sp. z o.o., and Apator Telemetry 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 250 million. The credit repayment date is 30 June 2025. 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 the companies' fixed assets with a total net value of PLN 30.0 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 250 million.

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

- PLN 67.1 million from utilised credit limits
- PLN 16.4 million in issued guarantees and letters of credit
- PLN 4.6 million in supplier financing transactions

b) Multi-purpose agreement of 26 May 2023

On 26 May 2023, by and between Powszechna Kasa Oszczędności Bank Polski S.A. and companies of Apator Group: Apator S.A., Apator Powogaz S.A. and Apator Metrix S.A. a multi-purpose credit limit agreement was concluded for the total amount of PLN 80 million. The agreement was concluded for a period of two years, i.e. until 26 May 2025. On 23 November, Annex 1 to the Agreement was concluded, under which another Borrower was added, GWi, a company based in the UK. On 23 May 2024, under the Annex No. 2, due to the commencement of the liquidation procedure in receivership, GWi Ltd. ceased to be the Borrower and the credit was repaid by the company Apator Metrix S.A. 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 2024, the collaterals for the contract are:

- registered pledges on the companies' tangible assets of the total value of PLN 12.4 million,
- Registered pledge over inventory of PLN 27.1 million,
- a joint mortgage on the Żerniki and Tczew properties up to PLN 182.8 million,
- assignment of rights under the insurance policy for the above collateral,
- declaration of submission to execution under Art. 777 of the Civil Code, up to the amount of PLN 80 million, issued by each company.

As at 31 May 2024, the use of limits by Apator Group companies under the concluded agreement was:

- PLN 6.2 million in utilised credit limits
- PLN 26 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 March 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 March 2025, the debt under the above credit amounted to PLN 28.3 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

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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. As at 31 March 2025, the value of the limit used was PLN 6.1 million.

- 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. As at 31 March 2025, the company has not used the funding.

3. Apator Metra 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 the property in the amount of CZK 51.7 million (i.e. PLN 8.7 million according to ING's average exchange rate as at 31 March 2025, for CZK = PLN 0.1676), along with an assignment of rights under the property all-risk insurance policy. As at 31 March 2025, the company did not use the credit line.

4. Apator Telemetria Sp. z o.o. on 24 March 2022, concluded with mBank S.A. an e-credit agreement for supplier financing, with a limit of PLN 7 million. The agreement is in the process of being terminated. 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. As at 31 March 2025, the company has not used the funding.

In the first quarter of 2025, no bank terminated any credit agreement with any of the Apator Group companies, and the Apator Group fulfilled its obligations under the concluded credit agreements.

6.1.2. Loans

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

As at 31 March 2025:

- Apator Powogaz S.A. has a receivable under a consolidated loan in the amount of EUR 1.5 million granted to the subsidiary Apator Miitors ApS. The nominal interest rate on the loan is 5.7%. On 20 November 2020, Apator Powogaz and Apator Miitors ApS concluded an annex extending the loan repayment period until the end of 2029. As at 31 March 2025, the outstanding loan balance including interest for Q1 amounted to EUR 660.50 thousand (i.e., PLN 2.8 million based on ING's average exchange rate as at 31 March 2025, for EUR = PLN 4.1843).
- Apator S.A. holds a receivable from a loan granted to its subsidiary, Apator Powogaz S.A., in the amount of PLN 10 million. The loan interest rate is 2.2% plus the WIBOR rate for 3M deposits. The loan will be repaid in 10 monthly instalments starting from January 2025.

6.1.3. Sureties and guarantees

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

As at 31 March 2025, the Apator Group also had active guarantees issued by insurers and banks.

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

The current proceedings (including two or more proceedings) concerning the liabilities or receivables of Apator S.A. 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.

6.3. Transactions with related entities

The Apator Group companies cooperate in business areas, including financial activity and support functions (mainly IT). In 2024, under that cooperation, as in the previous periods, neither Apator S.A. nor any of its subsidiaries entered into transactions with related entities concluded on terms other than arm's length terms.

6.4. Entities subject to consolidation as at 31 March 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.	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	Electricity and gas metering	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 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.
		Apator Telemetria Sp. z o. o.	Słupsk	92.69%	Direct subsidiary of Apator S.A. in 20.8% and indirect subsidiary of Apator Powogaz S.A. in 71.89%
		Apator Powogaz Italia Srl	Padua (Italy)	100%	Indirect subsidiary of Apator S.A. through Apator Powogaz S.A.

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Unit	Business line	Company	Registered office	Share in capital	Relation with Apator S.A.
					Indirect participation through Apator Powogaz S.A.

*) *GWi Ltd. (UK) is in liquidation as at 31 December 2024. The company was being consolidated until 12 April this year; see item 6.5 below for more.*

6.5. Changes in the organisation of the Apator Group

6.5.1. Changes in the organisation of the group of companies in 2025.

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

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.

