

# REPORT

## OF THE MANAGEMENT BOARD ON THE OPERATIONS OF THE COMPANY AND STALEXPORT AUTOSTRADY S.A. GROUP IN H1 2023

Mysłowice, 28 September 2023



*This document constitutes a translation of the Management Board's Report on the activities of the Company and Stalexport Autostrady S.A. Group in H1 2023 which was originally issued in Polish. In case of ambiguities in interpretation of terminology, the Polish terminology should be treated as binding.*

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## DEFINITIONS AND ABBREVIATIONS

The following are definitions of abbreviations used in the body of this Report.

<b>ADT</b>	Average Daily Traffic
<b>Mundys</b>	Mundys S.p.A. with its registered office in Rome (Italy) – formerly Atlantia S.p.A.
<b>Biuro Centrum</b>	Biuro Centrum Sp. z o.o. with its registered office in Katowice
<b>GPLC 2021</b>	"Good Practices of Companies Listed on the WSE 2021", which were adopted by Resolution No. 13/1834/2021 of the WSE Supervisory Board of 29 March 2021 and came into force on 1 July 2021.
<b>GDDKiA</b>	General Directorate for National Roads and Motorways
<b>WSE</b>	Warsaw Stock Exchange
<b>Group Stalexport Autostrady Group; Group</b>	Stalexport Autostrady S.A. Group with its registered office in Mysłowice
<b>CCC, Commercial Companies Code</b>	The Commercial Companies Code of 15 September 2000 (Journal of Laws 2000, No. 94, item 1037, as amended)
<b>Pavimental Poland</b>	Pavimental Polska Sp. z o.o. with its registered office in Trzebinia (32-540), ul. Dworcowa 2
<b>Regulation on Current and Periodic Information</b>	Regulation of the Minister for Finance dated 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-Member State (Journal of Laws 2018, item 757).
<b>SAM, Concessionaire</b>	Stalexport Autostrada Małopolska S.A. with registered office in Mysłowice
<b>Report</b>	Report of the Management Board on the Operations of the Company and Stalexport Autostrady S.A. Group in H1 2023
<b>Stalexport Autostrady, Company, Issuer</b>	Stalexport Autostrady S.A. with its registered office in Mysłowice
<b>Concession Agreement</b>	Concession Agreement of 19 September 1997 for the construction by way of adaptation of the A4 motorway in the section: Katowice (Murckowska interchange, km 340.2) - Kraków (Balice interchange, km 401.1) to the requirements of the toll motorway and the operation of the motorway in this section, as amended under subsequent annexes, under which the rights and obligations were fully transferred from Stalexport Autostrady to SAM on 28 July 2004.
<b>Act on Auditors</b>	The Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision (Journal of Laws 2023.0.1015, consolidated text)
<b>Act on Offering</b>	Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (Journal of Laws 2022.2554, consolidated text)
<b>UOKiK</b>	The Office of Competition and Consumer Protection

VIA4	VIA4 Spółka Akcyjna with its registered office in Myslowice
GM	General Meeting

## » PART 1

### BASIC INFORMATION ABOUT STALEXPORT AUTOSTRADY GROUP

The operations of the Company and of the entities comprising its Group are primarily focused on motorway operations. It covers the operation and maintenance of the A4 Katowice-Kraków motorway section. These activities are carried out through SAM and VIA4.

In addition, in connection with the fact of co-owning an office building in the centre of Katowice, Stalexport Autostrady Group conducts operations connected with the provision of services involving the lease of office space and parking spaces. These are activities carried out by the Company itself, as co-owner of the property, and its affiliate Biuro Centrum Sp. z o.o., as property manager.

The chart below presents the organisational structure of Stalexport Autostrady Group, broken down into:

(i) core business, i.e. the motorway segment, and (ii) other business.

**FIGURE 1 | ORGANISATIONAL CHART OF STALEXPORT AUTOSTRADY GROUP AS AT 30 JUNE 2023**



Source: Company's own compilation

Table 1 contains basic consolidated data of Stalexport Autostrady Group and individual data concerning the three largest entities comprising the Group, i.e. Stalexport Autostrady, SAM, and VIA4. In addition to the results achieved by these companies in H1 2023, the results achieved by them in the corresponding period of the previous year are also included for comparison, whereas for balance sheet data the figures are presented as at 31 December 2022.

**TABLE 1 | KEY FINANCIAL DATA OF SELECTED MEMBERS OF THE GROUP [FIGURES IN PLN THOUSAND]**

balance sheet data	Group		Stalexport Autostrady		SAM		VIA4	
	30.06.23	31.12.22 *****	30.06.23	31.12.22	30.06.23	31.12.22 *****	30.06.23	31.12.22
Non-current assets	920,257	957,840	79,982	81,451	904,094	940,969	16,626	16,533
Current assets	562,568	501,489	239,453	230,524	312,488	257,286	24,080	22,705
Total shareholders' equity	700,787	699,287	311,598	303,986	447,589	447,142	9,073	15,800
Non-current liabilities	445,434	459,030	5,748	5,292	440,163	454,601	10,782	11,159
Current liabilities	336,604	301,012	2,089	2,697	328,830	296,512	20,851	12,279
Net debt*	-579,996	-565,191	-223,359	-218,817	-350,157	-335,496	19,942	11,620
result data	H1 2023	H1 2022 *****	H1 2023	H1 2022	H1 2023	H1 2022 *****	H1 2023	H1 2022
Sales revenue	233,543	187,720	2,312	2,019	230,764	185,476	33,846	29,329
EBITDA**	113,105	73,865	-3,714	-2,424	106,511	66,838	11,165	10,187
EBIT	69,135	30,000	-3,929	-2,766	63,029	23,530	9,512	8,747
Result on financial activities	8,621	-3,723	61,540	50,234	2,970	-5,060	-166	-231
Net profit	57,495	15,935	57,041	46,897	47,944	11,104	7,545	6,884
EBIT margin***	30%	16%	-170%	-137%	27%	13%	28%	30%
ROE****	8%	2%	18%	16%	11%	3%	83%	80%

\* Net debt = total liabilities - provision for capital expenditures - long-term deposits - cash and cash equivalents

\*\*EBITDA = EBIT + depreciation and amortisation

\*\*\* EBIT margin = EBIT / sales revenue

\*\*\*\*ROE = net profit (loss) / total shareholders' equity

\*\*\*\*\*Data restated in connection with the changes described in note 5 to the consolidated financial statement of the Group.

