



The Polish original should be referred to in matters of interpretation.  
Translation of auditor's report originally issued in Polish.

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## INDEPENDENT AUDITOR'S REPORT ON THE AUDIT

To the Shareholders Meeting and Supervisory Board of Stalexport Autostrady S.A.

### Audit report on the annual consolidated financial statements

#### Opinion

We have audited the annual consolidated financial statements of of Stalexport Autostrady S.A. Group (the 'Group'), for which the holding company is Stalexport Autostrady S.A. (the 'Company') located in Mysłowice at Piaskowa Street 20, containing: the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the period from 1 January 2020 to 31 December 2020 and additional information to the consolidated financial statements, including a summary of significant accounting policies (the 'consolidated financial statements').

In our opinion, the consolidated financial statements:

- give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and its consolidated financial performance and its consolidated cash flows for the period from 1 January 2020 to 31 December 2020 in accordance with required applicable rules of International Financial Reporting Standards approved by the European Union and the adopted accounting policies,
- are in respect of the form and content in accordance with legal regulations governing the Group and the Company's Statute.

The opinion is consistent with the additional report to the Audit Committee issued on March 1, 2021.

## **Basis for opinion**

We conducted our audit in accordance with the National Standards on Auditing in the version of International Auditing Standards as adopted by the National Council of Statutory Auditors ('NAS') and pursuant to the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (the 'Act on Statutory Auditors') and the Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the 'Regulation 537/2014'). Our responsibilities under those standards are further described in the *'Auditor's responsibilities for the audit of the financial statements'* section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), adopted by the National Council of Statutory Auditors and other ethical responsibilities in accordance with required applicable rules of the audit of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. While conducting the audit, the key certified auditor and the audit firm remained independent of the Group in accordance with the independence requirements set out in the Act on Statutory Auditors and the Regulation 537/2014.

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

## **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. They include the most significant assessed risks of material misstatement, including the assessed risks of material misstatement due to fraud. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we have summarized our reaction to these risks and in cases where we deemed it necessary, we presented the most important observations related to these types of risks. We do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
<p data-bbox="204 418 751 524"><i>Valuation of financial model determining the value of intangible assets and provisions</i></p> <p data-bbox="204 555 751 965">At the reporting date the Group presents in the consolidated statement service concession intangible assets in the amount of PLN 467,7m, provision for resurfacing the concessioned motorway in the amount of PLN 8,4m and provision for capital expenditures related to replacement and upgrade of infrastructure (provision for capital expenditures of Phase II) in the amount of PLN 425,6m.</p> <p data-bbox="204 1025 751 1473">Group recognized value of intangible assets and provisions based on the financial model, which is based on present value of future outflows calculated through discounting of their estimated nominal value, using long-term risk-free interest rate. All changes in estimated provisions are reflected in the valuation of concession intangible assets and result from changes in interest rates, changes in the schedule of construction works, changes in the estimated investment outflows.</p> <p data-bbox="204 1518 751 1794">This matter was considered to be a key audit matter for the consolidated financial statements due to the related significant accounting estimates being basis of financial model, as well as due to the significant value of assets and provisions presented in the consolidated financial statement.</p>	<p data-bbox="794 418 997 450"><i>Audit approach</i></p> <p data-bbox="794 555 1406 622">Our audit procedures related to described key audit matter included among others:</p> <ul data-bbox="794 667 1437 1944" style="list-style-type: none"> <li>• evaluation of the accounting policy regarding recognition and valuation of service concession intangible assets and provisions,</li> <li>• evaluation of the identification of payments related to concession agreement and their treatment in financial model,</li> <li>• understanding and inquiries on the calculation methodology included in financial model,</li> <li>• understanding and assessment of internal controls related to recognition and presentation of the service concession intangible assets and provisions,</li> <li>• verification of the mathematical accuracy of the applied financial model,</li> <li>• assessment, with the assistance of our internal experts on valuation, of macroeconomic assumptions made by the Group,</li> <li>• inquiries referring to the status of current and future capital expenditures,</li> <li>• reconciliation of source data used in financial model,</li> <li>• assessment of the consistency of the service concession contract provisions with the financial model,</li> <li>• assessment of adequacy disclosures related to service concession intangible assets and provisions in accordance with the relevant standards,</li> <li>• assessment of COVID-19 pandemic impact on possible changes in the assumptions used in the financial model.</li> </ul>

*A reference to disclosure in the consolidated financial statements*

The Group disclosed key information, estimates and accounting principles related to the service concession intangible assets and provisions in note 5.3 of notes to the accompanying consolidated financial statements.