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, a transaction was carried out involving the sale of tangible and intangible assets related to IT solutions for the gas sector by Apator S.A. to Apator Rector sp. z o.o. for the amount of PLN 4 million (including, among others, the 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,
- inventories,
- equipment.

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

GWi Ltd. in liquidation:

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:

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- 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. Accordingly, the negative value of GWi Ltd.'s net assets was derecognised, which had the one-off effect of increasing the consolidated net result by PLN 4.3 million. The derecognised net asset value of GWi includes write-downs on assets recorded in the 2023 report.

Intention to merge Apator SA with FAP Pafal SA

The Management Board of Apator S.A. informed that as part of the Strategy of the Apator Group, it made the decision about the intention to incorporate FAP Pafal SA (Świdnica) into Apator SA (Toruń). 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 is planned by transferring all assets of FAP Pafal SA to Apator SA as of 2 January 2026.

Due to the fact that Apator SA is the owner of 100% of shares of FAP Pafal SA, the merger will take place under simplified procedure based on Art. 516 sec. 6 of the Code of Commercial Companies, without the increase of the share capital of the Issuer and without the issue of new shares.

The final decision concerning the merger of the companies will be made at the Ordinary General Meeting of Apator SA in 2025.

6.6. Composition of management and supervisory bodies of the parent company

Supervisory Board

As at 31 March 2025, and as at the date of publication of this report, the composition of the Supervisory Board of Apator S.A. was as follows:

1. Janusz Niedźwiecki - President of the Supervisory Board (independent within the meaning of the Good Practices of WSE Listed Companies 2021),
2. Mariusz Lewicki - Deputy President of the Supervisory Board,
3. Janusz Marzygliński - Supervisory Board Member,
4. Danuta Guzowska - Supervisory Board Member,
5. Kazimierz Piotrowski - Supervisory Board Member,
6. Marcin Murawski - Supervisory Board Member (independent within the meaning of the Good Practices of WSE Listed Companies 2021),
7. Tadeusz Sosgórnik - Supervisory Board Member.

The current 5-year term of the Supervisory Board began on the date of the Annual General Meeting approving the 2019 statements, i.e., on 2 July 2020 and will last until the date of the Annual General Meeting in 2025.

Management Board

As at 31 March 2025, and as at the moment of publication of this report, the composition of the Management Board of Apator S.A. was as follows:

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

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

The joint term of office of the Management Board lasts three years and the terms of office of Management Board Members expire on the day of the Annual General Meeting to be held in 2025.

6.7. Shares, Shareholders

6.7.1. Share capital

As at 31 March 2025, and at the date of publication of this report, the 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:

	Status as at 31 March 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.

6.7.2. Ownership status and changes in the structure of significant shareholders

Information on shareholders holding at least 5% of the total number of votes:

Item	As at 27 February 2025				As at 16 May 2025				Change
	shares	votes	shares (%)	votes (%)	shares	votes	shares (%)	votes (%)	
Apator Mining	3,600,000	3,600,000	11.03%	6.59%	3,600,000	3,600,000	11.03%	6.59%	0
PTE Allianz Polska S.A.*	4,545,864	4,545,864	13.92%	8.32%	4,545,864	4,545,864	13.92%	8.32%	0
Mariusz Lewicki	2,338,000	5,900,128	7.16%	10.80%	2,338,000	5,900,128	7.16%	10.80%	0
Tadeusz Sosgórnik with a closely associated person**	1,890,500	6,555,500	5.79%	12.00%	1,915,500	6,655,500	5.87%	12.18%	25,000
Danuta Guzowska	1,520,279	4,382,921	4.66%	8.02%	1,520,279	4,382,921	4.66%	8.02%	0
Zbigniew Jaworski	1,545,548	3,844,592	4.73%	7.04%	1,545,548	3,844,592	4.73%	7.04%	0
Kazimierz Piotrowski with a closely associated person	823,955	2,818,277	2.52%	5.16%	823,955	2,818,277	2.52%	5.16%	0
Total	16,264,146	31,647,282	49.81%	57.93%	16,289,146	31,747,282	49.89%	58.11%	25,000

