

Year 2023



Financial report Apator Metrix S.A. for the financial year ending December 31, 2023.

Unit name:

Apator Metrix S.A.

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Period covered by the financial statements:

01.01.2023 – 31.12.2023

Reporting currency:

Polish Zloty (PLN)

Rounding level:

all amounts are expressed in Polish zloty (unless otherwise indicated)

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1. General information

1.1. Unit Information

Aparator Metrix Spółka Akcyjna ("Company") is a joint-stock company registered in Poland. The Company's registered office is located in Tczew at ul. Grunwaldzka 14. The Company operates in Poland pursuant to the provisions of the Commercial Companies Code.

1.2. The scope of the entity's activities

The Company's core business is:

- production of instruments and devices for measuring, control, research, navigation and other purposes, with the exception of equipment for controlling industrial processes
- mechanical processing of metal elements
- production of other fabricated metal products, not elsewhere classified
- repair and maintenance of finished metal products
- machine repair and maintenance
- repair and maintenance of electronic and optical devices
- installation of industrial machines, equipment and accessories
- activities of agents involved in the sale of machinery, industrial equipment, ships and aircraft
- engineering activities and related technical consultancy

1.3. Composition of the Management Board and Supervisory Board

Management

In 2023, the Company's Management Board operated in the following composition:

From 01.01.2023, based on the resolution of the Supervisory Board of 23.11.2021, the Management Board operated in the following composition:

President of the Management Board Ryszard Lippke

Member of the Board Karol Kozjowski

Member of the Board Wojciech Olinski

From 01.07.2023, based on the resolution of the Supervisory Board of 30.06.2023, the Management Board operated in the following composition:

President of the Management Board Ryszard Lippke

Member of the Board Karol Kozjowski

Supervisory Board

In 2023, the Supervisory Board performed its duties in the following composition:

Chairman: Mariusz Lewicki

Members: Casimir Piotrowski
Lukasz Zaworski
Monika Guzowska
Maciej the Combed One

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1.4. Apator Capital Group

The company belongs to the Apator Capital Group, whose dominant entity is Apator SA Apator Metrix SA holds 100% shares in the subsidiary: George Wilson Industries Ltd. The consolidated financial statement is prepared by the parent company Apator SA The financial statement is available on the website of Grupa Apator, in the section devoted to investor relations: <http://www.apator.com/relacje-inwestorskie/dane-finansowe-i-raporty-okresowe>.

2. Information on the basis for preparing the financial statements, the reporting currency and the level of rounding applied

2.1. Basis for preparation of separate financial statements

The presented annual separate financial statement of Apator Metrix SA was prepared in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations announced in the form of regulations of the European Commission.

The financial statement of Apator Metrix SA is a separate statement for the financial year ended on December 31, 2023 and covers the period from January 1, 2023 to December 31, 2023 and the comparative period from January 1, 2022 to December 31, 2022.

2.2. International Financial Accounting Standards Applied

CHANGES IN INTERNATIONAL FINANCIAL ACCOUNTING STANDARDS AND THEIR IMPACT ON SEPARATE FINANCIAL STATEMENTS

When preparing the annual separate financial statements for the period from 1 January 2023 to 31 December 2023, the same accounting principles (policies) and calculation methods were applied, in principle, as in the last separate financial statements for the year ended 31 December 2022.

The standards that came into effect on 1 January 2023 but do not have a material impact on the preparation of the Company's annual financial statements are:

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17
- Amendment to IFRS 17 "Insurance Contracts" (concerning transitional requirements in connection with with the first-time application of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments),
- Amendment to IAS 1 "Presentation of Financial Statements" and the IFRS Board's guidance on disclosures about accounting policies in practice
- Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Adjustments "errors"
- Amendments to IAS 12 "Income Taxes" (clarification of how to account for deferred tax on transactions such as leasing and end-of-life obligations)
- Amendments to IAS 12 Income Taxes: Global Minimum Income Tax (Pillar Two)

Standards published by the International Accounting Standards Board that are not yet effective and have not been previously applied by the Company:

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The Company has not decided to apply in these annual separate financial statements any standards, interpretations or amendments that have not yet entered into force.

The following new Standards, amendments to Standards and Interpretations have not been adopted by the EU or are not yet effective for the periods ending on December 31, 2023 and have not been applied in the annual separate financial statements:

- Amendment to IFRS 16 "Leases",
- Amendment to IAS 1 "Presentation of Financial Statements"
- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments –
"disclosure of information" - disclosure of information on financial arrangements with suppliers ("supplier financial arrangement")
- IAS 14 "Regulatory Accruals"
- Amendments to IFRS 10 and IAS 28 on the sale or transfer of assets between an investor and its associates or joint ventures

The Company does not expect the changes introduced by the above standards to have a material impact on its financial position and results of operations.

2.3. Reporting and functional currency and the level of rounding used

The reporting currency of these annual separate financial statements is the Polish zloty and all amounts are expressed in Polish zloty (unless otherwise indicated).

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

2.4. Duration of the entity's operations

The duration of Apator Metrix SA's business activity is indefinite.

The separate financial statements have been prepared on the assumption that the business will continue as a going concern in the foreseeable future, i.e. for a period of no less than 12 months from date of signing of the financial statements.

2.5. Approval of the financial statements

These separate financial statements were approved by the Management Board of the entity on 16 May 2024.

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3. Separate financial statement of Apator Metrix SA

3.1. Separate statement of financial position

SPECIFICATION	NOTE	for the day	
		31.12.2023	31.12.2022
Fixed assets		41,900,750.05	74 458 481.38
Intangible assets	7.3	6,095,987.67	10 112 851.34
Material fixed assets	7.4	28 477 726.15	30 102 773.97
The right to use leased assets	7.5	4 904 710.41	6,483,741.34
Other long-term financial assets	7.6	-	24 946 764.23
- in related entities	7.6	-	24 946 764.23
Deferred tax assets	7.17	2 422 325.82	2 812 350.50
Current assets		79 508 630.83	89 991 432.81
Stocks	7.7	37 330 036.91	33 451 837.92
Trade receivables	7.8	32 678 266.22	40 801 401.66
- from related entities	7.8	1 499 480.44	7 435 066.63
- from other units	7.8	31,178,785.78	33 366 335.03
Corporate income tax liabilities	7.8	3 774 551.00	3 147 168.00
Other tax, customs and social security liabilities	7.8	3,035,808.85	5 160 183.54
Other short-term receivables	7.8	18,000.00	26,000.00
- from related entities	7.8	-	-
- from other units	7.8	18,000.00	26,000.00
Cash and cash equivalents	7.10	2 377 942.67	7,142,981.00
Restricted cash resources	7.10	-	-
Short-term prepayments	7.11	294 025.18	261 860.69
TOTAL ASSETS		121 409 380.88	164 449 914.19

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SPECIFICATION	NOTE	for the day	
		31.12.2023	31.12.2022
Equity capital		33 415 784.33	87 705 765.93
Equity attributable to shareholders of the parent company		33 415 784.33	87 705 765.93
Base capital	7.12	903 868.60	903 868.60
Other capital	7.13	87 428 269.45	86 036 073.01
Capital from the revaluation of the defined benefit plan	7.13	(405 375.04)	(332 299.26)
Capital from valuation of hedging transactions	7.13	-	(294,072.86)
Retained earnings		(54 510 978.68)	1 392 196.44
- <i>current period result</i>		(54 510 978.68)	1 392 196.44
Obligations		87 993 596.55	76 744 148.26
Long-term liabilities and reserves		4 777 254.21	5 349 015.38
Long-term credits and loans	7.14	-	-
Long-term liabilities	7.16	-	-
Long-term liabilities arising from the right to use leased assets	7.5	3 879 437.89	4 571 022.52
Long-term provisions for employee benefit liabilities	7.15	732 105.92	562 825.74
Other long-term reserves	7.15	165 710.40	215 167.12
Short-term liabilities and reserves		83 216 342.34	71 395 132.88
Short-term credits and loans	7.14	31 762 091.20	38,553,602.87
- <i>from other units</i>	7.14	31 762 091.20	38,553,602.87
Trade commitments	7.16	22 905 431.23	23 955 823.05
- <i>towards related entities</i>	7.16	358 714.37	959 952.86
- <i>towards other units</i>	7.16	22 546 716.86	22 995 870.19
Corporate income tax liabilities	7.16	-	-
Liabilities for other taxes, customs duties and social security	7.16	1 196 090.26	1,091,091.86
Other short-term liabilities	7.16	24 649 562.53	4 248 824.11
- <i>towards related entities</i>	7.16	528 315.06	-
- <i>towards other units</i>	7.16	24 121 247.47	4 248 824.11
Current liabilities arising from the right to use leased assets	7.5	792 017.55	1,042,621.37
Short-term provisions for employee benefit liabilities	7.15	1 911 149.57	2 503 169.62
TOTAL LIABILITIES		121 409 380.88	164 449 914.19

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3.2. Separate statement of profit or loss and other comprehensive income

SPECIFICATION	NOTE	for the period	
		from 01.01.2023 until 31.12.2023	from 01.01.2022 until 31.12.2022
Revenues from sales of goods and services		218,432,154.25	245 606 457.64
- related entities - other entities	7.18	20,746,764.12	34,334,219.01
	7.18	197,685,390.13	211,272,238.63
Cost of sales of goods and services		(184,673,033.88)	(202 619 262.63)
- related entities - other entities	7.18	(15,408,453.00)	(27,175,854.04)
	7.18	(169,264,580.88)	(175,443,408.59)
Gross sales profit (loss)		33,759,120.37	42 987 195.01
Selling costs		(5,908) 783.55)	(7,491,132.05)
General management costs		(29,444,116.12)	(25,837,992.92)
Profit (loss) from sales		(1,593,779.30)	9 658 070.04
Other operating income (expenses), including:		(52,140,394.54)	(5,133,033.83)
Revenues	7.20	160,270.45	122,273.12
Costs -	7.20	(52,326,243.24)	(5,255,306.95)
including valuation of financial guarantee (GWI loan) -		(19,662,815.73)	(7,684.33)
including result on impairment of receivables (IFRS 9)		(5,896,314.10)	(7,684.33)
Profit (loss) from operating activities		(53,734 173.84)	4,525,036.21
Financial income (expenses), including:		(2,438 189.98)	(2,436,068.65)
Revenues	7.21	1,846,430.88	797 816.58
Costs	7.21	(4,284,620.86)	(3 233 885.23)
Profit (loss) before tax		(56,172,363.82)	2,088,967.56
Current income tax	7.17	2,014,593.00	(1,604,832.00)
Deferred income tax	7.17	(353,207.86)	908 060.88
Net profit (loss)		(54,510,978.68)	1 392 196.44
Other comprehensive income			
Other comprehensive income, net		220,997.08	1 725 304.87
Hedge accounting result with tax effect	7.23	294,072.86	1 588 851.60
Actuarial gains and losses with tax effect		(73,075.78)	136 453.27
Total comprehensive income		(54,289,981.60)	3 117 501.31
Net profit (loss), of which attributable to:		(54,510,978.68)	1 392 196.44
shareholders of the parent company		(54,510,978.68)	1 392 196.44
Total comprehensive income, of which attributable to:		(54,289,981.60)	3 117 501.31
shareholders of the parent company		(54,289,981.60)	3 117 501.31

SPECIFICATION	NOTE	for the period	
		from 01.01.2023 until 31.12.2023	from 01.01.2022 until 31.12.2022
Profit (loss) from operating activities		(53,734,173.84)	4 525 036.21
Depreciation	7.19	10,850,796.75	10,594,978.88
EBITDA		(42,883,377.09)	15,120,015.09
Impact of one-time events		52,193,679.72	5 167 421.27
Adjusted EBITDA (excluding one-off items)		9,310,302.63	20 287 436.36

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3.3. Separate statement of changes in equity

SPECIFICATION	Base capital	Other capital	Capital from the revaluation of the defined benefit plan	Capital from valuation of hedging transactions and exchange rate differences from consolidation	Retained earnings	CAPITAL OWN TOTAL
Balance as of 01.01.2022	903 868.60	80,004,644.80	(468 752.53)	(1,882,924.46)	16 032 839.37	94 589 675.78
Changes in equity from 01.01.2022 to 31.12.2022						
Gains (losses) from revaluation	-	-	166 787.88	-	-	166 787.88
Cash flow hedging instruments, including: - gains (losses) included in the	-	-	-	1 961 545.19	-	1 961 545.19
valuation of the reporting value of hedged items	-	-	-	1 961 545.19	-	1 961 545.19
Tax related to items presented in other comprehensive income	-	-	(30,334.61)	(372,693.59)	-	(403 028.20)
Net profit for the period from 01.01.2022 to 31.12.2022	-	-	-	-	1,392,196.44	1,392,196.44
Comprehensive income recognized in the period from 01.01.2022 to 31.12.2022	-	-	136 453.27	1 588 851.60	1,392,196.44	3,117,501.31
Dividends	-	-	-	-	(10,001,411.16)	(10,001,411.16)
Distribution of the result to the reserve	-	6,031,428.21	-	-	(6,031,428.21)	-
capital Balance as at 31.12.2022	903 868.60	86 036 073.01	(332,299.26)	(294,072.86)	1,392,196.44	87 705 765.93
Balance as of 01.01.2023	903 868.60	86 036 073.01	(332,299.26)	(294,072.86)	1,392,196.44	87 705 765.93
Changes in equity from 01.01.2023 to 31.12.2023						
Gains (losses) from revaluation	-	-	(105,239.01)	-	-	(105,239.01)
Cash flow hedging instruments, including: - gains (losses) included in the	-	-	-	363 052.91	-	363 052.91
valuation of the reporting value of hedged items	-	-	-	363 052.91	-	363 052.91
Tax related to items presented in other comprehensive income	-	-	32 163.23	(68,980.05)	-	(36,816.82)
Net profit for the period from 01.01.2023 to 31.12.2023	-	-	-	-	(54,510,978.68)	(54 510 978.68)
Comprehensive income recognized in the period from 01.01.2023 to 31.12.2023	-	-	(73,075.78)	294 072.86	(54,510,978.68)	(54,289,981.60)
Dividends	-	-	-	-	-	-
Division of the result into reserve capital	-	1 392 196.44	-	-	(1,392,196.44)	-
Balance as of 31.12.2023	903 868.60	87 428 269.45	(405 375.04)	0.00	(54,510,978.68)	33 415 784.33