**Responsibilities of the Company's Management and members of the Supervisory Board for the consolidated financial statements**

The Company's Management is responsible for the preparation the consolidated financial statements that give a true and fair view of the consolidated financial position and the consolidated financial performance in accordance with required applicable rules of International Accounting Standards, International Financial Reporting Standards approved by the European Union, the adopted accounting policies, other applicable laws, as well as the Company's Statute, and is also responsible for such internal control as determined is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Company's Management is responsible for assessing the Group's (the holding company and significant components') ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Company's Management either intends to liquidate the Group (the holding company or significant components) or to cease operations, or has no realistic alternative but to do so.

The Company's Management and the members of the Company's Supervisory Board are required to ensure that the consolidated financial statements meet the requirements of the Accounting Act dated 29 September 1994 (the 'Accounting Act'). The members of the Company's Supervisory Board are responsible for overseeing the Company's financial reporting process.

## **Auditor's responsibility for the audit of the consolidated financial statements**

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

In accordance with International Auditing Standard 320, section 5, the concept of materiality is applied by the auditor both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the consolidated financial statements and in forming the opinion in the auditor's report. Hence all auditor's assertions and statements contained in the auditor's report are made with the contemplation of the qualitative and quantitative materiality levels established in accordance with auditing standards and auditor's professional judgment.

The scope of the audit does not include assurance on the future profitability of the Group nor effectiveness of conducting business matters now and in the future by the Company's Management.

Throughout the audit in accordance with NAS, we exercise professional judgment and maintain professional skepticism and we also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control,
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control,
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Management,
- conclude on the appropriateness of the Company's Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant

doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report, however, future events or conditions may cause the Group to cease to continue as a going concern,

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation,
- we obtain sufficient appropriate audit evidence regarding the financial information of entities and business activities within the Group for the purpose of expressing an opinion on the consolidated financial statements. We are solely responsible for the direction, supervision and performance of the audit of the Group and we remain solely responsible for our audit opinion.

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

We provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other information, including the Directors' Report**

The other information comprises the Directors' Report for the period from 1 January 2020 to 31 December 2020 ('the Directors' Report'), the representation on the corporate governance as a separate element of the Directors' Report (jointly 'Other Information').

### *Responsibilities of the Company's Management and members of the Supervisory Board*

The Company's Management is responsible for the preparation the Other Information in accordance with the law.

The Company's Management and members of the Company's Supervisory Board are required to ensure that the Directors' Report (with separate elements) meets the requirements of the Accounting Act.

### *Auditor's responsibility*

Our opinion on the consolidated financial statements does not include the Other Information. In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other information, we are required to report that fact in our independent auditor's report. Our responsibility in accordance with the Act on Statutory Auditors is also to issue an opinion on whether the Directors' Report was prepared in accordance with relevant laws and that it is consistent with the information contained in the consolidated financial statements.

In addition, we are required to issue an opinion on whether the Company has included the required information in the representation on application of corporate governance.

### **Opinion on the Directors' Report**

Based on the work performed during our audit, in our opinion, the Directors' Report:

- has been prepared in accordance with the article 49 of the Accounting Act and paragraph 71 of the Decree of the Minister of Finance dated 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (the 'Decree on current and periodic information'),
- is consistent with the information contained in the consolidated financial statements.

Moreover, based on our knowledge of the Group and its environment obtained during our audit, we have not identified material misstatements in the Directors' Report.

### **Opinion on the corporate governance application representation**

In our opinion, in the representation on application of corporate governance, the Group has included information stipulated in paragraph 70, section 6, point 5 of the Decree on current and periodic information.

Moreover, in our opinion, the information stipulated in paragraph 70, section 6, point 5 letter c-f, h and i of the Decree included in the representation on application of corporate governance is in accordance with applicable laws and information included in the consolidated financial statements.

## **Report on other legal and regulatory requirements**

*Opinion on the compliance of the consolidated financial statements prepared in the single electronic reporting format with the requirements of the regulation on technical standards on the specification of a single electronic reporting format*

As part of our audit of the consolidated financial statements we were engaged to perform an assurance engagement to obtain reasonable assurance in order to express an opinion on whether the consolidated financial statements of the Group for the year ended 31 December 2020 prepared in the single electronic reporting format included in the file named 'ESEF\_STALEXPORT\_AUTOSTRADY\_SPOLKA\_AKCYJNA\_20210301.zip' ('consolidated financial statements in ESEF format') was tagged in accordance with the regulations specified in the Commission Delegated Regulation (EU) of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the 'ESEF Regulations') and meet the technical requirements of a single electronic reporting format which are specified in these regulations.

### *Identification of criteria and description of the subject matter*

The consolidated financial statements in ESEF format were prepared by the Company's Management in order to meet the tagging requirements and technical requirements of a single electronic reporting format which are specified in the ESEF Regulations.

The subject matter of our assurance engagement is the compliance verification of the consolidated financial statements in ESEF format against the requirements of the ESEF Regulations, while the requirements specified in these regulations represent, in our opinion, applicable criteria for us to express an opinion providing reasonable assurance.