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

**) Shares held by Tadeusz Sosgórnik presented together with the shareholding of a person closely associated with him.

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

6.7.1. Ownership and changes in shareholding by management and supervisory personnel

Item	As at 27 February 2025*				As at 16 May 2025*				Change
	shares	votes	shares (%)	votes (%)	shares	votes	shares (%)	votes (%)	
Supervisory Board Mariusz Lewicki	2,338,000	5,900,128	7.16%	10.80%	2,338,000	5,900,128	7.16%	10.80%	0
Supervisory Board Tadeusz Sosgórnik	1,737,500	6,402,500	5.32%	11.72%	1,737,500	6,402,500	5.32%	11.72%	28,817
Supervisory Board Danuta Guzowska	1,520,279	4,382,921	4.66%	8.02%	1,520,279	4,382,921	4.66%	8.02%	0
Supervisory Board Janusz Marzygliński	258,631	772,213	0.79%	1.41%	258,631	772,213	0.79%	1.41%	-1,218
Supervisory Board Kazimierz Piotrowski	587,147	2,107,853	1.80%	3.86%	587,147	2,107,853	1.80%	3.86%	0
Supervisory Board Janusz Niedźwiecki	255,810	945,117	0.78%	1.73%	255,810	945,117	0.78%	1.73%	0
Total	6,697,367	20,510,732	20.51%	37.55%	6,697,367	20,510,732	20.51%	37.55%	27,599

*) The data includes only shares held by management and supervisory personnel, not including shares held by close friends and relatives.

Members of the Management Board of Apator S.A. do not hold shares in the Company.

6.7.2. Profit dividend for 2024

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.

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	25,320,558	PLN 0.30	PLN 7,596,167.40
Total shares	32,647,073	PLN 0.30	PLN 9,794,121.90

Apator S.A., since its stock exchange debut in 1997, has paid its shareholders approx. PLN 550 million in dividends and share buyback programs.

7. Conclusions

The Management Board of Apator S.A. states that the factors and events indicated in the consolidated interim report include all relevant information on significant achievements and failures, as well as information relevant for the assessment of the situation of the Apator Group, including the personnel, property, financial situation, financial result and changes thereto and the assessment of the possibility of the Company and the Group to meet their liabilities.

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

8. Information on the principles adopted in the preparation of the report, in particular, information on changes in the applied accounting principles (policies)

8.1. Accounting principles

Starting from 2005, in accordance with the obligation imposed by the amendment to the Accounting Act, consolidated financial statements of the Apator Group are prepared in accordance with International Financial Reporting Standards. At the same time, the opportunities provided by the Accounting Act and the general meetings of Apator S.A. were used and companies in the Apator Group have adopted resolutions that reports of entities in the Group will be prepared according to IFRS/IAS (both separate and consolidated).

The financial statements (separate and consolidated) as at 31 March 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS/IAS) and related interpretations announced in the form of regulations of the European Commission, in Polish zloty, due to the fact that Polish zloty is the basic currency in which the business operations of Apator Group are denominated.

The financial statements of foreign group entities have been translated into the reporting currency based on the principles derived from International Accounting Standard No. 21.

The financial statements have been prepared assuming that the Group companies will continue as a going concern for the foreseeable future. As of the date of the statements, no circumstances indicate a threat to the Group companies' continued operations.

The financial statements have been prepared under the historical cost convention, except for the valuation of certain fixed assets (investment properties) and financial instruments (derivatives), which are measured at fair value. Detailed accounting principles applied by the Apator Group are presented in the consolidated report RS 2024.

8.2. Consolidation principles

The consolidated financial statements of the capital group include the data of the parent entity Apator S.A. and its subsidiaries.

Related entities apply uniform accounting principles of the parent company and uniform form and scope of separate and consolidated statements, which are the basis for consolidation in the group of companies. The consolidated financial statements of the group are prepared as of the reporting date and for the fiscal period specified for the parent company's separate financial statements.

As at the date of acquisition, the assets and liabilities of the acquired entity are measured at their fair value. The excess of the purchase price over the fair value of the identifiable net assets of the entity acquired is recognised as goodwill. If the purchase price is lower than the fair value of the identifiable acquired net assets of the entity, the difference is recognised as profit in the income statement for the period in which the acquisition took place. Non-controlling interests are reported in the appropriate proportion of the fair value of assets and capital. The financial results of entities acquired or sold during the year are recognised in the consolidated statements from the time of acquisition or up to the date of sale, respectively.

In preparing the consolidated statement, the consolidation method was used, which consists in adding up the individual items of the statements, making exclusions and other adjustments. The following are excluded:

- the value, expressed in the purchase price, of shares held by the parent company of subsidiaries;

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

- mutual receivables and liabilities and other settlements of a similar nature of the consolidated entities;
- revenue and costs of business operations between consolidated entities;
- gains or losses arising from business operations between consolidated entities, included in the value of assets subject to consolidation;
- dividends accrued or paid by consolidated entities to other consolidated entities.

8.3. Additional financial information

8.3.1. Weighted average number of shares

Book value per share was calculated by dividing shareholders' equity by the weighted average number of shares, while earnings per share was calculated by dividing net income from continuing operations by the weighted average number of shares.

8.3.2. Weighted average number of shares for the consolidated statement

The weighted average number of shares as at 31 March 2025, is 29,047,073 (at 31 December 2024, it was also 29,047,073) and includes shares held by a subsidiary.

8.3.3. Weighted average number of shares for separate statement

The weighted average number of shares as at 31 March 2025 is 32,647,073 (at 31 December 2024 it was also 32,647,073).