Source: Company's own compilation



## 1.1. STALEXPORT AUTOSTRADY S.A.

ul. Piaskowa 20  
41-404 Mysłowice  
phone no: +(48) 32 762 75 45

**Management Board:**  
**Andrzej Kaczmarek** –  
President of the Management  
Board  
**Mariusz Serwa** –  
Vice-President of the Management  
Board, Chief Financial Officer

**KRS (National Court Register  
Number): 0000016854**  
**NIP (Tax Identification Number):  
634-013-42-11**  
**REGON (National Business Registry  
Number): 271936361**

**Share capital:**  
**PLN 185,446,517.25**  
(paid in full)

[www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)

Stalexport Autostrady S.A. plays a leading role in the Group focusing its activity on modernising and expanding motorway infrastructure. In 1997, the Company was the first entity in Poland to obtain a concession for the implementation of the pioneering project of operation, reconstruction and adaptation of the Katowice-Kraków section of A4 motorway to the toll motorway requirements.

In 2004, the concession was transferred to an entity specifically appointed to perform the provisions of the Concession Agreement, i.e. Stalexport Autostrada Małopolska S.A.

Since mid-2006, the Company has been part of the Italian Atlantia Group (currently known as Mundys Group). As at 30 June 2023 and as at the date of preparation of the Report, Mundys held 61.2% of the share capital of the Company. More information about Mundys Group can be found on the website at [www.mundys.com](http://www.mundys.com).

Stalexport Autostrady, apart from the activities related to the construction and operation of toll motorways, also leases office space in a building in Katowice, of which it is a co-owner.

## 1.2. ENTITIES COVERED BY CONSOLIDATION AND THEIR CONSOLIDATION METHODS

Stalexport Autostrady is the parent company and prepares consolidated financial statements. The entities consolidated as at 30 June 2023, other than the parent company, are described in the table below.

**TABLE 2 | ENTITIES COMPRISING THE GROUP AS AT 30 JUNE 2023 (OUTSIDE THE COMPANY)**

Company name	Registered office	Core business	Company status	Share in capital and number of votes	Date of gaining control / Date of acquisition	Consolidation method
<b>Stalexport Autostrada Małopolska S.A.</b>	Mysłowice	Construction and operation of the motorway	Subsidiary	100%	1998	Full consolidation
<b>VIA4 S.A.</b>	Mysłowice	Motorway operation	Subsidiary	55%	1998	Full consolidation
<b>Biuro Centrum Sp. z o.o.</b>	Katowice	Real estate administration	Affiliate	40.63%	1994	Equity method
<b>Petrostal S.A. in liquidation *</b>	Warsaw	The Company is inactive	Subsidiary	100%*	2005	-

\*entity not consolidated due to existing control restrictions

Source: Company's own compilation

## 1.3. PRINCIPLES OF PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The principles (basis) on which the condensed interim consolidated financial statements have been prepared are described in Section 2 of the Notes to the Condensed Interim Consolidated Financial Statements for the 6-month period ended 30 June 2023.

## 1.4. CHARACTERISTICS OF OTHER COMPANIES OF STALEXPORT AUTOSTRADY GROUP

### 1.4.1. STALEXPORT AUTOSTRADA MAŁOPOLSKA S.A.

ul. Piaskowa 20  
41-404 Mysłówice  
phone no: +(48) 32 762 75 55

**Management Board:**  
**Andrzej Kaczmarek** –  
President of the Management Board  
**Mariusz Serwa** –  
Vice-President of the Management  
Board, Chief Financial Officer  
**Paweł Kocot** –  
Member of the Management Board

**KRS (National Court Register  
Number): 0000026895**  
**NIP (Tax Identification Number):**  
**634-22-62-054**  
**REGON (National Business Registry  
Number): 273796214**

**Share capital:**  
**PLN 66,753,000**  
(paid in full)

**Ownership structure:**  
**100% - Stalexport Autostrady**

[www.autostrada-a4.pl](http://www.autostrada-a4.pl)

SAM was established on the basis of a notarial deed of 19 December 1997 as a special purpose vehicle to carry out the project consisting in the management of the A4 motorway between Katowice and Kraków.

The statutory activity of this entity includes the management of motorway projects and all tasks under the applicable Concession Agreement, covering the management of the construction, adjustment to the requirements of the toll motorway and the operation of the A4 motorway section between Katowice and Kraków (said concession was originally granted to Stalexport Autostrady, and then transferred to SAM by virtue of the decision of the Minister of Infrastructure dated July 28, 2004).

Pursuant to the Concession Agreement, SAM has been authorised to charge lease rents and tolls on the above motorway section. According to the provisions of the Concession Agreement, in return it is obliged to maintain the motorway on an ongoing basis and continue further necessary investment tasks.

In 2027, in accordance with the provisions of the Concession Agreement, the aforementioned section of the A4 motorway will return under the State Treasury's management.

SAM finances its operations through revenues generated from toll collection and other revenues, including received rents.

The Company does not benefit from any subsidies or sureties from the State Treasury.