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3.4. Separate statement of cash flows

SPECIFICATION	NOTE	for the period	
		from 01.01.2023 until 31.12.2023	from 01.01.2022 until 31.12.2022
Cash flow from operating activities			
Profit before tax (continuing operations)		(56,172,363.82)	2,088,967.56
Corrections:		39,866,527.49	17 505 172.26
Amortization of intangible assets	7.3	2,594,308.02	1 406 778.66
Depreciation of tangible fixed assets and leased assets	7.4	8,256,488.73	9 188 200.22
Impairment losses on shares	7.6	24 946 764.33	5 167 421.27
(Gain) loss on sale of tangible fixed assets and intangible assets	7.4	(96,461.60)	(53,325.20)
Interest costs	7.14	2,477,642.46	1 796 097.31
Other	7.20	1,687,785.65	-
adjustments Cash from operating activities before changes in working capital		(16,305,836.33)	19 594 139.82
Change in inventory	7.7	(3,878,198.99)	1 939 708.34
Change in receivables	7.8	10,255,210.13	(6,303,778.49)
Change in liabilities	7.16	20,430,994.08	385 866.33
Change in reserves	7.15	(577,435.60)	(812 021.51)
Change in the status of restricted cash	7.10	-	555 917.65
Change in the status of accruals	7.11	(32,164.49)	(34,561.11)
Cash generated from operating activities		9 892 868.80	15 325 271.03
Tax refund		5,593,763.00	828,412.00
Income tax paid Net cash from operating activities		(4,206,553.00)	(5,164,177.00)
		11,280,078.80	10 989 506.03
Cash flow from investing activities			
Expenditures on acquisition of intangible assets	7.3	(923,378.40)	(3,565,611.00)
Expenditures on the acquisition of tangible fixed assets and PDA	7.4	(5,032,436.00)	(8,910,746.89)
Proceeds from sale of tangible fixed assets Net cash used in investing activities		122,039.85	208 325.21
		(5,833,774.55)	(12,268,032.68)
Cash flows from financing activities			
Proceeds from taking out credits and loans		-	16 186 512.00
Repayment of credits and loans		(6,791,511.67)	-
Interest Paid		(2,477,642.46)	(1,796,097.31)
Dividends paid	7.13	-	(10,001,411.16)
Lease Obligations Repayment		(942 188.45)	(750 851.36)
Other inflows (outflows)	7.5		
Net cash from financing activities		(10,211,342.58)	3 638 152.17
Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the period		(4,765,038.33)	2 359 625.52
period Cash and cash equivalents at the end of the period		7,142,981.00	4 783 355.48
		2,377,942.67	7,142,981.00

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4. Accounting principles applied

4.1. Basis for preparation (general principles)

The separate financial statements have been prepared in accordance with the historical cost principle, except for the valuation of financial instruments (derivative instruments), which are measured at fair value.

The most important accounting policies applied by the entity are presented in points 4.2.1 to 4.2.15.

The accounting principles adopted in the preparation of the separate financial statements are, in principle, consistent with the principles adopted in the preparation of the annual financial statements for the year ending 31 December 2022.

The accounting policies presented below were applied to all periods presented in these financial statements by the Company.

4.2. Detailed rules for the valuation of assets and liabilities

4.2.1. Intangible assets

Intangible assets include assets that meet the following criteria:

- they can be separated or spun off from an economic entity, sold, transferred, licensed or given for paid use to third parties, either individually or together with related contracts, assets or liabilities
- arise from contractual or other legal rights, regardless of whether they are transferable or separable into a separate economic entity, or from other obligations.

Intangible assets are assets relating in particular to:

- trademarks
- computer software, copyrights, patents and licenses
- costs of completed development work
- know-how

Intangible assets acquired in separate transactions are stated at historical cost less accumulated depreciation and impairment losses. Amortization is charged on a straight-line basis over the expected useful life of the assets. The estimated useful life and amortization are reviewed at the end of each annual reporting period, and the effects of changes in these estimates are recorded in future periods.

After initial recognition, intangible assets are measured at historical cost or production cost, net of accumulated depreciation and impairment losses. Goodwill is recognized as an asset and is tested for impairment at least once a year. Any impairment losses are charged to the profit and loss account and are not reversed in subsequent periods.

The useful life of intangible assets, depending on their type, is assessed and recognized as limited or indefinite.

Intangible assets with an indefinite useful life and those that are not yet in use are tested annually for possible impairment, with respect to individual assets or

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at the level of the cash-generating unit, comparing their carrying amount with their economic value.

Research costs are not subject to capitalization and are presented in the income statement as expenses in the period in which they are incurred. Development costs are capitalized only when:

- a clearly defined project is being implemented (e.g. software or new procedures) • it is probable that the asset will generate future economic benefits
- project-related costs can be reliably estimated

Development costs are amortized using the straight-line method over their expected economic useful life. If an internally generated asset cannot be separated, development costs are expensed in the profit and loss account in the period in which they are incurred.

4.2.2. Tangible fixed assets

The cost of tangible fixed assets as at 1 January 2005, the date of the first application of EU IFRS by the Company, was determined by reference to their fair value as at that date.

The acquisition price includes the purchase price of the asset and costs directly related to the purchase and adaptation of the asset to a condition suitable for use, including transport costs, as well as loading, unloading and storage costs, as well as direct remuneration. Discounts, rebates and other similar reductions and recoveries reduce the acquisition price of the asset. The cost of producing a fixed asset and fixed assets under construction includes all costs incurred during its construction, assembly, adaptation and improvement incurred up to the date of accepting such an asset for use (or up to the balance sheet date if the asset has not yet been put into use). The cost of production also includes, where required, the preliminary estimate of the costs of dismantling and removing tangible fixed assets and restoring them to their original condition. The acquisition price may also be adjusted for profits or losses from cash flow hedging transactions related to foreign purchases of tangible fixed assets transferred from other comprehensive income.

Purchased software that is necessary for the proper functioning of the associated device is activated as part of that device.

Where a specific item of property, plant and equipment consists of separate and significant components with different useful lives, those parts are treated as separate assets.

Gains and losses on the disposal of tangible assets are determined by comparing the disposal proceeds with the carrying amount of the assets disposed of and are recognised net as current period profit or loss under other income.

Capitalization is applied to costs incurred in the subsequent period for replacing parts of an item of property, plant and equipment that can be reliably estimated and it is probable that the Company will obtain economic benefits associated with the replaced items of property, plant and equipment. The carrying amount of the removed parts of an item of property, plant and equipment is derecognized. Expenditures incurred in connection with the ongoing maintenance of items of property, plant and equipment are recognized as profit or loss of the current period when incurred.

Depreciation charges are made in relation to the depreciable amount, which is the purchase price or production cost of a given asset, less its residual value.

Depreciation is recognised as an expense of the current period using the straight-line method over the useful life of a given tangible fixed asset estimated by the Company, which best reflects the manner in which future economic benefits associated with the use of a given asset will be realised. Assets used under a lease agreement

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or other similar agreement are depreciated over the shorter of the two periods: the lease term or the period of use, unless the Company is reasonably certain that it will obtain ownership before the end of the lease term. Land is not depreciated.

The Company assumes the following useful lives for individual categories of tangible fixed assets:

- buildings and structures: • 15-20 years
- machines and equipment: 5-15 years
- means of transport: 5-7 years
- other tangible fixed assets: 5-7 years

The correctness of the applied useful lives, depreciation methods and residual values of tangible fixed assets is verified at each balance sheet date and corrected in justified cases.

4.2.3. Investments in subsidiaries and associates

Investments in subsidiaries are recognized at acquisition price increased by non-refundable capital contributions granted, including those to cover losses shown in the subsidiary's financial statements, reduced by write-offs for impairment. If there are indications or at least once a year, the Company tests its investments in subsidiaries and associates for impairment. Details are provided in Note 7.6.

4.2.4. Leasing

The Company recognizes lease agreements in accordance with the principles set out in IFRS 16.

The determination of whether a contract contains the characteristics of a lease depends on the content of the contract at the time of its conclusion, indicating whether the performance of the contract depends on the use of a specific asset or whether the contract gives an effective right to use a specific asset, even if that right is not expressly included in the contract. The Company uses an exemption that allows low-value assets not to be classified as leases. This threshold is set at PLN 20 thousand for a new single asset.

Lease assets and liabilities are measured at present value upon initial recognition.

Lease payments are discounted using the lease interest rate. In most cases, this rate is derived directly from the terms of the lease. If this rate cannot be readily determined, the lessee's incremental borrowing rate is used, which is the interest rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value, in a similar economic environment, for a similar term, and with similar security. To determine the incremental borrowing rate,

Lease payments are allocated between principal and finance charges. Finance charges are charged to the financial result over the term of the lease in such a way as to produce a constant periodic interest rate on the remaining balance of the obligation for each period.

The right-of-use asset for leased assets is depreciated at a minimum over the term of the lease. Additional periods are also taken into account when determining the lease term if the lease includes an option to transfer ownership of the leased assets and the company intends to exercise that option.

The Company does not recognize short-term or intangible contracts as leasing.

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4.2.5. Inventories

Materials and goods are valued at purchase prices. The purchase price includes the amount due without the accrued value added tax. Purchase costs (transport costs, border fees, customs, loading and unloading costs) are charged to a separate account "purchase costs".

Semi-finished products and work in progress and finished products are valued on an ongoing basis at production cost, and their inventory is valued at production costs not higher than their net sales prices, obtainable if the sale took place on the reporting date. The production cost consists of the sum of direct costs (materials, wages) and a justified portion of indirect costs related to the production of the product, including indirect production costs and a portion of fixed indirect costs corresponding to the level of these costs at normal use of production capacity. The Company applies the FIFO method of inventory valuation.

Inventories are verified at the end of each reporting period. Economically useless inventories are written off 100%. In addition, for the purpose of realizing the value of inventories, an analysis of the age structure of inventories is carried out, the decisive factor of which is the date of receipt and issue from the warehouse.

4.2.6. External financing costs

All borrowing costs are charged directly to the profit and loss account in the period in which they are incurred.

4.2.7. Financial instruments

A financial instrument is any contract that gives rise simultaneously to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets are classified into one of the following categories:

- assets valued at amortized cost - debt instruments held to collect contractual cash flows, which include only repayments of principal and interest. The Company classifies in this category:

- loans and trade receivables and other receivables
- held-to-maturity investments
- cash
- cash equivalents

- assets measured at fair value through other comprehensive income – financial assets held for sale and debt instruments whose cash flows consist exclusively of payments of principal and interest and which are held for the purpose of collecting contractual cash flows and for the purpose of sale; are measured at fair value through other comprehensive income, except for impairment gains and losses, interest income and exchange rate differences, which are recognised in the financial result.

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- assets measured at fair value through profit or loss - assets that do not meet the criteria for measurement at amortized cost or at fair value through comprehensive income are measured at fair value through profit or loss. The Company includes in this category financial assets available for sale and derivative instruments (in particular forward and swap contracts)

At initial recognition, all financial assets are measured at fair value, plus, in the case of assets not classified as measured at fair value through profit or loss, transaction costs that can be directly attributed to the acquisition of a given asset.

Financial liabilities are classified into one of the following categories:

- presented at fair value through profit or loss - include financial liabilities measured at fair value through profit or loss and derivative instruments designated as hedging instruments (in particular forward and swap contracts) • measured at amortized cost - financial liabilities not classified as "at fair value through

profit or loss", include loans and advances, trade payables

All financial liabilities are initially recognised at fair value, adjusted – in the case of loans and advances – for directly attributable transaction costs.

Write-off for impairment of trade receivables

For short-term trade receivables, the Company applies a simplified approach to calculating the allowance for expected credit losses (ECL). The Company applies a matrix in which allowances for trade receivables belonging to different aging or overdue periods are calculated.

Accordingly, the Company does not track changes in credit risk but instead establishes an allowance for losses based on expected credit loss (ECL) throughout the period at each reporting date.

The provision for impairment is created for current, overdue (doubtful), collection and disputed receivables in the gross amount (including VAT). The provision for impairment of overdue receivables is created after taking into account the cumulative provision for disputed and collection receivables.