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

8.4. Other operating activities

ITEM	in the period	
	from 1 January 2025	from 1 January 2024
	to 31 March 2025	to 31 March 2024
Other operating revenue	545	195
Result on sales of fixed tangible assets	273	21
Valuation of investment property	-	28
Compensation received for tangible fixed assets	141	58
Reimbursement of costs of court proceedings, representation in proceedings	-	6
Other revenue	131	82
Other operating expenses	(2,002)	(578)
Net value of sold tangible fixed assets (excluding land, buildings and structures)	-	(3)
Cost of liquidated tangible fixed assets	(24)	-
Creation of provisions for liabilities	(1,597)	(254)
Fortuitous loss and other damage to assets	(147)	(24)
Donations made	(25)	(12)
Penalties, fines, compensation paid	(30)	(142)
Court fees, bailiff's fees, representation in court	(48)	
Optional contributions	(21)	(15)
Other costs	(110)	(128)
Result on other operating activities	(1,457)	(383)

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

8.5. Financial activities

ITEM	in the period	
	from 1 January 2025	from 1 January 2024
	to 31 March 2025	to 31 March 2024
Financial revenue	610	1,573
Interest on funds in bank accounts	86	44
Interest on receivables	56	28
Other interest	23	19
Positive exchange differences	96	-
Revenue from foreign exchange transactions (including derivatives)	307	1,396
Reduction in the discount on receivables	-	72
Discount on liabilities	38	-
Guarantees provided	-	11
Other revenue	4	3
Financial expenses	(2,315)	(4,818)
Interest and commissions on loans and borrowings	(1,343)	(2,502)
Interest payable to the budget	(18)	(18)
Interest on promissory notes (or bonds) paid	-	(4)
Interest on liabilities	(3)	-
Interest on lease liabilities	(646)	(690)
Other interest	(126)	(254)
Negative exchange differences	-	(1,086)
Bank guarantees and commissions (excluding credit commissions)	(160)	(205)
Other costs	(19)	(59)
Result on financial activities	(1,705)	(3,245)

8.6. Information on adjustments related to provisions, deferred tax assets and liabilities, and impairment write-downs on assets, as referred to in the Accounting Act

Deferred tax assets and provision for income taxes:

ITEM	Assets		Provisions	
	31 March 2025	31 December 2024	31 March 2025	31 December 2024
Tangible fixed assets	2,800	2,540	9,604	9,412
Investment property	-	-	151	151
Derivatives	354	191	504	468
Inventory	4,844	4,902	-	-
Liabilities arising from employee benefits	5,642	5,386	-	-
Provisions	9,199	7,808	-	-
Write-downs on receivables	684	736	-	-
Tax loss	1,410	1,172	-	-
Tax credit to be settled in future periods	3,845	5,500	-	-
Other	2,653	2,649	209	235
Total	31,431	30,884	10,468	10,266
Netting of assets and provisions	(7,909)	(7,701)	(7,909)	(7,701)
Deferred tax assets / liabilities recognised in the condensed statement of financial position	23,522	23,183	2,559	2,565

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

Effective tax rate:

ITEM	in the period	
	from 1 January 2025	from 1 January 2024
	to 31 March 2025	to 31 March 2024
Profit before tax	16,221	15,378
Income tax calculated at the applicable rates	3,006	2,814
Adjustments:	1,030	545
Tax on tax-exempt income (permanent differences)	64	(59)
Tax on non-tax-deductible expenses (permanent differences)	1,311	130
Tax on intra-group transactions (permanent differences)	(230)	484
Tax on items not recognised in the financial result of the period	(24)	(25)
Other tax additions	25	123
Other tax deductions	(116)	(108)
Income tax	4,036	3,359
Effective tax rate	24.88%	21.84%

Write-downs on fixed and current assets:

ITEM	Opening balance	Change over the period	Closing balance
Intangible assets	6,133	-	6,133
Goodwill of subordinate entities	335	-	335
Tangible fixed assets	512	-	512
Other financial assets	190	-	190
Inventory	26,276	22	26,298
Receivables	11,266	(313)	10,953
Total	44,712	(291)	44,421

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

Provisions for liabilities:

ITEM	PROVISIONS / LIABILITIES			OTHER PROVISIONS		TOTAL
	RETIREMENT BENEFITS, JUBILEE	BONUSES	LEAVES	WARRANTIES	OTHER	
Value of provisions as at 1 January 2025	6,429	16,643	5,349	24,680	6,672	59,773
Increase – creation of a provision charged against the current result	93	5,180	3,144	278	2,259	10,954
Exercise of a provision – cost settlement	-	(6,864)	(60)	(312)	(544)	(7,780)
Net foreign exchange differences on the translation of financial statements into presentation currency	-	(3)	(3)	(20)	-	(26)
Value of provisions as at 31 March 2025, including:	6,522	14,956	8,430	24,626	8,387	62,921
- long-term provisions	5,632	-	-	1,595	-	7,227
- short-term provisions	890	14,956	8,430	23,031	8,387	55,694

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

9. Appendix: Separate Statement of Apator S.A.

Selected financial data, including key items of the consolidated financial statements (also converted into EUR).