SAM's selected financial data is included in Table 1.

#### 1.4.2. VIA4 S.A.

ul. Piaskowa 20  
41-404 Mysłowice  
phone no: +(48) 32 762 73 50

**Management Board:**  
**Andrzej Gienieczko** –  
President of the Management Board  
**Mieczysław Skołożyński** –  
Vice-President of the Management  
Board

**KRS (National Court Register  
Number): 0000162861**  
**NIP (Tax Identification Number):  
634-22-98-951**  
**REGON (National Business Registry  
Number): 276194390**

**Share capital:**  
**PLN 500,000**  
(paid in full)

**Ownership structure:**  
**55% - Stalexport Autostrady**  
**45% - Egis Road Operation S.A.**  
(France)

[www.via4.pl](http://www.via4.pl)

The company VIA4 was established on the basis of a notarial deed dated 14 May 1998. The scope of activity of VIA4 involves the operation of the A4 toll motorway between Katowice and Kraków. This entity actually provides its services to its sole client, SAM, as the entity that manages this section of motorway under the Concession Agreement.

It is paid a lump sum for its services, the amount of which depends mainly on the level of vehicle traffic on the motorway and the inflation rate.

The most important tasks performed by VIA4 include current operation and maintenance services of the toll A4 motorway section (Katowice-Kraków), including: toll collection system operation; motorway traffic management; maintaining the motorway equipment in appropriate technical condition; full maintenance of the whole motorway lane; motorway winter maintenance; management and advisory services, especially with respect to future road surface repairs and upgrading projects.

Equally important are safety and traffic tasks, where VIA4 provides: round-the-clock motorway patrols, which in cooperation with the Motorway Management Centre ensure the ASAP detection of incidents; operation of the SOS telephone system along the motorway lane; cooperation with the police and other services to keep the motorway passable in the event of collisions, accidents, or other incidents.

Selected financial data for VIA4 is provided in Table 1.

### 1.4.3. BIURO CENTRUM SP. Z O.O.

ul. Mickiewicza 29  
40-085 Katowice  
phone no: +(48) 32 207 22 08

**Management Board:**  
**Damazy Ćwikowski** –  
President of the Management Board  
**Dorota Karolak** –  
Vice-President of the Management  
Board

**KRS (National Court Register  
Number): 0000087037**  
**NIP (Tax Identification Number):**  
**634-10-03422**  
**REGON (National Business Registry  
Number): 272254793**

**Share capital:**  
**PLN 80,000**  
(paid in full)

**Ownership structure:**  
**59.37% - WĘGLOKOKS S.A.**  
**40.63% - Stalexport Autostrady**

[www.biurocentrum.com.pl](http://www.biurocentrum.com.pl)

Biuro Centrum company was established on the basis of a notarial deed of 9 June 1994.

The core business of Biuro Centrum is the management and maintenance of an office and conference facility in Katowice at ul. Mickiewicza 29, jointly owned by Stalexport Autostrady (40.47%) and Węglokoks S.A. (59.53%).

Biuro Centrum provides high standards and professionalism in a full range of property management and maintenance services. It has modern organisational, technical, and office facilities.

As complementary operations, Biuro Centrum also provides catering services in its restaurant "Pod wieżami".

## » PART 2

### OTHER INFORMATION ABOUT STALEXPORT AUTOSTRADY GROUP

#### 2.1. INFORMATION ON CONCLUDED AGREEMENTS SIGNIFICANT FOR THE ACTIVITY OF THE GROUP, INCLUDING AGREEMENTS BETWEEN SHAREHOLDERS KNOWN TO THE COMPANY, INSURANCE AGREEMENTS, COOPERATION OR PARTNERSHIP AGREEMENTS

**On 7 March 2023**, SAM issued a letter of approval for Pavimental Polska, which meant that SAM accepted Pavimental Polska's bid placed as part of the tender for the performance of lump sum contract "F2b-14-2022 - Reconstruction of the A4 motorway drainage system - Part VI" (hereinafter referred to as "Contract").

The total value of the Contract amounts to PLN 79,480,632.81 net (hereinafter referred to as: Approved Net Contract Amount).

Under the Contract, the section of the A4 Katowice-Kraków motorway drainage system with a length of approx. 7.89 km will be reconstructed.

Along with the letter of approval issued by SAM, the agreement was submitted to be signed by Pavimental Polska, signed by SAM on 7 March 2023 (and finally signed also by Pavimental Polska), concerning the performance of the Contract, the provisions of which are consistent with the form presented in the tender procedure documents.

The General Terms and Conditions of said Contract are set out in "Terms and Conditions of the Contract for Construction Works designed by the Contracting Authority", first edition of 1999, prepared by Fédération Internationale des Ingénieurs-Conseils (FIDIC), copy in Polish (fourth English and Polish edition, unamended, 2008). The General Terms and Conditions of the Contract are supplemented by Special Terms and Conditions of the Contract. The General Terms and Conditions of the Contract are binding, unless the Special Terms and Conditions of the Contract provide otherwise. The General Terms and Conditions of the Contract and the Special Terms and Conditions of the Contract jointly constitute the Terms and Conditions of the Contract.

The Agreement provides for the following contractual penalties for the Contractor:

- penalties for delay - the limit of contractual penalties under clause 8.7 of the Terms and Conditions of the Contract is 10% of the Approved Net Contract Amount,
- penalties for failure to remedy defects or faults in the works within the time limit - the limit of contractual penalties under clause 11.4 of the Terms and Conditions of the Contract is 10% of the Approved Net Contract Amount,
- penalties for unjustified impediments to traffic - the limit of contractual penalties under clause 8.13 of the Terms and Conditions of the Contract is 2% of the Approved Net Contract Amount.