Bank loans

Interest-bearing bank loans are recorded at acquisition cost, which is the fair value of the cash received, net of amounts directly related to obtaining the loan. In subsequent periods, loans are measured at amortized acquisition cost, using the effective interest rate. Interest-bearing bank loans are recorded together with accrued interest. Interest on loans due increases liabilities and financial costs.

Trade and other liabilities

After initial recognition, all liabilities with a maturity of more than 12 months, except liabilities measured at fair value through profit or loss, are generally measured at adjusted cost using the effective interest method.

In the case of liabilities with a maturity date of no more than 12 months from the balance sheet date, they are valued at the amount due.

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Hedge accounting**Cash flow hedging**

The Company uses derivative financial instruments to hedge foreign exchange and interest rate risks. Embedded derivatives are separated from the host contract and accounted for separately if the economic and risk characteristics of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the hybrid (combined) instrument is not measured at fair value through profit or loss.

At the time of initial designation of a hedge position, the Company formally documents the relationship between the hedging instrument and the hedged item. This documentation includes the risk management objective and strategy for establishing the hedge, as well as the methods that the Company will use to assess the effectiveness of the hedging instrument. The Company assesses, both at the time of inception of the hedge and on an ongoing basis thereafter, whether it is reasonable to expect that the hedging instruments will remain "highly effective" in offsetting changes in the fair value or cash flows of individual hedged items throughout the period for which the hedge was established, and whether the actual level of each hedge is within the range of 80-125%. Cash flow hedges are used for future, highly probable transactions that are subject to the risk of changes in cash flows, the effects of which would be recognized as profit or loss in the current period.

Derivative financial instruments are initially recorded at fair value; related transaction costs are recognized when incurred as profit or loss in the current period. After initial recognition, the Company measures derivative financial instruments at fair value, and gains and losses arising from changes in fair value are recognized as follows.

If a derivative financial instrument is designated as a hedge of the variability of cash flows for a specific risk associated with a recognized asset, a recognized liability or a highly probable forecast transaction that could affect current period profit or loss, the portion of the gain or loss associated with the hedging instrument that is an effective hedge is recognized in other comprehensive income and presented, as a separate hedge line item, in equity. Gains or losses previously recognized in equity are transferred to current period profit or loss in the same period and in the same line item in which the hedged cash flows are recognized in profit or loss. The ineffective portion of the change in the fair value of the derivative is recognized immediately in current period profit or loss.

If the hedging instrument ceases to meet the criteria for hedge accounting, expires, is sold, terminated, exercised or its purpose is changed, the Company discontinues the application of hedge accounting principles. Accumulated gains or losses previously recognized in other comprehensive income and presented in equity are retained in equity until the planned transaction is realized and recognized as profit or loss of the current period. In the case when the hedged item is non-financial asset, gains or losses previously recognised in other comprehensive income adjust the carrying amount of that asset when recognised. If the forecast transaction is not expected to occur, the gains or losses recognised in the statement of financial position are recognised immediately as profit or loss for the current period. In other cases, amounts previously recognised in other comprehensive income are recognised as profit or loss for the current period in the same period or periods in which the hedged forecast transaction affects profit or loss for the current period.

The Company has decided to continue the presentation solutions consistent with IAS 39. The Company uses derivative financial instruments to hedge currency risk.

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4.2.8. Reserves

Provisions are created when the Company has an obligation (legal or constructive) as a result of past events and when it is probable that the settlement of this obligation will require an outflow of funds and the amount of the obligation can be reliably estimated.

Where the outflow of economic benefits over time is material, the amount of the provision is determined by discounting the projected future cash flows to their present value, using a gross discount rate that reflects current market assessments of the time value of money and the potential risks associated with the liability. If the discounting method is used, the increase in the provision due to the passage of time is recorded as a borrowing cost.

Provisions are also created for future liabilities resulting from restructuring if, under separate regulations, the entity is obliged to carry it out or binding agreements have been concluded in this matter, and the restructuring plans can be reliably estimated, with the relevant decision to create a provision being made by the Management Board. In the absence of an appropriate restructuring plan, a contingent liability is disclosed in the financial statements.

The Company also creates a provision for warranty repairs. The Company determines the level of the provision for this on an individual basis. The initial cost estimate is subject to annual review. The Company estimates the provision for repair costs based on historical experience, using the product of the average warranty repair rate and sales revenue in a given period. Provisions for warranty repair costs are created as a charge to core business.

4.2.9. Employee benefits

The Company creates provisions for future employee benefit obligations (retirement benefits), which the entity recognizes in proportion to the expected period of service by a given employee. The calculation is performed by a licensed actuary using the projected unit credit method.

At the end of each financial year, the amount of the reserve is therefore estimated using the actuarial method.

The basis for a reliable estimate of the reserve size are:

- criteria for acquiring rights to the above-mentioned benefits
- actuarial assumptions

The cost of the defined benefit plan, including the revaluation of the net defined benefit obligation, is recognised in other comprehensive income (defined benefit plan revaluation reserve)

The Company also creates a provision for the costs of accumulated paid absences that it will have to incur as a result of employees not using their entitlement, and which entitlement existed at the balance sheet date. The provision for the costs of accumulated paid absences is recognized as a liability after deducting any amounts already paid. The provision for the costs of accumulated paid absences is a short-term provision and is not subject to discounting, and is created as a charge to core business.

Reserves are valued at a reasonable, reliably estimated value.

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4.2.10. Revenues

Revenues from sales of goods and services

The Company recognizes revenue from the sale of goods, i.e. materials, parts and finished products "at a point in time", when the recipient takes control of a given good. Revenue from the provision of services related to short-term orders is recognized "at a point in time" at the time of finalization of the service, after confirmation of the execution of the contract bond (after receiving the acceptance protocol). The Company analyzes revenue in accordance with IFRS 15 "Revenue from Contracts with Customers" in such a way that the recognized revenue reflects the transfer of goods or services to the contractor in an amount that reflects the payment that the entity expects to receive in exchange for these goods or services.

Revenue from the sale of goods and services in the ordinary course of business is measured at the fair value of the consideration received or receivable, less the value of returns, discounts and rebates. Revenue is recognized when there is persuasive evidence, usually in the form of an executed sales contract, that substantially all risks and rewards have been transferred to the buyer, there is a high probability of payment, the costs incurred and the probability of returning the goods can be reliably estimated, there is no ongoing involvement in managing the goods and the amount of revenue can be reliably measured. If it is probable that discounts will be granted, the amount of which can be reliably measured, then the discount is recognized as a reduction of sales revenue when recognized. The Company does not have a significant financing component, and the payment terms used by the Company are usually from 21 to 90 days.

Financial income and costs

Net finance costs include interest payable on debt determined based on the effective interest rate, interest due on cash invested by the Company.

Interest income is recorded in profit or loss on an accrual basis using the effective interest rate method.

4.2.11. Costs

The Company recognizes costs in accordance with the principle of matching revenues and costs and the principle of prudence. Cost of sales – includes the costs of selling products and services, including business activities auxiliary.

Sales costs – include sales brokerage costs, trading costs, advertising and promotion costs and distribution costs.

General administrative costs – include costs related to the management and administration of the Company as whole.

4.2.12. Foreign Currency Transactions

Transactions denominated in foreign currencies on the transaction date are recorded in the Company's functional currencies using the purchase rate or sale rate of the currency on the transaction date.

Monetary assets and liabilities expressed in foreign currencies are translated at the end of the reporting period at the exchange rate of the leading bank applicable at the end of the reporting period (assets and liabilities at the arithmetic mean of the exchange rate, i.e. the sum of the purchase price and the sale price divided by 2). Exchange rate differences resulting from the balance sheet valuation of monetary assets and liabilities are the differences between the valuation at amortized cost in the functional currency at the beginning of the reporting period,

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adjusted for interest accrued and payments made during the reporting period, and the amortised cost value in a foreign currency translated at the appropriate average exchange rate at the end of the reporting period.

Non-monetary balance sheet items denominated in foreign currencies measured at fair value are translated at the average NBP exchange rate applicable on the date of estimating the fair value.

Foreign exchange differences on translation are recognized as profit or loss for the current period, except for differences arising on the translation of equity instruments classified as available for sale, financial liabilities designated as hedges of an interest in the net assets of a foreign operation, and qualifying cash flow hedges that the Company recognizes as other comprehensive income. Non-monetary items measured at historical cost in a foreign currency are translated by the Company using the exchange rate at the date of the transaction.

4.2.13. Taxes

Income taxes include a current portion and a deferred portion. Current and deferred income taxes are recognized in the profit or loss of the current period, except in the case of business combinations and items recognized directly in equity or in other comprehensive income.

Current tax is the expected amount of tax liabilities or receivables on taxable income for the year, determined using the tax rates legally or actually in effect at the reporting date and adjustments to the tax liability relating to prior years.

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities and their values for tax purposes. In addition, deferred tax is not recognized for temporary differences arising on the initial recognition of goodwill. Deferred tax is measured using the tax rates that are expected to be applied when the temporary differences reverse, based on the tax laws enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if the Company has a legally enforceable right to offset current tax liabilities and assets and provided that the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on the same taxpayer or on different taxpayers who intend to settle income tax liabilities and receivables on a net basis or to realize the receivable and settle the liability simultaneously.

Deferred tax assets related to unused tax losses, unused tax credits and deductible temporary differences are recognised to the extent that it is probable that taxable profit will be available against which the deferred tax assets can be utilised. Deferred tax assets are reassessed at each reporting date and reduced to the extent that it is not probable that the related income tax benefits will be realised.

4.2.14. Equity

The Company's equity capital includes: share capital, other capital, capital from revaluation of the defined benefit program, capital from valuation of hedging transactions, undistributed financial result, current year's result. Items reducing the amount of equity capital are write-offs from the current year's financial result.

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5. Basic Judgments and Fundamentals of Uncertainty Estimation

The preparation of separate financial statements in accordance with IFRS requires the Management Board to make estimates, judgments and assumptions that affect the adopted principles and the presented values of assets, liabilities, revenues and costs. The estimates and related assumptions are based on historical experience and various factors that are considered reasonable in the given circumstances. The results of these estimates provide a basis for professional judgment as to the book value of assets and liabilities. In important matters, the Management Board of the Company relies on the opinions of independent experts when making estimates. The actual value may differ from the estimated value.

The estimates and related assumptions are subject to ongoing verification. Any change in accounting estimates is recorded in the period in which the change is made.

Information on estimates and assumptions that have a material impact on the values disclosed in the Company's separate financial statements is included in the following notes:

- Impairment of: inventories (note 7.7), trade and other receivables (note 7.8) and other financial assets (note 7.6),
- Provisions for liabilities (note 7.15),
- Deferred income tax (note 7.17).
- Contingent items and other items not recognised in the statement of financial position (note 7.26).

6. Information on the seasonality of business

There is no seasonality of sales in Apator Metrix SA.

7. Explanatory notes to the separate financial statements

7.1. Alternative Performance Measures

EBITDA is a measure showing the net profit achieved by the Company after eliminating the impact of income tax, financing costs and depreciation. The Management Board of the Company considers it as an important additional measure of results, therefore EBITDA is presented in the report alongside the measures defined by IFRS.

EBITDA is not an IFRS-defined measure and is not a standardized measure, and therefore should not be analyzed in isolation or as a substitute for IFRS-defined measures.

The EBITDA calculation method is presented in the table below:

SPECIFICATION	for the period	
	from 01.01.2023 until 31.12.2023	from 01.01.2022 until 31.12.2022
Net profit for the financial period	(54,510,978.68)	1 392 196.44
(+) Income Tax	(1,661,385.14)	696 771.12
Gross profit	(56,172,363.82)	2,088,967.56
(+) Financial costs	4,284,620.86	3 233 885.23
(-) Financial income	1,846,430.88	797 816.58
Profit (loss) from operating activities	(53,734,173.84)	4 525 036.21
Depreciation	10,850,796.75	10,594,978.88
EBITDA	(42,883,377.09)	15 120 015.09
Impact of one-time events	52 193,679.72	5 167 421.27
Adjusted EBITDA (excluding one-off items)	9,310,302.63	20 287 436.36

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7.2. Operating segments

Apator Metrix SA is mainly engaged in the production of household and industrial gas meters – including the latest class of intelligent gas meters with remote data reading function.

Apator Metrix SA focuses on its core business, i.e. design and production of gas measurement devices. The Company's business activity in the Apator Group structures is focused on the "Gas" segment - measurement of media in the scope of gas consumption.

7.3. Intangible assets

Data on intangible assets are presented in the table below.