ITEM	in thous. PLN		in thous. EUR	
	current period	preceding period	current period	preceding period
	Q1 2025	Q1 2024	Q1 2025	Q1 2024
Revenue from sales of products, goods and materials	118,235	128,274	28,253	29,686
Operating profit	8,108	10,009	1,937	2,316
EBIDTA	14,712	15,515	3,516	3,591
Gross profit	8,403	9,162	2,008	2,120
Net profit	6,381	7,398	1,525	1,712
Net profit attributable to shareholders of the Group's parent company	6,381	7,398	1,525	1,712
Weighted average number of shares	32,647,073	32,647,073	32,647,073	32,647,073
Net earnings per common share [PLN/share]:	0.20	0.23	0.05	0.05
Cash flows from operating activities	18,985	18,244	4,537	4,222
Cash flows from investment activities	(5,044)	(6,840)	(1,205)	(1,583)
Cash flows from financial activities	(10,918)	(13,257)	(2,609)	(3,068)
Total cash flows	3,023	(1,853)	722	(429)
Separate statement	31 March 2025	31 December 2024	31 March 2025	31 December 2024
Total assets	551,877	546,007	131,905	127,781
Fixed assets	352,268	350,252	84,196	81,969
Current assets	199,609	195,755	47,709	45,812
Equity with non-controlling interests	430,749	425,042	102,954	99,472
Share capital	3,265	3,265	780	764
Long-term liabilities and provisions	13,085	13,962	3,127	3,267
Short-term liabilities and provisions	108,043	107,003	25,824	25,042
Weighted average number of shares	32,647,073	32,647,073	32,647,073	32,647,073
Net book value per common share [PLN/share]:	13.19	13.02	3.15	3.05

The above financial data for the 3-month periods of 2025 and 2024, as well as as at 31 March 2025 and 31 December 2024, have been translated into EUR according to the following principles:

- individual items of the statement of comprehensive income and the statement of cash flows were translated using the exchange rate representing the arithmetic mean of the average EUR exchange rates published by the National Bank of Poland on the last day of each month of the reporting period: from 1 January to 31 March 2025 – 4.1848 EUR/PLN, and from 1 January to 31 March 2024 – 4.3211 EUR/PLN;
- individual items of the statement of financial position were translated using the average EUR exchange rate published by the National Bank of Poland on 31 March 2025 – 4.1839, and on 31 December 2024 – 4.2730.

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

9.1. Statement of financial position of the parent company Apator S.A.

ITEM	as at	
	31 March 2025	31 December 2024
Fixed assets	352,268	350,252
Intangible assets	15,758	16,204
Goodwill	34,506	34,506
Tangible fixed assets	103,701	99,388
Right-of-use assets	14,086	15,125
Other long-term financial assets	171,007	171,007
- of which investments in subsidiaries	171,007	171,007
Other long-term assets	88	101
- from other entities	88	101
Deferred tax assets	13,122	13,921
Current assets	199,609	195,755
Inventory	90,187	84,562
Trade receivables	75,045	77,126
- from affiliated entities	11,180	2,110
- from other entities	63,865	75,016
Other short-term receivables	2,986	5,979
- from other entities	2,986	5,979
Financial derivatives	38	602
- in other entities	38	602
Short-term loans granted	7,055	10,068
- to related entities	7,055	10,068
Cash and cash equivalents	5,063	2,040
Other short-term assets	13,283	7,308
- from affiliated entities	1,545	329
- from other entities	11,738	6,979
Fixed assets classified as held for sale	5,952	8,070
TOTAL ASSETS	551,877	546,007

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

ITEM	as at	
	31 March 2025	31 December 2024
Equity	430,749	425,042
Equity attributable to the shareholders of the parent company	430,749	425,042
Share capital	3,265	3,265
Other capital	368,562	368,562
Capital from the revaluation of a defined benefit plan	(497)	(497)
Capital from valuation of hedging transactions	(249)	425
Undistributed financial result	59,668	53,287
- undistributed result from previous years	63,081	-
- result for the current period	6,381	63,081
- write-downs from current year result	(9,794)	(9,794)
Liabilities	121,128	120,965
Long-term liabilities and provisions	13,085	13,962
Long-term lease liabilities	9,558	10,434
Long-term liabilities due to employee benefits	3,527	3,528
Short-term liabilities and provisions	108,043	107,003
Short-term credits and loans	1,113	10,649
- from other entities	1,113	10,649
Trade liabilities	44,895	37,313
- to related entities	1,400	1,170
- to other entities	43,495	36,143
Short-term contract liabilities	8,989	3,222
- to related entities	6,412	-
- to other entities	2,577	3,222
Liabilities due to corporate income tax	595	2,424
Liabilities due to other taxes, customs duties, and social insurance	11,411	9,971
Other short-term liabilities	10,476	9,587
- to related entities	-	760
- to other entities	10,476	8,827
Short-term lease liabilities	4,297	4,354
Short-term liabilities due to employee benefits	8,516	10,886
Other short-term provisions	12,695	13,541
Liabilities related to fixed assets classified as held for sale	5,056	5,056
TOTAL LIABILITIES	551,877	546,007