**On 5 June 2023**, SAM issued a letter of approval for Pavimental Polska, which meant that SAM accepted Pavimental Polska's bid placed as part of the tender for the performance of lump sum contract HM-6-2022 "Road pavement renovation with associated works on the A4 Katowice– Kraków motorway" (hereinafter referred to as: "Contract").

The total value of the Contract amounts to PLN 422,939,999.16 net (hereinafter referred to as: "Approved Net Contract Amount").

The following works will be performed under the Contract:

- road pavement renovation on both carriageways of the A4 Katowice–Kraków motorway, together with associated works from km 341+640 to km 401+100, divided into sections,

- renovation of the following bridge structures: M02, M07, M08, M11, M12, M15, M18, M21, M23, M30, M31, M35, M37, M38, M40, M45, M48, M49, M52, M53, M54 and M55.

Along with the Letter of Approval issued by SAM, a Deed of Agreement was submitted to be signed by Pavimental Polska, signed by SAM on 5 June 2023 (and finally signed also by Pavimental Polska), concerning the performance of the Contract, the provisions of which are consistent with the form presented in the tender procedure documents.

The General Terms and Conditions of said Contract are set out in "Terms and Conditions of the Contract for Construction Works designed by the Contracting Authority", first edition of 1999, published by Fédération Internationale des Ingénieurs-Conseils (FIDIC), copy in Polish (fourth English and Polish edition, unamended, 2008). The General Terms and Conditions of the Contract are supplemented by Special Terms and Conditions of the Contract. The General Terms and Conditions of the Contract are binding, unless the Special Terms and Conditions of the Contract provide otherwise. The General Terms and Conditions of the Contract and the Special Terms and Conditions of the Contract jointly constitute the Terms and Conditions of the Contract.

The Deed of Agreement provides for the following contractual penalties for Pavimental Polska:

- penalties for delay - the limit of contractual penalties under clause 8.7 of the Terms and Conditions of the Contract is 10% of the Approved Net Contract Amount,
- penalties for failure to remedy defects or faults in the works within the time limit - the limit of contractual penalties under clause 11.4 of the Terms and Conditions of the Contract is 10% of the Approved Net Contract Amount,
- penalties for unjustified impediments to traffic - the limit of contractual penalties under clause 8.13 of the Terms and Conditions of the Contract is 2% of the Approved Net Contract Amount,

## 2.2. INFORMATION ON CHANGES IN THE ORGANISATIONAL OR CAPITAL RELATIONS OF THE GROUP WITH OTHER ENTITIES

In the reporting period, there were no changes in the organisation of the Group, including as a result of business combinations, gaining or loss of control over subsidiaries and non-current investments, as well as demergers, restructurings, or discontinuation of business.

## 2.3. INFORMATION ON CONCLUSION BY THE COMPANY OR ITS SUBSIDIARY OF ONE OR MORE TRANSACTIONS WITH RELATED PARTIES, IF THEY WERE CONCLUDED ON CONDITIONS OTHER THAN MARKET CONDITIONS

Any and all transactions made by the Company and/or its subsidiaries with related parties were carried out on an arm's length basis. However, the Company's Management Board would like to draw attention to several significant transactions between the Company or its subsidiaries and related parties:

- **Maintenance and Operation Agreement**, which was originally concluded in 1998 between Stalexport Autostrady and VIA4. The current agreement was signed **between SAM and VIA4** on 22 March 2006.

The Maintenance and Operation Agreement was concluded for the term of the Concession Agreement (until 2027), and its subject matter is strictly defined works related to the A4 concession-granting project, including, inter alia, toll collection services and ongoing maintenance and operation of the motorway (including winter maintenance). The contractually agreed level of remuneration of the operator for the duration of the agreement separates in the long term the risk of frequent changes in market prices affecting maintenance and operating costs and ensures continuity of service and operation during the many years' period of project implementation.

In H1 2023, the value of the transaction between SAM and VIA4 resulting from the aforementioned Agreement amounted to PLN 33,117 thousand.

Due to the specificity and scope of the agreement described above, as well as a very limited market for this type of services, there is a difficulty in relating the provisions of the Maintenance and Operation Agreement to conditions obtainable on the so-called free market.

However, in the opinion of the Management Board of the Company, said agreement was concluded on market terms and the provisions contained therein do not deviate from those that could be obtained if it was signed with an entity outside the Group.

- **Agreement on the operation** of an office facility located in Katowice at ul. Mickiewicza 29 of 1 March 2000, as amended, concluded between **Biuro Centrum** and co-owners of the office building, including the **Company**, and **Car Park Management Agreement** for the car park located in the vicinity of the aforementioned office building of 1 October 2009 concluded between the **Company** and **Biuro Centrum**.

The Company incurred maintenance costs related to the security and operation of said office facility and parking lot and all said expenses were paid through Biuro Centrum. The total amount of the above-mentioned expenses in H1 2023 attributable to the Company amounted to PLN 2,449 thousand.

#### **2.4. INFORMATION ON GRANTING BY THE COMPANY OR ITS SUBSIDIARY OF SURETIES FOR LOANS OR BORROWINGS OR GUARANTEES - JOINTLY TO A SINGLE ENTITY OR ITS SUBSIDIARY, IF THE TOTAL AMOUNT OF THE EXISTING SURETIES OR GUARANTEES IS SIGNIFICANT.**

In the reporting period, no sureties or guarantees were granted.

#### **2.5. INFORMATION ON THE ISSUE OF SECURITIES WITH A DESCRIPTION OF THE USE BY THE COMPANY OF PROCEEDS FROM THE ISSUE**

In the reporting period, the Company, like other entities of the Group, did not issue any securities.