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SPECIFICATION	PATENTS AND LICENSES, SOFTWARE COMPUTER	WORK COSTS DEVELOPMENT	THE REMAINING VALUES INTANGIBLE	INVESTMENTS UNFINISHED EW VALUES INTANGIBLE	TOGETHER
Net value as of 01.01.2022	-	4 388 242.37	-	3 565 776.63	7 954 019.00
Increase due to acquisition	-	-	-	-	-
Expenditures on intangible assets	-	-	-	3,565,611.00	3 565 611.00
Settlement of advance payment for intangible assets	-	-	-	(339,301.63)	-
Depreciation	-	(1,350,228.36)	(56,550.30)	-	(1,406,778.66)
Other changes - gross	-	-	339 301.63	-	-
Net value as of 31.12.2022	-	3 038 014.01	282 751.33	6,792,086.00	10 112 851.34
Net value as of 01.01.2023	-	3,038,014.01	282 751.33	6,792,086.00	10 112 851.34
Increase due to acquisition Increase	-	7,057,316.00	-	-	-
due to advance payment for intangible assets Depreciation Decrease	-	-	-	265 230.00	265 230.00
due to liquidation	-	(2,526,447.66)	(67,860.36)	-	(2,594,308.02)
- write-off of iSmart1 Decrease of accumulated depreciation due	-	(6,751,142.00)	-	-	(6,751,142.00)
to liquidation - write-off of iSmart1 Settlement of outlays - acceptance to the balance	-	5,063,356.35	-	-	5,063,356.35
	-	-	-	(7,057,316.00)	-
Net value as of 31.12.2023	-	5 881 096.70	214 890.97	-	6,095,987.67
As of 31.12.2022					
Gross value	-	5 738 470.73	339 301.63	6,792,086.00	12,869,858.36
Total accumulated depreciation and write-offs to date	-	(2,700,456.72)	(56,550.30)	-	(2,757,007.02)
Net worth	-	3,038,014.01	282,751.33	6,792,086.00	10 112 851.34
As of 31.12.2023					
Gross value	-	6,044,644.73	339,301.63	-	6,383,946.36
Total accumulated depreciation and write-offs to date	-	(163,548.03)	(124,410.66)	-	(287,958.69)
Net worth	-	5,881,096.70	214,890.97	-	6,095,987.67

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Net value of intangible assets:

SPECIFICATION	for the day	
	31.12.2023	31.12.2022
Development costs	5 881 096.70	9 830 100.01
Other intangible assets	214 890.97	282 751.33
Together	6,095,987.67	10 112 851.34

In 2023, the Company incurred expenses for the acquisition of intangible assets in the amount of PLN 265,230.00 PLN (in 2022: PLN 3,565,611.00). These expenses were related to the implementation by the Company of the so-called smart gas meters and the related need to incur development costs related to solutions in the field of smart systems, whether for software licenses related to remote reading or for research and development work. As a result of the implementation of newer solutions in smart gas meters (iSmart2), in 2023 there were no sales of iSmart1 and no sales agreements were signed in 2024. In connection with this, intangible assets related to iSmart1 development work worth PLN 1,687,785.65 were written off in the balance sheet, charging other operating costs, while at the same time showing an asset for deferred tax on the temporary difference between balance sheet and tax depreciation at PLN 320,679.28.

In 2023, the Company, in connection with receiving all necessary certificates and supervision certificates allowing for market sale, settled the value of completed development works in the amount of PLN 7,057,316.00, which concerned an electronic gas meter constituting an own solution of Apator Metrix SA adapted mainly to the Belgian market. The assumed period of use of commercialized development works is 5 years (20%).

7.4. Tangible fixed assets

In 2023, the Company made an investment in the purchase of tangible fixed assets in the amount of PLN 5,032,436.00 PLN (in 2022: PLN 12,476,357.89). These expenses mainly concerned machinery and equipment and other tangible fixed assets (mainly tooling) and were related to: automation of production processes, the need to increase production capacity, new technologies and modernization of the machine park, as well as the implementation of new products and modernization of existing ones in terms of market requirements.

Contractual obligations incurred for the purpose of acquiring tangible fixed assets

At the end of the reporting period, the Company has concluded agreements for the purchase of tangible fixed assets that are in the process of implementation and shown in the report as fixed assets under construction and advances for fixed assets. These are tasks carried out in accordance with the Company's investment plan, and the amount of other liabilities resulting from concluded agreements as at 31.12.2023 is: PLN 1,166,348.48 (2022: PLN 2,333,031.32)

Security

In the financial year 2016, the Company concluded a multi-product agreement under which the Company was provided with a credit limit in ING bank, the security of which on the part of Apator Metrix SA - after the annexes concluded in the period 2017/2022 - is a registered pledge on a set of fixed assets with the balance sheet value of PLN 3,917,545.85 (in 2022: PLN 4,670,046.82). The total net value of machines and equipment and other fixed assets constituting security for loans at the end of 2023 is: PLN 3,917,545.85.

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

Property, plant and equipment used on an ownership basis for 2022 and 2023:

SPECIFICATION	Land, buildings and premises and engineering facilities	Machines and equipment	Means of transport	Tools and equipment	Unfinished investments in factual fixed assets	Together
Net value as of 01.01.2022	5 914 517.23	10,844,225.28	1,074,073.27	7,284,664.31	3 611 782.18	28,729,262.27
Increase due to acquisition	-	5,827,127.16	294,435.62	2,746,736.11		8,868,298.89
Increase in stock due to modernization	47 904.16	245,204.25	-	354,126.95		647,235.36
Increase resulting from reclassification - from the right to use leased assets to tangible fixed assets	-	1 398 666.50	-	-		1 398 666.50
Material assets under construction	-	-	-	-	9 524 129.20	9,524,129.20
Decrease due to disposal	-	-	(269,368.06)	(4,597.09)		(273,965.15)
Decrease due to liquidation	-	(12,070.50)	-	(270,649.00)		(282,719.50)
Settlement of expenditure on tangible fixed assets under construction (acceptance to stock)	-	-	-	-	(9,515,534.25)	(9,515,534.25)
Depreciation	(1,182,712.47)	(4,144,903.96)	(335,966.79)	(2,710,820.78)		(8,374,404.00)
Increase in the current depreciation due to reclassification - from the right to use leased assets to tangible fixed assets	-	(1,174,880.00)	-	-		(1,174,880.00)
Reduction of the existing depreciation due to disposal	-	-	269 368.06	4,597.09		273,965.15
Reduction of the current write-off due to liquidation	-	12,070.50	-	270,649.00		282,719.50
Net value as of 31.12.2022	4 779 708.92	12,995,439.23	1,032,542.10	7,674,706.59	3 620 377.13	30,102,773.97
Net value as of 01.01.2023	4 779 708.92	12,995,439.23	1,032,542.10	7,674,706.59	3 620 377.13	30,102,773.97
Increase due to acquisition	-	401,506.57	233,771.14	2,179,139.93		2,814,417.64
Increase in stock due to modernization	700 194.82	185,033.29	-	1,159,183.92		2,044,412.03
Increase resulting from reclassification - from the right to use leased assets to tangible fixed assets	-	1 548 267.20	-	-		1 548 267.20
Material assets under construction	-	-	-	-	5,056,084.37	5,056,084.37
Decrease due to disposal	-	-	(220 369.53)	(27,355.89)		(247,725.42)
Decrease due to liquidation	-	(137,719.40)	-	(6,755.00)		(144,474.40)
Settlement of expenditure on tangible fixed assets under construction (acceptance to stock)	-	-	-	-	(4,858,829.67)	(4,858,829.67)
Depreciation	(804 158.79)	(3,555,348.39)	(372,526.87)	(2,852,480.05)		(7,584,514.10)
Increase in the current depreciation due to reclassification - from the right to use leased assets to tangible fixed assets	-	(619,307.04)	-	-		(619,307.04)
Reduction in accumulated depreciation due to disposal			220 369.53	1,777.64		222,147.17
Reduction in accumulated depreciation due to liquidation				6,755.00		6,755.00
Net value as at 31.12.2023	4 675,744.95	10,955,590.86	893 786.37	8,134,972.14	3 817 631.83	28,477,726.15

Unit name:	Apator Matrix S.A.		Page 25
Period covered by the financial statements:	01.01.20232 – 31.12.2023	Reporting currency:	Polish Zloty (PLN)
Rounding level:	all amounts are expressed in Polish zloty (unless otherwise indicated)		

Gross value and accumulated depreciation of fixed assets:

SPECIFICATION	Land, buildings and premises and engineering facilities	Machines and equipment	Means of transport	Tools and equipment		Together
As of 31.12.2022						
Gross value	18,155,357.54	48,370,146.82	3,082,042.98	38,192,130.36	3 620 377.13	111,420,054.83
Total accumulated depreciation and write-offs to date	(13,375,648.62)	(35,374,707.59)	(2,049,500.88)	(30,517,423.77)		(81,317,280.86)
Net worth	4,779,708.92	12,995,439.23	1,032,542.10	7,674,706.59	3 620 377.13	30 102 773.97
As of 31.12.2023						
Gross value	18,855,552.36	50,367,234.48	3,095,444.59	41,496,343.32	3 817 631.83	117,632,206.58
Total accumulated depreciation and write-offs to date	(14,179,807.41)	(39,411,643.62)	(2,201,658.22)	(33,361,371.18)		(89,154,480.43)
Net worth	4,675,744.95	10,955,590.86	893 786.37	8 134 972.14	3 817 631.83	28 477 726.15

Unit name:	Apator Metrix S.A.		Page 26
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In the audited period, i.e. in 2023, similarly to the previous year 2022, the Company did not make any impairment losses on tangible fixed assets.

The company uses production machines and equipment under leasing agreements. The agreements were concluded for a period of 60 months and their completion will take place according to the schedule.

7.5. Leasing

The value of lease liabilities is presented in the table below.

SPECIFICATION	as of 31.12.2023		as of 31.12.2022	
	Fees	Current value floss	Fees	Current value floss
Payable within 1 year	812 694.21	792 017.55	1,084,800.01	1,042,621.37
Payable over a period of 1 to 5 years	513 629.34	508 735.27	1,557,304.31	1 531 864.42
Paid over 5 years	3 370 702.62	3 370 702.62	3,039,158.10	3 039 158.10
Total future minimum finance lease payments	4 697 026.17	4 671 455.44	5,681,262.42	5,613,643.89
Future financial burdens (-)	(25,570.73)	-	(67,618.53)	-
Present value of minimum lease payments	4 671 455.44	4 671 455.44	5,613,643.89	5,613,643.89

The value of the lease liability was calculated based on the following assumptions:

- in the case of perpetual usufruct of land – perpetual usufruct was assumed (adopted rate of 2.4%)
- in the case of fixed-term contracts – the maximum period that could generate the obligation was assumed

Unit name:	Aptor Metrix S.A.		Page 27
Period covered by the financial statements:	01.01.20232 – 31.12.2023	Reporting currency:	Polish Zloty (PLN)
Rounding level:	all amounts are expressed in Polish zloty (unless otherwise indicated)		

Property, plant and equipment leased for 2022 and 2023:

SPECIFICATION	Land, buildings and premises and engineering facilities	Machines and equipment	Means of transport	Tools and equipment	Together
Net value as of 01.01.2022 Increase due to	3,108,263.88	3,252,858.99	-	-	6 361 122.87
acceptance into leasing, increase in value Decrease resulting from	1,160,201.19	-	-	-	1 160 201.19
reclassification - from the right to use leased assets to tangible fixed assets Depreciation	-	(1,398,666.50)	-	-	(1,398,666.50)
Decrease in the previous depreciation resulting from reclassification	(215 739.86)	(598,056.36)	-	-	(813 796.22)
- from the right to use leased assets to tangible fixed assets	-	1,174,880.00	-	-	1,174,880.00
Net value as of 31.12.2022	4,052,725.21	2 431 016.13	-	-	6,483,741.34
Net value as of 01.01.2023 Increase due to	4,052,725.21	2 431 016.13	-	-	6,483,741.34
acceptance into leasing, increase in value Decrease resulting from	21,903.86	-	-	-	21,903.86
reclassification - from the right to use leased assets to tangible fixed assets Depreciation	-	(1,548,267.20)	-	-	(1,548,267.20)
	(228,745.03)	(443 229.60)	-	-	(671,974.63)
Reduction in accumulated depreciation resulting from reclassification from leased assets to tangible fixed assets	-	619 307.04	-	-	619 307.04
Net value as of 31.12.2023	3 845 884.04	1,058,826.37	-	-	4 904 710.41

Gross value and accumulated depreciation of fixed assets in lease:

SPECIFICATION	Land, buildings and premises and engineering facilities	Machines and equipment	Means of transport	Tools and equipment	Together
Net value as of 01.01.2022	3 108 263.88	3,252,858.99	-	-	6 361 122.87
As of 31.12.2022					
Gross value	4,389,716.38	4,010,653.97	-	850 616.69	9,250,987.04
Total accumulated depreciation and write-offs to date	(336,991.17)	(1,579,637.84)	-	(850 616.69)	(2,767,245.70)
Net worth	4,052,725.21	2,431,016.13	-	-	6,483,741.34
As of 31.12.2023					
Gross value	4,411,620.24	2,462,386.77	-	850 616.69	7,724,623.70
Total accumulated depreciation and write-offs to date	(565,736.20)	(1,403,560.40)	-	(850 616.69)	(2,819,913.29)
Net worth	3,845,884.04	1,058,826.37	-	-	4 904 710.41

Unit name:	Apator Matrix S.A.		Page 28
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Rounding level:	all amounts are expressed in Polish zloty (unless otherwise indicated)		

7.6. Other financial assets

Data on other financial assets are presented in the table below.