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

9.2. Information on changes in contingent liabilities or contingent assets that have occurred since the end of the last fiscal year (off-balance sheet items) of the parent company Apator S.A.

ITEM	as at	
	31 March 2025	31 December 2024
Contingent receivables	3,849	4,941
Contingent receivables from other entities	3,849	4,941
Contingent liabilities	46,101	37,336
Contingent liabilities to other entities	46,101	37,336
- including from granting guarantees and sureties	46,101	37,336
Other off-balance sheet items	143,573	143,573
Ordinary mortgage	40,000	40,000
Security on assets	103,573	103,573
Total off-balance sheet items	193,522	185,850

The Company has the following collateral in place in connection with its loan and guarantee obligations:

- Multi-product agreement with ING Bank Śląski S.A. (Group limit of PLN 250 million):
 - Contractual mortgage on the real estate of Apator S.A. in Ostaszewo up to PLN 40 million (included in the table above),
 - registered pledge on inventories worth PLN 73.3 million (included in the table above),
 - registered pledge on fixed assets worth PLN 20.6 million (included in the table above),
 - assignment of rights under an all-risk property insurance policy,
 - blank promissory note and promissory note declaration.
- 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., the parties to the agreement are also Apator Group companies: Apator Powogaz S.A., 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 (included in the table above),
 - assignment of rights under an all-risk property insurance policy.

The working capital credit has not been drawn upon by 31 March 2025. The limit for guarantees and letters of credit, on the other hand, is being used.

During the reporting period, Apator S.A. performed the obligations resulting from the concluded credit agreements.

Contingent items and other items not included in the summary separate statement of financial position

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

Guarantees

As at 31 March 2025, Apator S.A. held active guarantees issued by:

TU Hermes S.A.:

- For performance bond in the amount of PLN 6.5 million, valid until 22 June 2025;
- For warranty and defect removal in the amount of PLN 5.7 million, valid until 29 June 2029.

ING Bank Śląski S.A.:

- For performance bond in the amount of PLN 5.4 million, valid until 29 April 2027;
- For warranty and defect removal in the amount of PLN 1.8 million, valid until 15 January 2030;
- For payment obligations under contracts in the amount of PLN 2.1 million, valid until 17 November 2028;
- For bid bond in the amount of PLN 117 thousand, valid until 13 June 2025.

PZU S.A.:

- For warranty and defect removal in the amount of PLN 0.4 million, valid until 17 January 2028.

KUKE S.A.:

- For performance bond in the amount of PLN 12 thousand, valid until 15 June 2026.

PKO BP S.A.:

- For performance bond in the amount of PLN 22.7 million, valid until 24 October 2026;
- For warranty and defect removal in the amount of PLN 27.6 thousand, valid until 19 December 2028;
- For bid bond in the amount of PLN 1.3 million, valid until 17 April 2025.

Additionally, as at 31 March 2025, Apator S.A. was the beneficiary of payment guarantees totalling PLN 3.8 million.

Promissory notes

Apator S.A. submitted also (in addition to the promissory note securing the multi-product agreement with ING Bank Śląski S.A.) 10 pieces of blank promissory notes as the security under the agreement of TU Euler Hermes S.A. for the provision of contractual guarantees under the revolving limit (the limit for the Group is PLN 25 million), 3 promissory notes as collateral for the contractual guarantee agreement concluded with PZU S.A. and 5 promissory notes as collateral for the contractual guarantee agreement concluded with KUKE S.A.

Declarations of submission to enforcement

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

Apart from the declaration of submission to enforcement related to the credit agreement with PKO BP S.A. (a total of PLN 80 million), Apator S.A. is a party to declarations of submission to enforcement related to the conclusion of rental agreements (PLN 673.7 thousand).