#### **2.6. SHARES IN THE COMPANY OR RIGHTS THERETO HELD BY PERSONS MANAGING AND SUPERVISING THE COMPANY, TOGETHER WITH AN INDICATION OF CHANGES IN OWNERSHIP DURING THE PERIOD SINCE THE PUBLICATION OF THE PREVIOUS INTERIM REPORT**

According to the statements of persons managing and supervising the Company as at June 30, 2023 and as at the date of publication of the Report, none of the above-mentioned persons had shares or rights to them.

From the date of publication of the previous periodic report to the date of publication of this Report, there were no changes in the ownership of the Company's shares or rights by the persons managing and supervising the Company.



## 2.7. SHAREHOLDERS HOLDING, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE ISSUER'S GENERAL MEETING AS AT THE DATE OF SUBMITTING THE INTERIM REPORT, INCLUDING INFORMATION ON THE NUMBER OF SHARES HELD BY SUCH ENTITIES, THEIR PERCENTAGE SHARE IN THE SHARE CAPITAL, THE NUMBER OF VOTES CONFERRED BY THOSE SHARES AND THEIR PERCENTAGE SHARE IN THE TOTAL NUMBER OF VOTES AT THE COMPANY'S GENERAL MEETING

The table below contains a list of shareholders who, to the best of the Company's knowledge, hold at least 5% of the total number of shares in the total number of votes at the General Meeting of Stalexport Autostrady.

**TABLE 3 | LIST OF STALEXPORT AUTOSTRADY SHAREHOLDERS HOLDING SIGNIFICANT PORTFOLIOS OF COMPANY SHARES (AS AT 30 JUNE 2023 AND AS AT THE REPORT PUBLICATION DATE)**

Name of entity	Number of ordinary bearer shares held [units]	Share in the share capital [%]	Number of votes at GM [units]	Share in the total number of votes at GM [%]
<b>Mundys (formerly Atlantia)</b>	<b>151,323,463</b>	61.20%	<b>151,323,463</b>	61.20%
<b>TFI PZU</b>	<b>12,406,475</b>	5.02%	<b>12,406,475</b>	5.02%

Source: Own compilation of the Company based on notifications received by the Company from shareholders pursuant to Articles 69 and 69a in connection with Article 87 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies

From the date of preparing the previous interim report to the date of publication of this Report, there were no changes in the ownership structure of significant share portfolios of Stalexport Autostrady.

## 2.8. INFORMATION ON MATERIAL PROCEEDINGS PENDING BEFORE A COURT, COMPETENT AUTHORITY FOR ARBITRATION PROCEEDINGS OR A PUBLIC ADMINISTRATION AUTHORITY

Neither Stalexport Autostrady nor its subsidiaries are parties to any material proceedings pending before any court of general jurisdiction, arbitration court or public administration authorities, concerning liabilities or receivables of the Company or its subsidiary.

## » PART 3

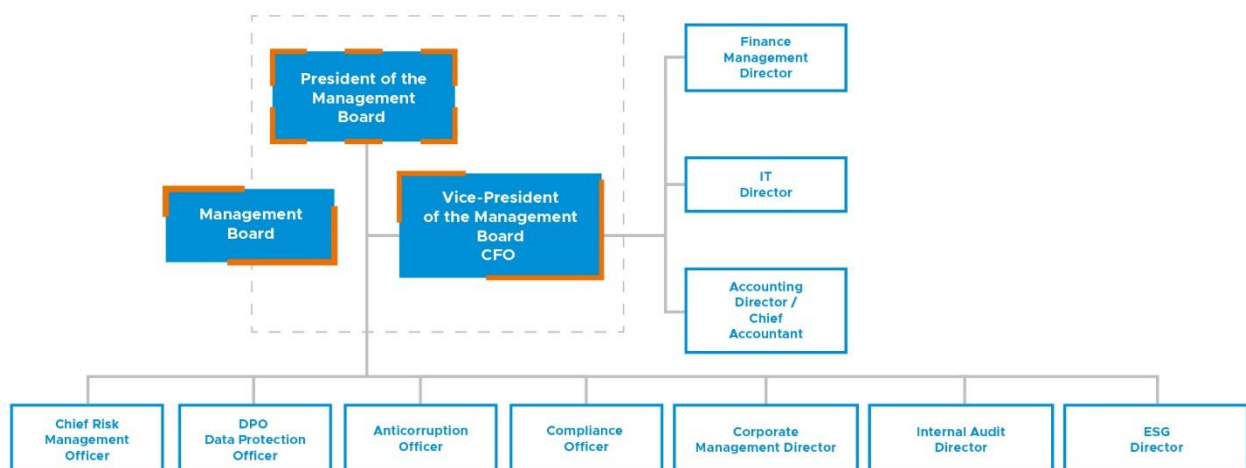
### INFORMATION RELEVANT FOR THE ASSESSMENT OF THE FINANCIAL SITUATION (CURRENT AND ANTICIPATED), PROPERTY SITUATION, FINANCIAL RESULT OF THE GROUP AND THEIR CHANGES, AND INFORMATION RELEVANT FOR THE ASSESSMENT OF THE ABILITY OF THE ISSUER AND ITS GROUP TO FULFIL THEIR OBLIGATIONS

#### 3.1. STALEXPORT AUTOSTRADY

##### (i) Organisational structure of Stalexport Autostrady

Organisation chart of the Company as at 30 June 2023 is shown in the figure below.

**FIGURE 2 | ORGANISATIONAL STRUCTURE OF STALEXPORT AUTOSTRADY S.A. AS AT 30 JUNE 2023.**



Source: Company's own compilation

The structure and organisation of the Group together with a description of the entities comprising it has been presented in Section 1 of the Report.