SPECIFICATION	for the day	
	31.12.2023	31.12.2022
Other long-term financial assets	24,946,764.23	30 114 185.50
Shares in subsidiaries	24,946,764.23	30 114 185.50
Impairment allowance created against current profit or loss	(24,946,764.23)	(5 167 421.27)
Carrying value of shares at the end of the period	0.00	24 946 764.23

The carrying amount shown in long-term investments as at 31.12.2022 PLN 24,946,764.23 related to the acquisition of 100% of shares in George Wilson Industries Ltd. based in Coventry (Great Britain) by the Company in 2017. The acquisition of George Wilson Industries Ltd. and was an element of the consistent development of Apator Metrix as one of the leaders in the production of gas meters in Europe, including smart metering solutions.

However, due to the company's poor performance in recent years, caused by, among other things, the covid-19 pandemic and the subsequent war in Ukraine, as well as the lack of market acceptance of the SMETS2 electronic gas meter developed by GWI, in order to optimise costs and improve the efficiency of George Wilson Industries Ltd.'s operations on the British market, a number of optimisation measures were taken, including decisions on:

- relocation of the company to a hall with a smaller area (an optimally scaled facility for the company's needs) significantly better energy efficiency class) in Coventry near the current location
- reorganization of the company's operations by transferring the production of smart gas meters and industrial gas meters to Apator Metrix SA

Taking the above into account, an analysis was first made in terms of the recoverability of the deferred income tax asset, assuming the EBIT forecast for the analysis of the possible actual use of the asset in question in the foreseeable future, which resulted in a write-off of PLN 6,905,924.43, down to PLN 18,040,839.80. Then, further bad the entity's situation, due to the fact that the market has recently begun to prefer smaller SMETS2 gas meters from competitors, which measure gas flow using the sonic method (so-called ultrasonic gas meters), rather than the membrane method, which requires larger physical sizes of gas meters. This unexpected and rather sudden change of a technological and market nature, together with the global decline in sentiment for gas related to the macroeconomic and political situation in the world, resulted in a significant decline in the company's development prospects, and thus its ability to generate significant financial surpluses, and the submitted claims additionally worsened the company's situation.

In connection with the above and in accordance with IAS-36, the Management Board assessed the existence of indications of impairment of George Wilson Ltd. by analyzing market, external and internal factors and verified the validity of the assumptions adopted in the impairment test performed as at December 31, 2023.

The impairment test was performed using the following assumptions for calculations: WACC = 10.75%, revenues and margins in line with the company's long-term financial plan for 2024-2029. 2028, while after the forecast period no growth rate was assumed and a stable EBITDA level was assumed to calculate the residual value. The calculations used the values of some indicators, including beta, D/E debt ratios, etc. published by prof. Damodaran (www.damodaran.com).

The results of the test showed that the carrying amount of George Wilson significantly exceeds the estimated recoverable amount, even taking into account any write-downs made to date.

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Based on the test performed, it was found that the company's carrying amount estimated using the value in use method, based on discounted cash flows, was close to zero and therefore a decision was made to write off the value of the shares in full.

Total impairments made in the 2023 fiscal year amounted to **PLN 24,946,764.23**, reducing the carrying amount of shares in George Wilson Ltd. to zero. The above-mentioned impairment reduced the value of other long-term financial assets in the Company's accounts in 2023 in the form of other shares not in public trading, while charging other operating costs, i.e. impairment losses on shares in subsidiaries.

Together with the write-off, the previously recognised deferred tax asset was derecognized. It concerned a partial write-off in 2022. With hindsight, it was determined that there was no prospect of recovering this asset and it was corrected in full.

An additional sensitivity analysis conducted showed and confirmed that the decision to write off the shares in full was correct.

In addition, in connection with the situation of GWI (APATOR SA Information for Investors No. 11/2024) and granting a guarantee for the GWI loan in CITI London refinanced by PKO BP SA (agreement No. 57 1020 1462 0000 7502 0418 2689 of May 26, 2023 and Annex No. 1 of November 23, 2023), the Management Board decided to value the financial guarantee at PLN 19,662,815.73 (GBP 3,939,733.46), taking into account the lack of continuity of the GWI company's operations and its inability to repay the debt. This valuation was included in the financial year 2023 charged to operating expenses.

In relation to a joint stock company [Commercial Companies Code, art. 397] the premise of a threat to the continuation of the business is a situation when the balance sheet loss exceeds the sum of the supplementary and reserve capitals and one third of the share capital. The equity capital of Apator Metrix SA is still positive and shows that there is no risk of the Company not continuing its business.

7.7. Inventory

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

SPECIFICATION	for the day	
	31.12.2023	31.12.2022
Materials	27,298,471.47	23,289,251.13
Production in progress	6,875,884.61	6,352,342.50
Finished products	3,155,680.83	3,810,244.29
Total inventory value	37,330,036.91	33,451,837.92

Inventory write-downs are presented below.

SPECIFICATION	in the period	
	from 01.01.2023 until 31.12.2023	from 01.01.2022 until 31.12.2022
Total inventory impairment loss		
Value of write-offs at the beginning of the period	766,095.32	738 686.22
Increase - creation of a write-off against the current result	2,021,034.47	307 361.17
Decrease - write-off of unused amounts to revenue	(11,468.30)	(279 952.07)
Value of write-offs at the end of the period	2,775,661.49	766 095.32

In 2023, the value of materials and raw materials, changes in the state of finished products and work in progress included in the cost of sales amounted to PLN 112,999,656.87 (2022: PLN 131,766,142.20). In 2023, the impairment loss included low-turnover inventory with a lag time of over 180 days. The value of the write-offs increased during the year by PLN 2,009,566.17 in total (in 2022: an increase of PLN 27,409.10), because it mainly concerned lag-by materials and electronic components. They were related to the implementation by the Company

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so-called smart gas meters (iSmart1). As a result of the implementation of newer solutions in smart gas meters (iSmart2), no sales of iSmart1 were recorded in 2023 and no sales agreements were signed in 2024. As a result, the written-off inventories related to iSmart1 amounted to PLN 1,881,297.12. The increase in write-offs was included in the costs of core business.

7.8. Trade and other receivables

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

SPECIFICATION	for the day	
	31.12.2023	31.12.2022
Short-term receivables, including:	39,506,626.07	49 134 753.20
Trade receivables	32,678,266.22	40 801 401.66
Current receivables	28,229,084.31	35 031 009.23
Receivables past due within 1 month	3,938,807.15	2 938 710.71
Receivables past due for more than 1 month and up to 6 months	3,286,510.74	2 831 681.72
Receivables past due by more than 6 months to 1 year	3,120,178.12	-
Receivables overdue more than 1 year	20,477.31	20 477.31
Impairment loss on trade receivables (-)	(5,916,791.41)	(20,477.31)
Corporate income tax liabilities	3,774 551.00	3 147 168.00
Other tax, customs and social security liabilities	3,035,808.85	5 160 183.54
Other tax, customs and social security liabilities	3,035,808.85	5 160 183.54
Other short-term receivables	18,000.00	26,000.00
Receivables from sold tangible fixed assets and intangible assets	-	-
Deposits, security deposits, security deposits	18,000.00	18,000.00
Prepayments - advances for the purchase of services	-	-
Other receivables	-	8,000.00
Total receivables, including:	39,506,626.07	49 134 753.20
- from related entities - from	1,499,480.44	7 435 066.63
other entities	38,007,145.63	41 699 686.57

Data relating to write-offs for impairment of receivables are presented below.

SPECIFICATION	in the period	
	from 01.01.2023 until 31.12.2023	from 01.01.2022 until 31.12.2022
Total receivables impairment allowance		
Value of write-offs at the beginning of the period	20,477.31	343 414.99
Increase - creation of a write-off against the current result	7,012,593.42	27,882.65
Decrease - write-off of unused amounts to revenue	(1,116,279.32)	(20,198.32)
Use of copy - write-off	-	(330,622.01)
Value of write-offs at the end of the period	5 916 791.41	20,477.31

In 2023 and 2022, the Company's receivables did not serve as security for liabilities.

The values of the allowances relate entirely to individual allowances for receivables (level 3) overdue by more than 180 days. In the case of receivables with such a degree of overdue, the Company makes a 100% allowance.

The Management Board of APATOR METRIX SA, taking into account the improbability that GWI will repay its liabilities in full and the information on the financial and economic situation of George Wilson Ltd., caused by the lack of prospects for the continuation of GWI's operations, decided to write off the entire value of their receivables in the amount of PLN 5,896,314.10 in 2023 under IFRS9. This value was written off against other operating costs.

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7.9. Loans granted

In the period under review, as in the 2022 fiscal year, no loans were granted.

7.10. Cash and cash equivalents

Cash at bank earns interest at variable interest rates.

Short-term deposits are made for varying periods, from one day to three months, depending on the Company's current cash requirements, and bear interest at the interest rates set for them.

The specification of cash and cash equivalents is presented in the table below. Due to the fact that the funds collected and retained in VAT accounts (split payment) are used on an ongoing basis in current operating activities, are characterized by a high degree of liquidity and are not frozen for a longer period, from 2022 they are shown as cash and cash equivalents.

SPECIFICATION	for the day	
	31.12.2023	31.12.2022
Cash in bank accounts Cash in VAT accounts (split payment)	2,174,346.03	6 515 968.35
	203,596.64	627 012.65
Total cash and cash equivalents	2,377,942.67	7,142,981.00

7.11. Accruals

Information regarding accruals is presented in the table below.

SPECIFICATION	for the day	
	31.12.2023	31.12.2022
Short-term prepayments	294 025.18	261 860.69
Insurance	294 025.18	261 860.69

7.12. Share capital

Information on share capital is presented in the table below.

SPECIFICATION	for the day	
	31.12.2023	31.12.2022
Number of shares	210 202	210 202
Nominal value of shares	4.30	4.30
Base capital	903 868.60	903 868.60

The nominal value of 1 share is PLN 4.30. All shares are taken up by Apator SA. The share capital is fully paid and registered by the District Court in Gdańsk.

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7.13. Other capital

Information on changes in other capital is presented in the table below:

SPECIFICATION	REMAINING SUPPLEMENTARY CAPITAL	TOGETHER
Status as of 01.01.2022	80,004,644.80	80,004,644.80
Increase from 01.01.2022 to 31.12.2022	6,031,428.21	6,031,428.21
Splitting the result	6,031,428.21	6,031,428.21
As of 31.12.2022	86,036,073.01	86 036 073.01
Status as of 01.01.2023	86 036 073.01	86 036 073.01
Increase in the period from 01.01.2023 to 31.12.2023	1 392 196.44	1 392 196.44
Splitting the result	1,392,196.44	1 392 196.44
As of 31.12.2023	87,428,269.45	87 428 269.45

In accordance with the resolution no. 11/IV/2023 of the Ordinary General Meeting of Shareholders of Apator Metrix SA of April 28, 2023, the net profit for the financial year 2022 in the amount of PLN 1,392,196.44 was distributed and allocated in its entirety to the reserve capital.

7.14. Credits and loans

Information about loans and credits is presented below.

SPECIFICATION	for the day	
	31.12.2023	31.12.2022
Long-term loans and credits payable	-	-
over 1 year up to 2 years payable	-	-
over 2 years up to 5 years	-	-
payable over 5 years	-	-
Credits and short-term loans	31,762,091.20	38,553,602.87
Total loans and credits, including	31,762,091.20	38,553,602.87
- from related entities - from	-	-
other entities	31 762 091.20	38,553,602.87

All loans were granted in Polish zloty, below is a summary of loan liabilities:

SPECIFICATION	COMMITMENT	COSTS - INTEREST	COMMITMENT	COSTS - INTEREST
	for the day 31.12.2023	from 01.01.2023 until 31.12.2023	for the day 31.12.2022	from 01.01.2022 until 31.12.2022
Overdraft facility	31,762,091.20	2,477,642.46	38,553,602.87	1,675,796.70
Investment loan			-	120 300.61
Together	31,762,091.20	2,477,642.46	38,553,602.87	1,796,097.31

As of December 31, 2023, Apator Metrix SA had debt due to loans in the total amount of PLN 31,762,091.20 (2022: PLN 38,553,602.87).

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As at the balance sheet date, the Company had the following loan agreements signed with the following banks:

- 1) Overdraft (partly denominated in EURO) - ING Bank żyłski
- 2) Overdraft facility with PKO BP Bank

The loan interest rate is based on the WIBOR/EURIBOR 1M rate plus the bank's commission.

Due to the situation of GWI and the granting of a guarantee for the GWI loan in CITI London refinanced by PKO BP SA (agreement No. 57 1020 1462 0000 7502 0418 2689 of 26 May 2023 and Annex No. 1 of 23 November 2023), the Management Board decided to value the financial guarantee at PLN 19,662,815.73 (GBP 3,939,733.46), taking into account the lack of continuity of GWI's operations and its inability to repay the debt. For this reason, in 2024 the value of the loan from PKO BP APATOR METRIX SA will increase by GBP 3,939,733.46.

The valuation of the guarantee is the result of activities from 2017, where the GWI Company had a credit in the current account taken out on 8 September 2017 in the CITI London bank for the amount of GBP 4 million. The credit was taken out to repay the loan from BI Group PLC and Apator Metrix SA, which was related to the earlier buyout of the remaining 50% of shares in GWI by Apator Metrix SA in 2017.