9.3. Statement of comprehensive income of the parent company Apator S.A.

ITEM	for the period	
	from 1 January 2025	from 1 January 2024
	to 31 March 2025	to 31 March 2024
Sales revenue of products and services	118,235	128,274
- to related entities	12,282	18,208
- to other entities	105,953	110,066
Cost of goods sold	(89,647)	(97,116)
- to related entities	(10,130)	(16,048)
- to other entities	(79,517)	(81,068)
Gross profit from sales	28,588	31,158
Cost of sales	(4,253)	(4,530)
General administrative costs	(17,973)	(16,326)
Sales profit	6,362	10,302
Change in write-downs on receivables	(55)	55
Result on other operating activities	1,801	(348)
Revenue	1,898	70
Costs	(97)	(418)
Operating profit	8,108	10,009
Result on financial activities	295	(847)
Revenue	710	117
Costs	(415)	(964)
Profit before tax	8,403	9,162
Income tax	(2,022)	(1,764)
Net profit, of which attributable to:	6,381	7,398
the company's shareholders	6,381	7,398
Net profit per ordinary share:		
- basic	0.20	0.23
- diluted	0.20	0.23
Weighted average number of shares	32,647,073	32,647,073
Other comprehensive income		
Other comprehensive income	(674)	282
Items that may be reclassified to the financial result in the future:		
Result on hedge accounting with tax effect	(674)	282
Total comprehensive income	5,707	7,680
Total comprehensive income, of which attributable to:	5,707	7,680
the company's shareholders	5,707	7,680

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

9.4. Statement of changes in equity of the parent company Apator S.A.

ITEM	Share capital	Other capital	Capital from the revaluation of a defined benefit plan	Capital from valuation of hedging transactions	Undistributed financial result	Total equity
Balance as at 1 January 2025	3,265	368,562	(497)	425	53,287	425,042
Changes in equity from 1 January 2025 to 31 March 2025	-	-	-	(674)	6,381	5,707
Net profit for the period from 1 January 2025 to 31 March 2025	-	-	-	-	6,381	6,381
Other comprehensive income:	-	-	-	(674)	-	(674)
<i>Items that may be reclassified to the financial result in the future:</i>						
Result on hedge accounting with tax effect	-	-	-	(674)	-	(674)
Comprehensive income recognised in the period from 1 January 2025 to 31 March 2025	-	-	-	(674)	6,381	5,707
Balance as at 31 March 2025	3,265	368,562	(497)	(249)	59,668	430,749

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

ITEM	Share capital	Other capital	Capital from the revaluation of a defined benefit plan	Capital from valuation of hedging transactions	Undistributed financial result	Total equity
Balance as at 1 January 2024	3,265	350,271	(164)	(122)	28,085	381,335
Changes in equity from 1 January 2024 to 31 March 2024	-	-	-	282	7,398	7,680
Net profit for the period from 1 January 2024 to 31 March 2024	-	-	-	-	7,398	7,398
Other comprehensive income:	-	-	-	282	-	282
Items that may be reclassified to the financial result in the future:						
Result on hedge accounting with tax effect	-	-	-	282	-	282
Comprehensive income recognised in the period from 1 January 2024 to 31 March 2024	-	-	-	282	7,398	7,680
Balance as at 31 March 2024	3,265	350,271	(164)	160	35,483	389,015

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

9.5. Cash flow statement of the parent company Apator S.A.

ITEM	for the period	
	from 1 January 2025	from 1 January 2024
	to 31 March 2025	to 31 March 2024
Cash flows from operating activities		
Profit before tax	8,403	9,162
Adjustments:	4,820	6,192
Amortisation of intangible assets	1,483	1,357
Amortisation of tangible fixed assets	3,867	3,290
Depreciation of right-of-use assets	1,254	859
Profit on sale of tangible fixed assets and intangible assets	(1,837)	(32)
(Profit) loss due to change in fair value of derivatives	162	(56)
Interest costs	183	631
Interest revenue	(302)	-
Other adjustments	10	143
Cash from operating activity before changes in working capital	13,223	15,354
Change in inventories	(5,624)	16,302
Change in receivables	5,072	(22,825)
Change in other assets	(4,273)	(1,927)
Change in liabilities	16,696	15,843
Change in provisions	(3,216)	(2,771)
Cash generated in the course of operating activities	21,878	19,976
Income tax paid	(2,893)	(1,732)
Net cash from operating activities	18,985	18,244
Cash flows from investment activities		
Expenditure on the acquisition of intangible assets	(891)	(1,294)
Expenditure on the acquisition of tangible fixed assets	(7,170)	(3,571)
Proceeds from the sale of tangible fixed assets	4,002	34
Repayments received on granted loans	3,000	-
Interest received on loan	123	-
Other expenditure	(4,108)	(2,009)
Net cash used from investment activities	(5,044)	(6,840)
Cash flows from financial activities		
Repayment of credits and loans	(9,536)	(11,792)
Interest paid	(23)	(499)
Repayment of lease liabilities	(1,099)	(834)
Other expenditure	(260)	(132)
Net cash from financial activities	(10,918)	(13,257)
Net increase (decrease) in cash and cash equivalents	3,023	(1,853)
Opening balance of cash	2,040	3,298
Closing balance of cash	5,063	1,445