##### (ii) Employment in the Group

As at 30 June 2023, the headcount at Stalexport Autostrady was 26 persons (7 ½ full-time equivalents). Therefore, it did not change as compared to 31 December 2022 and grew compared to 30 June 2022 when it was 25 persons (6 ½ FTEs).

As at 30 June 2023, the Group had 339 employees, including 5 managers (members of the Management Boards) and 25 middle managers (directors, managers).

For comparison, the number of employees of Stalexport Autostrady Group (in persons) as at 31 December 2022 was 329, and as at 30 June 2022 - 332.

In H1 2023, the number of middle management employees increased (by 2) compared to the level of employment as at 31 December 2022.

The 2.11% and 3.04% increase in the Group's headcount as at 30 June 2023 compared to 30 June 2022 and 31 December 2022, respectively, was primarily due to an additional hiring in the group of collectors and road crew at VIA4 (operating company).

**(iii) Changes in the composition of the management and supervisory bodies of the Company and the Group during the reporting period of Stalexport Autostrady**

▪ **Management Board of the Company**

According to §10 of the Company's Articles of Association, the Management Board consists of 1 to 3 persons. The President of the Management Board is appointed by the Supervisory Board, with other members of the Management Board being appointed by the Supervisory Board at the request of the President of the Management Board. The joint term of office of Management Board members lasts three consecutive years, and their mandates expire on the date of the General Meeting approving the financial statements for the last full financial year during which they held the position of Management Board member.

On 28 November 2022 President of the Management Board - Mr Emil Wąsacz - resigned from his position with effect from 28 February 2023. On 31 January 2023, the Company's Supervisory Board appointed Mr Andrzej Kaczmarek as President of the Management Board of the Company effective 1 March 2023.

As a result of the above events, the composition of the Company's Management Board changed during the reporting period and was as follows:

- a) in the period from 1 January 2023 to 28 February 2023:
  - Emil Wąsacz – President of the Management Board, CEO,
  - Mariusz Serwa – Vice-President of the Management Board, CFO.
- b) in the period from 1 March 2023 to the Report preparation date:
  - Andrzej Kaczmarek – President of the Management Board,
  - Mariusz Serwa – Vice-President of the Management Board, CFO.



**Mariusz Serwa – Vice-President of the Management Board**



**Andrzej Kaczmarek – President of the Management Board**

The Management Board acts pursuant to applicable laws, including the Commercial Companies Code and the Articles of Association adopted by the General Meeting. In addition, in accordance with the Company's Articles of Association, the Management Board has adopted its regulations setting forth the detailed procedure of its proceedings. The content of the Regulations of the Management Board is available on the corporate website of Stalexport Autostrady ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

#### ▪ **Supervisory Board**

Pursuant to §14 of the Company's Articles of Association, the Supervisory Board consists of 5 to 9 members elected for a joint term of three years. The General Meeting appoints and dismisses members of the Supervisory Board, setting in advance their number for a given term of office.

From 1 January 2023 to 28 February 2023, the Supervisory Board was composed of the following members:

1. Roberto Mengucci – Chairman of the Supervisory Board,
2. Tomasz Dobrowolski – Deputy Chairman of the Supervisory Board,
3. Marco Stocchi Grava – Secretary of the Supervisory Board,
4. Stefano Bonomolo,
5. Nicola Bruno,
6. Andrzej Kaczmarek.
7. Enrica Marra.

On 28 June 2023, Mr Andrzej Kaczmarek resigned as Member of the Supervisory Board.

On 4 April 2023, the Ordinary General Meeting of Stalexport Autostrady appointed Ms Beata Stelmach as a Member of the Supervisory Board. From that day until the Report preparation date, the Supervisory Board was composed of the following members:

1. Roberto Mengucci – Chairman of the Supervisory Board,
2. Tomasz Dobrowolski – Deputy Chairman of the Supervisory Board,
3. Marco Stocchi Grava – Secretary of the Supervisory Board,
4. Stefano Bonomolo,
5. Nicola Bruno,
6. Enrica Marra,
7. Beata Stelmach.

The Supervisory Board acts pursuant to applicable laws, including the Commercial Companies Code and the Articles of Association adopted by the General Meeting. In addition, in accordance with the Company's Articles of Association, the Supervisory Board has adopted its Regulations. The Regulations are available on the corporate website of Stalexport Autostrady ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)). The Supervisory Board acts pursuant to applicable laws, including the Commercial Companies Code and the Articles of Association adopted by the General Meeting. In addition, in accordance with the Company's Articles of Association, the Supervisory Board has adopted its Regulations. Its content is available on the corporate website of Stalexport Autostrady ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

#### ▪ **Committees of the Supervisory Board**

The following committees operate within the Supervisory Board: Remuneration Committee and Audit Committee, acting as advisory and opinion-making bodies to the Supervisory Board,

During the reporting period, they functioned as follows:

**a) from 1 January 2023 to 28 February 2023:**

**Remuneration Committee:**

- Stefano Bonomolo – Chairman,
- Tomasz Dobrowolski – Deputy Chairman,
- Andrzej Kaczmarek.

**Audit Committee:**

- Tomasz Dobrowolski – Chairman,
- Nicola Bruno – Deputy Chairman,
- Andrzej Kaczmarek.

**b) from 11 May 2023 until the date of preparation of the Report:**

**Remuneration Committee:**

- Stefano Bonomolo – Chairman,
- Tomasz Dobrowolski – Deputy Chairman,
- Beata Stelmach.

**Audit Committee:**

- Tomasz Dobrowolski – Chairman,
- Nicola Bruno – Deputy Chairman,
- Beata Stelmach.