7.15. Provisions for liabilities

Information on provisions for liabilities is presented in the table.

SPECIFICATION	EMPLOYEE BENEFITS			THE REMAINING RESERVES	TOGETHER
	CLEARANCES PENSION, AWARDS ANNIVERSARY (actuary)	BONUSES	HOLIDAYS	GUARANTEES	
Value of reserves as of 01.01.2022 (+)	792 507.36	1,650,422.19	1,378,388.57	438 653.75	4,259,971.87
Increase - creation of a reserve against the current result (+)	-	685 527.15	265 170.57	-	950 697.72
Reserve utilization – settlement with costs (-)	(159,655.83)	(1,234,654.55)	(323,970.57)	(223,486.63)	(1,941,767.58)
Revaluation of the provision included in other comprehensive income	12,260.47	-	-	-	12,260.47
Value of reserves as at 31.12.2022, including:	645,112.00	1,101,294.79	1,319,588.57	215 167.12	3 281 162.48
- long-term reserves - short-term reserves	562,825.74	-	-	215 167.12	777 992.86
	82,286.26	1,101,294.79	1,319,588.57	-	2 503 169.62
Value of reserves as of 01.01.2023	645,112.00	1,101,294.79	1,319,588.57	215 167.12	3 281 162.48
Increase – creation of a reserve against the current result (+)	112 884.49	1 117 334.16	541 758.43	-	1 771 977.08
Decrease in write-off of unused amounts to revenue (-)	-	(410,800.00)	-	-	(410,800.00)
Reserve utilization – settlement with costs (-)	(34,379.62)	(1,032,848.63)	(821,927.71)	(49,456.72)	(1,938,612.68)
Revaluation of the provision included in other comprehensive income	105 239.01	-	-	-	105 239.01
Value of reserves as at 31.12.2023, including:	828,855.88	774 980.32	1 039 419.29	165 710.40	2 808 965.89
- long-term reserves - short-term reserves	732,105.92	-	-	165 710.40	897 816.32
	96,749.96	774 980.32	1 039 419.29	-	1 911 149.57

Unit name:	Apator Metrix S.A.		Page 34
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Employee Benefits - Actuarial Assumptions

For the purposes of estimating the amount of employee reserves, the Company used the services of an actuary, as in previous years.

Key actuarial assumptions used at the reporting date (expressed as weighted average values):

• Discount rate as of December 31, 2023 •	5.7%
Wage growth rate •	3.6%
Number of employees	434

Assumptions about future mortality and disability are based on published statistics and mortality tables.

Mobility parameters were also used:

• For people up to 40 years old •	5%
people from 41 to 45 years old •	4%
For people from 46 to 50 years old •	3%
For people over 50 years old	1%

Other reserves - warranty repairs

As of January 1, 2023	215 167.12
Increase	0.00
Use	(49,456.72)
As of December 31, 2023	165 710.40

The provision for warranty repairs is recognized when the products or services for which the provision was granted have been sold. The value of the provision is determined based on historical data regarding the realization of the granted guarantees and current estimates of the Management Board. The value of the long-term provision determined in this way is PLN 165,710.40 (2022: PLN 215,167.12).

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

7.16. Obligations

Information about liabilities is presented in the table below.

SPECIFICATION	for the day	
	31.12.2023	31.12.2022
Long-term liabilities, including:	3 879 437.89	4 571 022.52
Long-term liabilities	-	-
Long-term liabilities arising from the right to use leased assets	3 879 437.89	4 571 022.52
Short-term liabilities, including:	49 543 101.57	30 338 360.39
Trade commitments	22 905 431.23	23 955 823.05
Current liabilities	22 785 776.22	22 931 151.22
Obligations past due within 1 month	118 382.78	938 662.61
Obligations past due from 1 month to 2 months	9.99	19,988.97
Obligations past due from 2 months to 3 months		-
Obligations past due from 3 months to 6 months	1 262.24	66,020.25
Obligations past due from 6 months to 1 year		-
Liabilities overdue for more than 1 year		-
Corporate income tax liabilities		-
Liabilities for other taxes, customs duties and social security	1 196 090.26	1,091,091.86
Other short-term liabilities	24 649 562.53	4 248 824.11
Payroll liabilities	578.93	214.11
Dividend liabilities	46,577.41	46,577.41
Derivative liabilities	-	363 052.91
Investment commitments	217 562.57	852 062.60
Prepayments - advances received for deliveries	-	-
Deferred income settlements	4 523 173.24	2,775,479.99
Other obligations (including: GWI financial guarantee)	19,861,670.38	211 437.09
Current liabilities arising from the right to use leased assets	792 017.55	1,042,621.37
Total liabilities, including:	53 422 539.46	34 909 382.91
- towards related entities	887 029.43	959 952.86
- towards other units	52 535 510.03	33 949 430.05

Unit name:	Aptor Metrix S.A.		Page 36
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Rounding level:	all amounts are expressed in Polish zloty (unless otherwise indicated)		

7.17. Income Tax

The specific details of income tax and deferred tax for the reporting period are presented in the tables.

SPECIFICATION	in the period	
	from 01.01.2023 until 31.12.2023	from 01.01.2022 until 31.12.2022
Profit or loss statement		
Current income tax	(2,014,593.00)	1 604 832.00
Current income tax expense (continuing operations)	-	1 604 832.00
Current tax adjustments from previous years	(2,014,593.00)	-
Deferred income tax	353 207.86	(908 060.88)
Related to the emergence and reversal of temporary differences	353 207.86	(908 060.88)
Tax expense (benefit) reported in the statement of comprehensive income	(1,661,385.14)	696 771.12
Statement of changes in equity		
Deferred income tax	36 816.82	403 028.20
Net deferred income tax on cash flow hedges settled during the financial year	68,980.05	372 693.59
Deferred income tax on revaluation of actuarial reserves	(32,163.23)	30 334.61
Tax expense (benefit) shown in equity	36 816.82	403 028.20

The negative value of current tax is related to the research and development relief obtained for 2021 (PLN 661,051.00) and 2022 (PLN 1,353,542.00).

Effective Tax Rate Presentation

SPECIFICATION	in the period	
	from 01.01.2023 until 31.12.2023	from 01.01.2022 until 31.12.2022
Gross profit, including: -	(56,172,363.82)	2,088,967.56
taxed at the rate applicable in Poland - in Poland	(56,172,363.82)	2,088,967.56
	19.00%	19.00%
Income tax calculated at applicable tax rates, including:	(10,672,749.00)	396 904.00
- income tax calculated according to the rate applicable in Poland	(10,672,749.00)	396 904.00
Corrections:	9,011,363.56	299 867.12
Tax on costs not constituting costs of obtaining revenues (permanent differences)	6,996,770.56	299 867.12
Other tax deductions	2,014,593.00	--
Income tax shown in the statement of comprehensive income	(1,661,385.00)	696 771.12
Effective tax rate	- 2.96%	33.35%

Unit name:	Apator Metrix S.A.		Page 37
Period covered by the financial statements:	01.01.20232 – 31.12.2023	Reporting currency:	Polish Zloty (PLN)
Rounding level:	all amounts are expressed in Polish zloty (unless otherwise indicated)		

Deferred tax assets and liabilities have been recognised for the following assets and liabilities:

Specification	Assets		Reserves		Net worth	
	2023	2022	2023	2022	2023	2022
Material fixed assets	1 321 255.95	949 740.74	-	-	1 321 255.95	949 740.74
Short-term investments, including derivatives	-	68,980.05	-	-	-	68,980.05
Impairment loss – investments in shares in subsidiaries	-	981 810.04	-	-	-	981 810.04
Stocks	527 375.69	145 558.12	-	-	527 375.69	145 558.12
Trade and other receivables	3 890.69	3 890.69	-	-	3 890.69	3 890.69
Trade and other liabilities	36 100.00	38,950.00	-	-	36 100.00	38,950.00
Employee benefit liabilities	502 218.53	582 539.12	-	-	502 218.53	582 539.12
Reserves	31,484.96	40,881.74	-	-	31,484.96	40,881.74
Deferred income tax assets/ provisions	2 422 325.82	2 812 350.50	-	-	2 422 325.82	2 812 350.50

7.18. Revenues and costs of core business

SPECIFICATION	for the period	
	from 01.01.2023 until 31.12.2023	from 01.01.2022 until 31.12.2022
Continued activity		
Sales revenue	218,432,154.25	245 606 457.64
Revenues from sales of products and services	188,528,216.18	218 122 997.41
- to related entities - to other entities	20,513,592.26	34 042 155.45
Revenues from sales of goods and materials - to related entities - to other entities	168,014,623.92	184 080 841.96
	29,903,938.07	27 483 460.23
	233,171.86	292 063.56
	29,670,766.21	27,191,396.67

All transactions with related parties are conducted on market principles.

Revenue from the sale of products is recognised at the point in time when the customer takes control of the product, similarly to revenue from the provision of services relating to short-term orders, which is recognised at the point in time when the service is completed, after receiving the handover protocol.

In 2023, the Company implemented the following geographical sales directions:

- 1) Domestic sales in the amount of PLN 66,295,497.43 (2022: PLN 82,175,465.76)
- 2) Sales to the European Union (excluding Poland) in the amount of PLN 104,559,114.43 (2022: PLN 114,941,124.18)
- 3) Sales outside the European Union in the amount of PLN 47,577,542.39 (2022: PLN 48,489,867.70)

Unit name:	Apator Metrix S.A.		Page 38
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Rounding level:	all amounts are expressed in Polish zloty (unless otherwise indicated)		

7.19. Costs by type

SPECIFICATION	for the period	
	from 01.01.2023 until 31.12.2023	from 01.01.2022 until 31.12.2022
Depreciation	(10,850,796.75)	(10,594,978.88)
Material consumption	(112,999,656.87)	(131 766 142.20)
Energy consumption	(2,743,784.40)	(2,079,606.90)
External services	(18,556,113.13)	(18,905,276.69)
Salaries Employee	(36,356,618.80)	(36,376,471.82)
benefits	(8,112,350.42)	(8,013,821.32)
Taxes	(1,537,259.64)	(1,329,104.87)
Business trips	(298,365.22)	(299,537.62)
Other costs	(2 313,145.78)	(2,119,364.31)
Cost of goods and materials sold	(24,383,236.64)	(23,349,341.26)
Together	(218,151,327.65)	(234 833 645.87)

7.20. Other operating income and expenses

SPECIFICATION	in the period	
	from 01.01.2023 until 31.12.2023	from 01.01.2022 until 31.12.2022
Operating income	160 270.45	122 273.12
Revenues from the sale of tangible fixed assets (except land, buildings and structures)	70 883.35	53 325.20
Reversal of receivables write-offs	-	20,198.32
Compensations received for tangible fixed assets	62,134.36	17,693.00
Received compensation and contractual penalties	510.07	21,252.35
Other income	26,742.67	9,804.25
Operating costs	(52,300,664.99)	(5,255,306.95)
Cost of liquidated tangible fixed assets	-	-
Cost of liquidated intangible assets	(1,687,785.65)	-
Write-off for impairment of shares in subsidiaries	(24,946,764.23)	(5,167,421.27)
Creation of a reserve for liabilities - financial guarantee GWI	(19,662,815.73)	-
Creation of write-offs for receivables	(5,896,314.10)	(27,882.65)
Accidental losses and other damage to property components	(55,450.40)	(27,822.75)
Donations made	(6,200.00)	(21,405.65)
Paid penalties, fines, compensations	(37,319.49)	(189.60)
Voluntary contributions	(7,200, 00)	(7,200.00)
Other costs	(815.39)	(3,385.03)
Net operating income (expenses)	(52,140 394.54)	(5,133,033.83)

Unit name:	Aptor Metrix S.A.		Page 39
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Rounding level:	all amounts are expressed in Polish zloty (unless otherwise indicated)		

7.21. Financial income and costs

SPECIFICATION	in the period	
	from 01.01.2023 until 31.12.2023	from 01.01.2022 until 31.12.2022
Financial income	1 846 430.88	797 816.58
Interest on funds in bank accounts	74 545.58	19 857.37
Interest on receivables	95.27	8.76
Positive exchange rate differences	-	622 844.45
Income from foreign exchange transactions (including derivatives)	1 624 800.00	-
Other income	146,990.03	155,106.00
Financial costs	(4,284,620.86)	(3,233,885.23)
Interest on credits and loans	(2,477,642.46)	(1,796,097.31)
Interest payable to the budget	(1,836.00)	(347.00)
Interest on liabilities	(779.34)	(846.23)
Interest on leasing liabilities	(125,157.30)	(125,347.10)
Negative exchange rate differences	(1,405,635.26)	-
Costs of currency transactions (including derivatives)	(135,200.00)	(1,208,000.00)
Guarantees and bank fees (except loan fees)	(127,476.00)	(89,280.00)
Other costs	(10,894.50)	(13,967.59)
Net financial income (costs)	(2,438,189.98)	(2,436,068.65)

7.22. Financial instruments

The table below presents the carrying amounts of significant groups of financial assets and financial liabilities by category. The carrying amounts of the financial assets and financial liabilities held by the Company presented in the table below do not differ materially from their fair values in all periods presented. The principles for determining fair values are described in note 4.2.8.