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

9.6. Costs by type

ITEM	for the period	
	from 1 January 2025	from 1 January 2024
	to 31 March 2025	to 31 March 2024
Amortisation and depreciation	6,604	5,506
Consumption of materials and energy	58,811	57,174
External services	16,357	13,845
Employee benefits	35,001	32,359
Other costs	3,290	3,034
Manufacturing costs of products for entity's own purposes	(989)	(1,075)
Change in finished goods and work in progress	(10,340)	4,681
Cost of goods and materials sold	3,139	2,448
Total costs by nature	111,873	117,972

9.7. Other operating activities

ITEM	in the period	
	from 1 January 2025	from 1 January 2024
	to 31 March 2025	to 31 March 2024
Other operating revenue	1,898	70
Result on sales of fixed tangible assets	1,837	32
Compensation received for tangible fixed assets	56	25
Reimbursement of costs of court proceedings, representation in proceedings	-	7
Other revenue	5	6
Other operating expenses	(97)	(418)
Cost of liquidated tangible fixed assets	-	(3)
Creation of provisions for liabilities	-	(218)
Fortuitous loss and other damage to assets	(57)	(2)
Donations made	(8)	(3)
Penalties, fines, compensation paid	-	(113)
Court fees, bailiff's fees, representation in court	(2)	(3)
Other costs	(30)	(76)
Result on other operating activities	1,801	(348)

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

9.8. Financial activities

ITEM	in the period	
	from 1 January 2025	from 1 January 2024
	to 31 March 2025	to 31 March 2024
Financial revenue	710	117
Interest on loan	179	-
Interest on funds in bank accounts	24	2
Interest on receivables	54	26
Positive exchange differences	432	68
Guarantees provided	21	21
Financial expenses	(415)	(964)
Interest and commissions on loans and borrowings	(87)	(499)
Interest payable to the budget	(16)	(18)
Interest on lease liabilities	(160)	(132)
Other interest	(8)	(35)
Expenses on foreign exchange transactions (including derivatives)	(38)	(82)
Bank guarantees and commissions (excluding credit commissions)	(106)	(198)
Result on financial activities	295	(847)

9.9. Information on adjustments related to provisions, deferred tax assets and liabilities, and impairment write-downs on assets, as referred to in the Accounting Act

Deferred tax assets and provision for income taxes

ITEM	Assets		Provisions	
	31 March 2025	31 December 2024	31 March 2025	31 December 2024
Tangible fixed assets	279	279	1,926	2,019
Investment property	-	-	151	151
Financial assets	268	268	-	114
Derivatives	88	7	7	-
Inventory	2,938	3,053	-	-
Liabilities arising from employee benefits	2,391	2,777	-	-
Provisions	4,776	3,583	-	-
Write-downs on receivables	395	384	-	-
Tax relief under the Special Economic Zone to be settled in future periods	3,845	5,500	-	-
Other	400	503	174	149
Total	15,380	16,354	2,258	2,433
Netting of assets and provisions	(2,258)	(2,433)	(2,258)	(2,433)
Deferred tax assets / liabilities recognised in the statement of financial position	13,122	13,921	-	-

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

Effective tax rate:

ITEM	in the period	
	from 1 January 2025	from 1 January 2024
	to 31 March 2025	to 31 March 2024
Profit before tax	8,403	9,162
Tax rate applied	19.00%	19.00%
Income tax calculated at the applicable rate	1,597	1,741
Adjustments	425	24
Tax on non-tax-deductible expenses (permanent differences)	426	24
Other tax deductions	(1)	-
Income tax reported in the statement of comprehensive income	2,022	1,764
Effective tax rate	24.06%	19.25%

Write-downs on fixed and current assets:

ITEM	Opening balance	Change over the period	Closing balance
Intangible assets	959	-	959
Tangible fixed assets	512	-	512
Other financial assets	1,522	-	1,522
Inventory	15,998	(537)	15,461
Receivables	2,036	55	2,091
Total	21,027	(482)	20,545

Provisions for liabilities:

ITEM	PROVISIONS / LIABILITIES			OTHER PROVISIONS		TOTAL
	RETIREMENT BENEFITS, JUBILEE AWARDS	BONUSES	LEAVES	WARRANTIES	OTHER	
Value of provisions as at 1 January 2025	4,089	8,332	1,993	8,066	5,475	27,955
Increase – creation of a provision charged against the current result	-	3,142	1,423	10	-	4,575
Decrease – write-down of unused amounts as income	-	(63)	-	-	-	(63)
Exercise of a provision – cost settlement	-	(6,841)	(32)	(312)	(544)	(7,729)
Value of provisions as at 31 March 2025, including:	4,089	4,570	3,384	7,764	4,931	24,738
- long-term provisions	3,527	-	-	-	-	3,527
- short-term provisions	562	4,570	3,384	7,764	4,931	21,211

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

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