Mr Tomasz Dobrowolski and Ms Beata Stelmach meet the independence criteria provided for an independent member of the Audit Committee, as referred to in Article 129.3 of the Act on Auditors, Audit Firms and Public Supervision of 11 May 2017 (Journal of Laws of 2017, item 1089) and § 3.5 of the Regulations of the Audit Committee and the independence criteria provided for an independent member of the Remuneration Committee referred to in Annex II to the European Commission Recommendation 2005/162/EC of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committee of the (supervisory) board and in the guidelines contained in GPLC 2021. The above-mentioned criteria were also met by Mr Andrzej Kaczmarek during the period when he acted as a member of both of the aforementioned committees.

The Committees of the Supervisory Board act pursuant to regulations adopted by the Supervisory Board, which constitute appendices to the Regulations of the Supervisory Board. These regulations are also available on the Company's corporate website ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

### 3.2. PRESENTATION OF FINANCIAL RESULTS

The table below shows the key financial results of Stalexport Autostrady Group achieved in H1 2023, together with comparative data for the corresponding period of the previous year.

**TABLE 4 | SELECTED ITEMS OF THE STATEMENT OF COMPREHENSIVE INCOME OF STALEXPORT AUTOSTRADY GROUP IN H1 2023 AND IN THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR (CONSOLIDATED DATA)**

PLN thousand	H1 2023	H1 2022*	Change [%]
Sales revenue	<b>233,543</b>	187,720	<b>24%</b>
Cost of sales	<b>-80,827</b>	-132,356	<b>-39%</b>
Other operating revenues	<b>5,348</b>	2,718	<b>97%</b>
General and administrative expenses	<b>-88,690</b>	-27,817	<b>219%</b>
Other operating expenses	<b>-230</b>	-262	<b>-12%</b>
Reversal of impairment losses/(Losses) on impairment of trade and other receivables	<b>-9</b>	-3	<b>200%</b>
<b>Profit on operating activities (EBIT)</b>	<b>69,135</b>	<b>30,000</b>	<b>130%</b>
Financial income	<b>28,860</b>	<b>8,384</b>	<b>244%</b>
Financial expenses	<b>-20,239</b>	<b>-12,107</b>	<b>67%</b>
<b>Balance on financial activities</b>	<b>8,621</b>	<b>-3,723</b>	<b>332%</b>
Shares in the profit of affiliates	<b>67</b>	62	<b>8%</b>
<b>Profit before tax</b>	<b>77,823</b>	<b>26,339</b>	<b>195%</b>
Income tax	<b>-20,328</b>	-10,404	<b>95%</b>
<b>Net profit</b>	<b>57,495</b>	<b>15,935</b>	<b>261%</b>

Source: own compilation of the Company on the basis of individual financial statements of the Company

\* Data restated in connection with the changes described in note 5 to the consolidated financial statements of the Group.

In H1 2023, the Group's sales revenue was 24.4% higher than in the corresponding period last year and the cost of sales was 38.9% lower than in H1 2022 (more information can be found in item 3.2.2).

### 3.2.1. AMOUNT AND STRUCTURE OF OPERATING INCOME

The financial performance of Stalexport Autostrady Group is primarily affected by its motorway operations consisting in the management and operation of the toll section of the A4 Katowice-Kraków motorway, carried out by its subsidiary SAM under the Concession Agreement executed by it and binding until 15 March 2027.

The level of traffic passing through the concession section of the motorway, especially in the heavy vehicle segment, depends to a great extent on the rate of the economy development measured by the Gross Domestic Product (GDP).



In H1 2023, the average daily traffic on the concession section of the A4 Katowice-Kraków motorway amounted to 46,067 vehicles and was 1.6% higher than the traffic recorded in the corresponding period of 2022 (45,330 vehicles). Revenue from toll collection in the first half of 2023 amounted to PLN 230,764 thousand, which was 24.4% higher than in the corresponding period of 2022 (PLN 185,476 thousand).

For passenger cars, the average daily traffic increased from 37,278 vehicles in H1 2022 to 37,969 vehicles in H1 2023 (an increase of 1.9%). Whereas the revenue from the collection of passenger car tolls in H1 2023 amounted to PLN 142,525 thousand, i.e. increased by 24.1% relative to H1 2022 (PLN 114,867 thousand). The difference between the growth rate of toll revenues in relation to the growth rate of average daily traffic of passenger cars is the outcome of both changes in toll rates made on 4 July 2022 and 3 April 2023 as well as consistently growing share of automatic payments (for which lower preferential rates are applied) in traffic structure.

For heavy goods vehicles, on the other hand, average daily traffic increased by approx. 0.6%, i.e. from 8,052 vehicles in H1 2022 to 8,098 vehicles in H1 2023. As a result, the toll revenue for heavy goods vehicles in H1 2023 amounted to PLN 88,240 thousand, i.e. increased by 25% compared to H1 2022 (PLN 70,610 thousand). The difference between the growth rate of toll revenues in relation to the growth rate of average daily traffic of heavy goods vehicles is the outcome of changes in toll rates, which changed on the same dates as toll rates for passenger cars.

The table below shows the Average Daily Traffic (ADT) in H1 2023 relative to H1 2022 along with the growth rate.