SPECIFICATION	Classification IFRS 9	Carrying amount as at	
		31.12.2023	31.12.2022
Trade receivables and other current assets	Amortized cost	32 678 266.22	40 801 401.66
Shares in other entities	At fair value through other comprehensive income	0.00	24 946 764.23
Cash	Amortized cost	2 377 942.67	7,142,981.00
Total financial assets		35,056,208.89	72 891 146.89
Trade payables and other short-term liabilities	Amortized cost	28 870 705.72	28 080 623.51
Investment commitments	Amortized cost	217 562.57	852 062.60
Loan liabilities	Amortized cost	31 762 091.20	38,553,602.87
Derivatives	Fair value through profit or loss	0.00	363 052.91
Financial Lease Liabilities	Depreciated Cost	4 671 455.44	5,613,643.89
Total financial liabilities		65 521 814.93	73 462 985.78

Unit name:	Apator Metrix S.A.		Page 40
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Rounding level:	all amounts are expressed in Polish zloty (unless otherwise indicated)		

According to the Management Board's knowledge, the Company's liquidity is secured for the foreseeable future. As at the balance sheet date, the value of current liabilities was lower than the value of current assets by PLN 18,731,240.20 (2022: PLN 18,596,299.93). During the twelve months of 2023, net cash flows from operating activities amounted to PLN 11,280,078.80 (2022: PLN 10,989,506.03). Liquidity ratios remain at a stable level.

The table below presents an analysis of financial instruments measured at fair value, grouped into a three-level hierarchy, where:

- Level 1 – fair value is based on stock exchange prices (unadjusted);
- Level 2 – fair value is determined based on values that are observable on the market, but are not a direct market quote;
- Level 3 – fair value is determined based on various valuation techniques that are not based on any observable market data.

SPECIFICATION	as of 31.12.2023			as of 31.12.2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivatives (assets)	-	-	-	-	-	-
Derivatives (liabilities)	-	-	-	-	(363,052.91)	-
Together	-	-	-	-	(363,052.91)	-

Transfers between levels did not occur.

7.23. Derivative financial instruments, hedge accounting

The table below presents detailed information regarding the hedging relationship in cash flow hedge accounting.

Security type	Cash flow variability hedge against future cash flows in EUR.
Hedged item	The hedged item is the portion of highly probable future sales cash flows denominated in EUR.
Security instruments	The hedging instrument is FX forward transactions, in which the Company undertakes to sell EUR for PLN.
Hedged risk	The Company hedges the variability of cash flows due to currency risk.
Method of recognition in the financial statements	The portion of the change in the fair value of hedging instruments corresponding to the effective hedge is recorded in the hedging reserve (statement of changes in equity). The ineffective portion of the change in the fair value of hedging instruments is recorded in financial income or expenses.
The period in which cash flows are expected to occur	Due to the lack of outstanding transactions as of 31.12.2023, the hedged item is not expected to generate cash flows
Face value	As of 31.12.2023, the Company had no outstanding transactions (nominal value = EUR 0)

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As of December 31, 2023, the Company had no outstanding FX forward transactions, as shown in the table below: presenting the fair value of financial instruments at the reporting date as well as the preceding period.

SPECIFICATION	for the day	
	31.12.2023	31.12.2022
Long-term liabilities	-	-
Security instruments	-	-
Short-term liabilities	-	363 052.91
Security instruments	-	363 052.91
Total liabilities	-	363 052.91

The table below shows the amounts for cash flow hedge accounting that In 2023, the Company recognized in equity:

SPECIFICATION	for the day	
	31.12.2023	31.12.2022
As of January 1	(294,072.86)	(1,882,924.46)
Increases due to updates	294 072.86	1 588 851.60
Financial result of the period (changes in valuation of hedging derivatives due to hedged risk)	0.00	(294,072.86)

7.24. Risk management objectives and principles

The Company is exposed to the following types of risks arising from the use of financial instruments:

- Currency risk
- Interest rate risk
- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Other risks

The note presents information on the Company's exposure to a given type of risk, the objectives, policies and procedures for measuring and managing risk adopted by the Company, as well as information on capital management by the Company.

Currency risk

Due to the significant value of export sales, the Company is exposed to the risk of changes in currency rates, mainly EUR. The share of exports in the Company's total sales in 2023 amounted to 69.65%, while in the same period of 2022 it was 66.50%, therefore the exchange rate level has a significant impact on the company's financial results. In the case of EUR, the exchange rate risk is largely limited by the fact that some of the materials purchased for production are denominated in EUR, therefore there is a natural

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offsetting any possible changes in exchange rates. In addition, this risk is reduced by hedging exchange rates by entering into forward exchange transactions.

- Transaction risk - these are the exchange rate differences arising, both in export and import, which result from the difference between the valuation of receivables or liabilities on the date of realization and the valuation on the date of transaction settlement. This risk is important because it directly affects the company's results.

- Economic risk - change in exchange rates, which may permanently affect the competitiveness and market value of the company (change in exchange rates may result in a significant increase in costs or a decrease in planned income from foreign trade operations). This is a long-term risk.

The degree of exposure of Apator Metrix SA to currency risk is presented in the table below.

SPECIFICATION	as of 31.12.2023		as of 31.12.2022	
	in currency	in PLN	in currency	in PLN
Items in Euro (EUR)	1 587 738.45	6 893 166.49	2,771,492.69	12,975,574.51
Trade receivables	4 822 313.30	20 936 073.23	5,047,886.87	23,633,196.77
Advances made for the purchase of materials and services Cash	280.00	1 215.62	14,053.69	65 796.56
Trade commitments	(675,807.50)	(2,934,018.26)	(774,971.34)	(3,628,260.82)
	(2,559,047.35)	(11,110,104.10)	(1,515,476.53)	(7,095,158.00)
Items in US Dollars (USD)	(29,197.23)	(114 663.37)	(206,486.42)	(903 729.13)
Trade receivables	11.87	46.62	5,799.42	25,382.32
Advances made for the purchase of materials and services Cash	-	-	10,275.00	44 970.59
Trade commitments	96 358.33	378 418.43	26,889.75	117 688.37
	(125,567.43)	(493 128.42)	(249,450.59)	(1,091,770.41)
Items in British Pounds (GBP)	1 400 505.52	6,989,783.00	1 927 807.70	10 212 368.49
Trade receivables	1,181,412.99	5,896,314.10	1 208 030.33	6,399,419.85
Cash	256,097.92	1,278,159.11	733 669.43	3,886,540.44
Trade commitments	(37,005.39)	(184,690.21)	(13,892.06)	(73,591.80)

As at the reporting date, monetary assets and liabilities were translated at the leading bank's exchange rate applicable at the end of the reporting period (assets and liabilities at the arithmetic average rate, i.e. the sum of the purchase price and the sale price divided by 2).

As of December 31, 2023, Apator Metrix SA did not have any forward currency contracts.

SPECIFICATION	Flows per day			
	31.12.2023		31.12.2022	
	in currency	in PLN on the day of concluding the contract	in currency	in PLN on the day of concluding the contract
Cash flow hedging instruments in EUR	-	-	(8,800,000.00)	(41,682,000.00)

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

The table below presents the sensitivity of the gross financial result and equity to reasonably possible fluctuations in exchange rates. The Company expects that all currencies may fluctuate by 10% (assuming that other parameters remain unchanged).

SPECIFICATION	in the period from 01.01.2023 to 31.12.2023		in the period from 01.01.2021 to 31.12.2021	
	Impact on gross financial result	Direct impact on equity	Impact on gross financial result	Direct impact on equity
EUR/PLN				
+10%	689,316.65	-	1,297,557.45 (4,168,200.00)	
- 10%	(689,316.65)	-	(1,297,557.45)	4,168,200.00
USD / PLN				
+10%	(11,466.34)	-	(90,372.91)	-
- 10%	11,466.34	-	90,372.91	-
GBP / PLN				
+10%	698,978.30	-	1,021,236.85	-
- 10%	(698,978.30)	-	(1,021,236.85)	-

Interest rate risk

Interest rate risk results from the volatility of financial markets and manifests itself in changes in the price of money. This risk, in relation to a company, means that it is exposed to changes in the value of assets and liabilities due to changes in interest rates. Such changes affect the value of equity, and therefore the value of the company. In an extreme case, changes in interest rates can lead to the insolvency of the company if the value of liabilities exceeds the value of assets.

The main reason for this type of risk is taking actions whose financial effects are delayed. Such activity may include, among others, taking out long-term bank loans, sales with deferred payment and investments in kind. In connection with the above, the Company analyses its assets and liabilities in terms of interest rate volatility. The unstable situation on financial markets, high inflation and rising interest rates mean that the Company tries to counteract this risk through effective engagement of working capital and minimising debt service costs.

Since the Company has a credit line in the current account and finances current operations from credit funds, the interest rate of which is based on the variable WIBOR rate, its revenues and cash flows are to a small extent dependent on changes in interest rates. In connection with the introduction of the second stage of the IBOR reform, the Management Board conducted an analysis of the impact of the reform on financial instruments based on reference rates, stating that there was no significant impact on the financial situation of the Company.

Credit risk

Credit risk is the risk of financial loss to the Company in a situation where a client or the other party to a financial instrument contract fails to meet the obligations arising from the contract. Credit risk is primarily related to receivables.

Credit risk is related to the failure of contractors to meet their obligations to the Company. It is monitored on an ongoing basis as part of the commercial relations maintained with recipients. In the event of non-payment of overdue receivables, the Company may take legal action or sell the receivables to an entity dealing in trading in such receivables.

For details, see note 7.8

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Liquidity risk

Liquidity risk is the risk that the Company will have difficulty meeting its obligations related to financial liabilities that are settled by issuing cash or other financial assets. Liquidity management by the Company is about ensuring, to the greatest extent possible, that the Company always has sufficient liquidity to meet its required obligations, both in normal and crisis situations, without exposing it to unacceptable losses or damaging the Company's reputation.

The main objective of financial liquidity management in the Company is to ensure and maintain the ability to meet both current and future financial obligations, taking into account the costs of obtaining liquidity. Liquidity risk management involves, among others, planning and monitoring cash flows in the short and long term within the scope of the conducted operating, investment and financial activities and taking actions aimed at providing funds for conducting the Company's activities while minimizing the costs of these activities, as well as using various sources of financing.

In connection with the situation of the subsidiary GWI, there will be no loss of liquidity of Apator Metrix SA, considering the amount of available credit limits.

The table presenting the maturity of the Company's financial liabilities by maturity periods is included in note 7.16.

Market risk

The Company's operations are exposed to currency risk and interest rate risk. Both types of risk are monitored continuously and may be hedged using hedging transactions (forward currency transactions and interest rate swaps). Although the Company's cash flows are exposed to the risk of changes in the market prices of key raw materials and finished products, such changes represent an economic risk rather than a financial risk.

Operational risk

The Company's objective is to manage operational risk in such a way as to balance the avoidance of financial losses and damage to the Company's reputation with the overall efficiency of incurred costs, while avoiding control procedures that limit initiative and creativity. This risk includes, among others, current task execution, compliance with legal regulations, work safety, information security, information protection and others.

In addition, the company has shares in a foreign entity, George Wilson Ltd., which has recently recorded negative cash flows and a high level of debt. These factors have contributed to significant uncertainty as to the future development of events and the financial situation of this company. There is no possibility of obtaining economic benefits from the assets held to meet the obligations of GWI. Therefore, in order to limit the adverse impact of this

units on the results of APATOR METRIX SA, write-offs were created for the impairment of shares (PLN 24,946,764.23) and trade receivables (PLN 5,896,314.10). In the future, sales to GWI will be limited to the value of compensation for possible mutual settlements.

Capital management

The Management Board monitors the level of the return on capital ratio, which is defined by the Company as the ratio of the operating result to equity. In 2023, this ratio amounted to minus 2.90% after eliminating one-off events (in 2022: 11.1%). The negative value of the ratio is caused by the gas market turbulence and the orientation of the energy mix more towards electricity and hydrogen (the increasing importance of renewable energy sources). The dynamics of the development of the electronics market and strong competition are also significant.

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Management strives to maintain a balance between the higher rate of return achievable with higher levels of debt and benefits and the security achieved with solid capital.

Risk of data loss/cyberattack

The company's widespread transition to remote work may result in increased hacker activity and the risk of cyberattacks. The Company's data security management system through security policies, security procedures, and appropriate infrastructure tools (including VPN services and encryption, coding, protection, and antivirus systems) and technical support. This system is regularly tested and adapted to changing threats.

Risk of incomplete commercialization of development projects resulting from market concentration

The situation on the most developed European markets in terms of gas measurement has changed significantly. Takeovers and concentration on the part of suppliers of measuring instruments, the organization of few large tenders for multi-year deliveries, result in strong price competitiveness. In view of the above, rejection of an offer in a tender may result in blocking the possibility of deliveries to one of the markets for several years, which in turn is associated with the risk of incomplete commercialization of some projects development dedicated to a specific tender or market.

The risk of falling gas meter prices amid rising costs, the risk of undermined energy security and a global economic recession

In almost all markets where Apator Metrix SA operates, there is a strong competition and price war. In the gas metering market, it results, among others, from the limitation of the gas meter market with a mechanical counter and the emergence of new, strong competition in the area of intelligent gas meters.