### *Responsibilities of the Company's Management and members of the Supervisory Board*

The Company's Management is responsible for the preparation of the consolidated financial statements in ESEF format in accordance with the tagging requirements and technical requirements of a single electronic reporting format which are specified in the ESEF Regulations. Such responsibility includes the selection and application of appropriate XBRL tags using the taxonomy specified in these regulations.

The responsibility of Company's Management also includes the design, implementation and maintenance of such internal control as determined is necessary to enable the preparation of the consolidated financial statements in ESEF format that are free from any material incompliance with the ESEF Regulations.



The members of the Company's Supervisory Board are responsible for overseeing the Company's financial reporting process, including the preparation of financial statements in compliance with the form in accordance with the governing legal regulations.

#### *Auditor's responsibility*

Our objective was to express an opinion, based on the performed assurance engagement providing reasonable assurance, that the consolidated financial statements in ESEF format was tagged in accordance with the ESEF requirements and whether it is in compliance with the technical requirements of a single electronic reporting format which are specified in these regulations.

We have performed our assurance engagement in accordance with the National Standard on Assurance Engagements Other than Audit and Review 3000 (R) in the form of the International Standard on Assurance Engagements 3000 (revised) - 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information' ('ISAE 3000 (R)').

This standard, impose an obligation on the auditor to plan and execute procedures in order to obtain reasonable assurance, that the consolidated financial statements in ESEF format were prepared in accordance with specified criteria.

Reasonable assurance is a high level of assurance, but it is not guaranteed that the assurance engagement conducted in accordance with ISAE 3000 (R) will always detect material misstatement when it exists.

The selection of procedures depend on the auditor's professional judgment, including the assessment of risks of material misstatements due to error or fraud. When performing risk assessment and in order to design procedures to be performed the auditor takes into consideration the internal controls related with the preparation of the consolidated financial statements in ESEF format, which can provide the auditor with sufficient and appropriate evidence. The assessment of the internal controls was not performed for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

#### *Summary of performed procedures*

Procedures that were designed and performed by us included among others:

- obtaining an understanding of the process of preparation of the consolidated financial statements in ESEF format including the Company's process of selection and application of XBRL tags and maintaining compliance with the ESEF Regulations;
- reconciling of the tagged information included in the consolidated financial statements in ESEF format to the audited consolidated financial statements;
- assessment of the compliance with the technical standards on the specification of a single electronic reporting format, including the use of the XTHML format, with the use of specialistic IT tools;
- assessment of the completeness of the tagging of information in the consolidated financial statements in ESEF format with XBRL tags;

- assessment whether the applied XBRL tags from the taxonomy specified by the ESEF regulations were applied appropriately and that extensions to the elements in the taxonomy specified in the ESEF regulations were used when there were no suitable elements in the taxonomy specified in the ESEF Regulations;
- evaluating of the anchoring of the taxonomy extensions to the elements in the taxonomy specified by the ESEF Regulations.

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

#### *Ethical requirements, including independence*

While performing the assurance engagement, the key certified auditor and the audit firm have complied with the independence and other ethical requirements as specified by the Code of ethics. The Code of ethics is based on the fundamental principles related to integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We have also complied with other independence requirements and ethical responsibilities in accordance with required applicable rules of such assurance engagement in Poland.

#### *Quality control requirements*

The accounting firm applies national quality control standards in the form of International Standard on Quality Control 1 - 'Quality Control for Firms that Perform Audits and Reviews of Financial Statements and other Assurance and Related Services Engagements' as adopted by a resolution of the National Council of Certified Auditors ('ISQC').

In accordance with ISQC, the audit firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### *Opinion*

The matters described above constitute the basis for our opinion which is why our opinion should be read in conjunction with these matters.

In our opinion, the consolidated financial statements in ESEF format was prepared in all material respect in accordance with the requirements of the ESEF Regulations.

#### **Representation on the provision of non-audit services**

To the best of our knowledge and belief, we represent that services other than audits of the financial statements, which have been provided to the Group, are compliant with the laws and regulations applicable in Poland, and that we have not provided non-audit services, which are prohibited based on article 5 item 1 of Regulation 537/2014 and article 136 of the Act on Statutory Auditors. The non-audit services, which we have provided to the Group in the audited period, have been disclosed in the Directors' Report.

### Appointment of the audit firm

We have been appointed for the audit of the Group's consolidated financial statements for the first time based on the resolution 09/03/2018 of Supervisory Board from March 1, 2018. The consolidated financial statements of the Group have been audited by us uninterruptedly starting from the financial year ended on 31 December 2018, i.e. for the past 3 consecutive years.

Warsaw, March 2, 2021

Key Certified Auditor

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Jerzy Buzek  
certified auditor  
no in the register: 10870

on behalf of:  
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