The competition is counterbalanced by a stable portfolio of orders for smart gas meters manufactured by the Company under the OEM model (i.e. under a different brand), which consists of orders executed in countries such as Belgium, the Netherlands, Great Britain, as well as recipients of standard gas meters in countries such as Germany, Hungary, Turkey, and countries from the FSE block (former USSR).

The dynamics of events related to the pandemic and the war in Ukraine mean that forecasting the economic effects is subject to a high risk of error. The weakened energy security related to the war in Ukraine, manifested in the limited access to solid fuels and natural gas, causes rising energy prices, an increase in inflation, and consequently contributes to a global weakening of the pace of economic growth, which may ultimately limit the possibility of selling current product volumes and change customer needs. Therefore, the Company constantly monitors the situation on the gas meter market and seeks new market opportunities.

Widespread inflation, particularly the price level of plastics, steel, electronics and the aforementioned high costs of energy, fuel, transport services and labour may continue to adversely affect the profitability of the Company's operations.

All these events have caused a supply, demand and financial shock, causing serious disruptions in the supply chain and global trade, an increase in the importance of currency risk and an economic recession. According to some forecasts, restrictions on trade contacts, delivery delays or rising costs of doing business may be long-term, which may affect changes in business models and market positions, leading to significant changes in the structure of international economic relations.

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Climate risk

Aparator Metrix SA monitors the impact of climate risks on the Company's activity and currently does not identify any significant impact of climate factors. The Company is a part of Aparator Group implementing ESG strategy, observing the requirements of applicable legal regulations regarding environmental aspects. The Company places emphasis on responsible, economical use of resources in manufacturing processes. The products of Aparator Metrix SA also play the role of resources supporting the optimization of natural resources management.

Other financial risks

In 2023, the company's exports reached the value of PLN 152.1 million, which is 69.65% of the company's total revenues. This trend of a high share of exports in the total revenues of Aparator Metrix SA will continue in the coming years, which is consistent with the implemented development strategy of taking a position in the most promising and profitable part of the European Union market. Providing technologically advanced products to the most demanding customers from the EU is currently the main factor in business development, bringing stable profits for the company, however, due to the scale and pace of development achieved in recent years, as well as the fact that the complexity of the subject of the implementation of contracts for the supply of gas meters requires participation in international consortiums, automatically increases the financial risks associated with conducting international activities. In addition, the Company has been supplying large quantities of new and innovative products to demanding customers from all over Europe for years, under contracts with a high level of contractual penalties. For several years, multi-year contracts imposed on suppliers by the customer have become the standard in the gas meter industry, with a long warranty period of up to 10-15 years, additional fees for replacing the product in the network and population guarantees. These contracts are negotiable only to a small extent, and accepting their basic requirements a priori is a requirement for participating in the tender. The basic and often the only action to prevent the materialization of these risks, which the supplier can apply, is therefore primarily ensuring the proper quality of products and timely deliveries. The basic, identified financial risks related to the implementation of the above-described export contracts are therefore, as mentioned: contractual penalties related to improper implementation of contracts, warranty conditions, risks of civil disputes or tax risks related to the flow of goods between companies cooperating under the implementation of the contract and originating from different countries and tax interpretations accompanying these transactions. In accordance with the risk management policy, in all identified cases, the company's management analyses the risk, adjusts the company's resources and organisation, and takes actions necessary to manage this risk and secure the company's continued operations.

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7.25. Related party transactions

Ultimate parent entity

In the financial year, the Company concluded several transactions with the parent company Apator SA, which were typical commercial transactions and consisted mainly in the sale and purchase of goods, materials and services to and from the parent company. The largest transaction in 2023 with the parent company, i.e. Apator SA, was the value of the fee for using the trademark, which amounted to PLN 2,036,115.00. All transactions were typical business transactions concluded on market terms.

Executive salaries

During the reporting period ending on December 31, 2023, no advances, credits, loans, guarantees or other agreements obliging to provide benefits were granted to managing and supervising persons and their spouses, relatives and relatives by marriage.

The remuneration of key members of the Company's management staff was as follows:

	2023	2022
Short-term employee benefits	969,636.48 PLN.	1,320,146.00 PLN.

Transactions with other related entities

Data on transactions with related entities and information on outstanding balances are presented in the table below.

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SPECIFICATION	Apator SA Apator GmbH	George Wilson Industries Ltd	Apator Powogaz S.A.	Apator Telemetry Sp. z o. o.	Apator Rector S.A.	INDA doo	Wizamor	TOGETHER
Transactions from 01.01.2022 to 31.12.2022								
Sales of products and services *	17,777.26	18,055,414.28	15,896,183.77	72 780.14	-	-	-	- 34,042,155.45
Sale of goods and materials	118,750.00	93,292.45	78,448.24	-	1 572.87	-	-	292,063.56
Cost related to product and service sales transactions	12,418.14	12,670,763.54	14,251,003.31	34,603.59	-	-	-	26 968 788.58
Cost related to the transaction of sale of goods and materials	103 616.46	48,896.71	53 038.82	-	1 513.47	-	-	207 065.46
Trade receivables	28 720.50	349 391.35	7,056,937.89	-	16.89	-	-	7 435 066.63
Other income	-	-	155,106.00	-	-	-	-	155,106.00
Other costs	13,967.59	-	-	-	-	-	-	13,967.59
Dividends paid	10,001,411.16	-	-	-	-	-	-	10,001,411.16
Purchase of products, services, goods and materials	6 169 575.52	48,645.21	1 572 814.04	-	1,142,439.67	131,726.00	34,563.41	4,881,590.00 13,981,353.85
Purchase of fixed assets and intangible assets	-	-	1 455 315.25	-	-	-	-	1 455 315.25
Trade commitments	(46,347.04)	-	-	-	-	-	1,006,299.90	959 952.86

Unit name:	Apator Matrix S.A.		Page 49
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SPECIFICATION	Apator SA Apator GmbH	George Wilson Industries Ltd	Apator Powogaz S.A.	Apator Telemetry Sp. z o. o.	Apator Rector S.A.	FAP Pafal SA	INDA doo	Wizamor	TOGETHER
Transactions from 01.01.2023 until 31.12.2023									
Sales of products and services	18,576.43	14,027,132.22	6,464,425.51	3,458.10	-	-	-	-	20,513,592.26
Sale of goods and materials	93,918.76	77,167.65	57,438.74	-	4,646.71	-	-	-	171.86
Sale of fixed assets and intangible assets	-	-	-	-	-	-	-	-	-
Cost related to product and service sales transactions	4,857.68	9,800,878.77	5,442,588.43	3,293.43	-	-	-	-	15,251,618.31
Cost related to the transaction of sale of goods and materials	72,956.21	46,007.87	33,223.90	-	4,646.71	-	-	-	156,834.69
Trade receivables	1,315,975.52	180,707.08	0.00	2,797.84	-	-	-	-	1,499,480.44
Investment receivables	-	-	-	-	-	-	-	-	-
Other income	-	-	146,451.20	-	-	-	-	-	146,451.20
Other costs	10,894.50	-	-	-	-	-	-	-	10,894.50
Dividends paid	-	-	-	-	-	-	-	-	-
Purchase of products, services, goods and materials	3,164,076.62	31,932.72	248,803.39	-	332,221.26	16,470.50	-	-2,460,971.81	6,254,476.30
Purchase of fixed assets and intangible assets	95,182.93	-	29,000.00	-	-	-	-	-	124,182.93
Other liabilities	528,315.06	-	-	-	-	-	-	-	528,315.06
Trade commitments	-	6,544.81	1,447.36	-	-	-	-	-350,722.20	358,714.37

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7.26. Contingent items and other items not included in the statement of financial position financial

Under the multi-product agreement concluded with ING Bank Śląski on 22 June 2016 with subsequent annexes, the Company has 31 open performance guarantees and security deposits for a total amount of PLN 8,137,896.39 as at 31 December 2023.

Furthermore, under the revolving agreement concluded with Bank Handlowy, the company granted a guarantee securing the repayment of a loan by the subsidiary George Wilson Industries in the amount of GBP 4 million, i.e. approx. PLN 19.96 million. The loan was refinanced with a loan from PKO BP. The security for the revolving agreement is a registered pledge established on the company's inventories, the value of which as of the date of establishment of the security is PLN 18.2 million, as well as a declaration of submission to enforcement. On March 20, 2024, the procedure for releasing the security established for the revolving agreement was completed.

Within the above-mentioned multi-product agreement with ING Bank Śląski bank related to financing current activity of the companies of Grupa Apator, Apator Metrix SA received a renewable credit sub-limit with security of which is a registered pledge on tangible fixed assets of the value of PLN 5.8 million, assignment of rights from the insurance policy of the secured property against all risks, authorization to dispose of funds on bank accounts and a blank bill of exchange with a bill of exchange declaration. Liabilities from the granted limit for all companies of Grupa Apator that entered into the subject agreement encumber the companies of Grupa Apator jointly and severally (proportionally to the shares in financing), up to the amount of the limit attributable to all companies, i.e. up to the amount of PLN 250

million zlotys

7.27. Employment structure

Employment in Apator Metrix SA is presented in the table below:

SPECIFICATION	period	
	from 01.01.2023 until 31.12.2023	from 01.01.2022 until 31.12.2022
Employment status in full-time positions at the end of the period	430	491
Manual workers	299	361
White-collar workers	131	130

SPECIFICATION	Period	
	from 01.01.2023 until 31.12.2023	from 01.01.2022 until 31.12.2022
Average employment in full-time positions for the period	472	491
Manual workers	347	367
White-collar workers	126	123

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7.28. The amount of remuneration of the entity authorized to audit the financial statements financial

The auditor's remuneration is presented in the table below.

SPECIFICATION	VALUE	
	2023	2022
Audit/review of annual reports - amount from the contract for the period	76,000.00	71,000.00
Total audit costs	76,000.00	71,000.00

Apart from the remuneration mentioned above, Apator Metrix SA also covers documented additional costs related to the audit of the financial statement.

7.29. Events after the balance sheet date

As a result of unfavourable developments on the British gas market in GWI Ltd. ("GWI") there was a significant deterioration in the prospects of its activity and financial condition. The Management Board decided to value the financial guarantee in the value of PLN 19.66 million (GBP 3.94 million), considering the lack of continuation of the activity of GWI and its inability to repay the debt. After the analysis of the main premises indicating the possibility of impairment of the balance sheet value of the assets of Grupa Apator, decisions were made in 2023 to make revaluation write-offs in the financial statement of Apator Metrix SA in the total value of PLN 50 million.

7.30. Impact of the environment on the financial situation of Apator Metrix SA

The prolonged armed conflict in Ukraine, in the opinion of the Management Board, may have a potential negative impact on the financial results of the Company in the perspective of subsequent periods. Despite the fact that the slowdown in sales to the Ukrainian market did not significantly affect the Company's revenues, due to the fact that this sale was not decisive in terms of export sales of Apator Metrix SA, the situation related to the conflict in Ukraine significantly affects, among others, the uncertainty of energy prices, steel, which are used in the production process in the Company, as well as in companies that are suppliers of the Company.

The war operations and the sanctions introduced have disrupted some supply chains for some raw materials, mainly steel, leading to, among other things, reduced availability and, consequently, price increases resulting from this situation. The situation is currently beginning to stabilize, but it is possible that in the event of an escalation of the conflict and its prolongation, the situation may become further complicated and worse, significantly increasing the risk of a decline in sales profitability, which in the long term may affect the financial results achieved. The Company is constantly monitoring the impact of the situation related to the war in Ukraine and its direct and indirect impact on the Company's operations.

It should be emphasized, however, that the deterioration of energy security caused by the war in Ukraine significantly influenced the decrease in sentiment towards solid fuels and natural gas, which translated into a deterioration in the gas segment. Structural changes on the gas market result in a significant deterioration of the segment results, both in terms of revenues and profitability. The future of the segment is the subject of strategic activities in Apator Group, which is actively looking for alternative sales markets for the current product lines and is working on modifying the offer adjusted to new customer groups. It should be noted that the effects of these activities are expected in a longer time horizon.

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In summary, it can be said that the Company continues its production activities without interruption without any significant disruptions and has the necessary stocks to fulfill current orders. Nevertheless, all areas and potential risks to the future financial situation of the Company are monitored on an ongoing basis resulting from the factors discussed above, which may result in delays in the delivery of materials and goods from abroad, slowdowns in the activities of entities that are recipients of goods offered by the Company, or extension of the period for settling receivables by recipients due to the difficult liquidity situation.

The areas where the impact of the war in Ukraine has been most noticeable so far are:

- material supply chains and material management - in order to prevent disruptions in supply chains and thus ensure continuity of production, there was a significant increase in stock levels (increased material purchases for future contracts due to fear of possible difficulties in purchasing components for production result in maintaining increased working capital and, consequently, net debt, which, given rising interest rates, translates into higher interest on credit)

- continuing difficulties in access to production components and deepening inflation resulting in increased costs (mainly raw materials, materials, transport and energy), which consequently affects a significant decrease in margins.

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8. Signatures

Management

May 16, 2024

Richard Lippke

Chairman of the Management Board, General Director

Karol Kozlowski

Member of the Board

The report was prepared by

Alice Szymanska

Chief Accountant

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