**TABLE 5 | AVERAGE DAILY TRAFFIC (ADT)**

ADT	H1 2023	H1 2022	Change
 Passenger cars	37,969	37,278	1.9%
 Heavy goods vehicles	8,098	8,052	0.6%
<b>Total</b>	<b>46,067</b>	<b>45,330</b>	<b>1.6%</b>

Source: Company's own compilation

The table below shows the revenue in H1 2023 relative to H1 2022 along with the growth rate

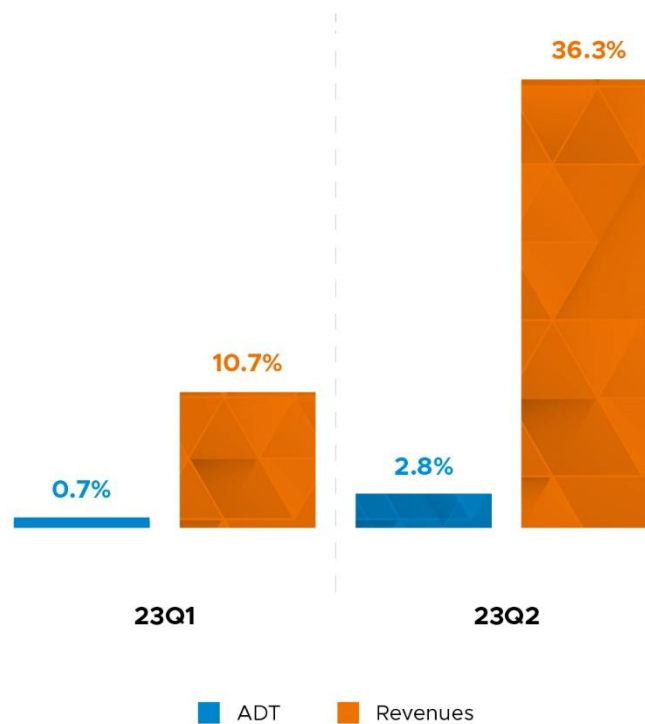
**TABLE 6 | REVENUE FROM TOLL COLLECTION**

[PLN thousand]	H1 2023	H1 2022	Change
 Passenger cars	142,525	114,867	24.1%
 Heavy goods vehicles	88,240	70,610	25%
<b>Total</b>	<b>230,764</b>	<b>185,476</b>	<b>24.4%</b>

Source: Company's own compilation

The following figures show the growth rate of Average Daily Traffic [ADT] and toll revenue in H1 2023 compared to H1 2022 on a quarterly basis, separately for passenger cars and heavy goods vehicles.

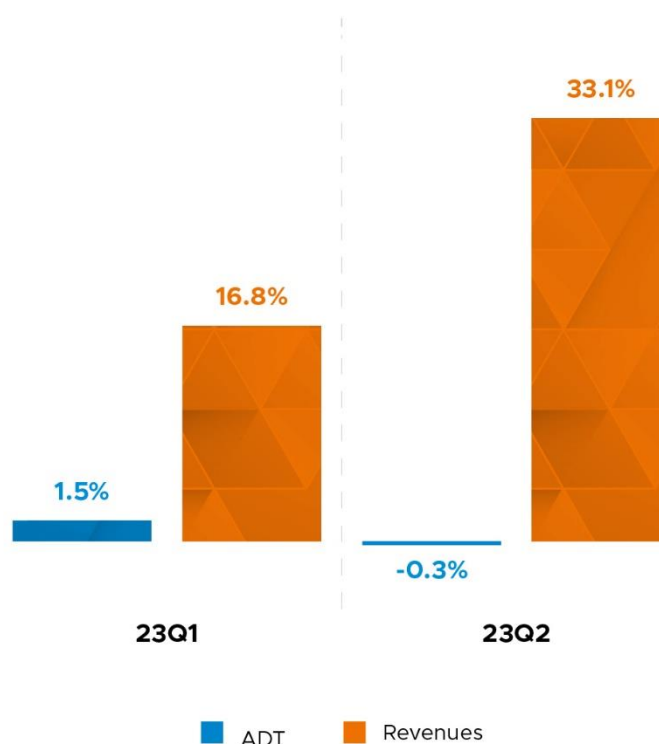
**FIGURE 3 | GROWTH RATE OF AVERAGE DAILY TRAFFIC LEVELS [ADT] AND TOLL REVENUES FOR PASSENGER VEHICLES IN THE FIRST HALF OF 2023 COMPARED TO THE FIRST HALF OF 2022 (QUARTER-TO-QUARTER)**



Source: own compilation Companies



**FIGURE 4 | GROWTH RATE OF AVERAGE DAILY TRAFFIC LEVELS [ADT] AND TOLL REVENUES FOR TRUCKS IN THE FIRST HALF OF 2023 COMPARED TO THE FIRST HALF OF 2022 (QUARTER-TO-QUARTER)**



Source: Company's own compilation

The difference in the growth rates of both traffic and revenues between quarters results from the factors described above. It is also necessary to bear in mind that in the first half of last year, the Group recorded a spot increase in traffic at the beginning of the armed conflict in Ukraine, triggered by a wave of migration and aid to Ukrainian citizens. It is worth noting that from 1 March 2022, with prior approval from the Ministry of Infrastructure, vehicles with Ukrainian licence plates, as well as vehicles or vehicle groups reported by Polish NGOs and foreign organisations and persons as providing aid to Ukrainian citizens have been exempted from payment. The exemption from toll on vehicles with Ukrainian licence plates was valid until 31 May 2022 and vehicles reported as providing humanitarian aid are still subject to the exemption.

In addition to toll collection, the Group earned additional sales revenues of PLN 595 thousand in connection with the motorway operation, including compensation for damages to the infrastructure caused by users.

Apart from motorway operations, the sales revenue of Stalexport Autostrady Group in the amount of PLN 2,183 thousand was related to the lease of space in the office building located in Katowice at ul. Mickiewicza 29 and the provision of other services. Compared to H1 2022, the amount of non-motorway revenue increased by 15.3%.

In H1 2023, other operating revenues amounted to PLN 5,348 thousand and included revenues from lease of rest areas (PLN 2,328 thousand), recovery of costs of protection against the effects of mining damage (PLN 1,465 thousand), interest on receivables (PLN 498 thousand), other (PLN 470 thousand), received compensation/damages, contractual penalties, reimbursement of fees and costs of court proceedings (PLN 460 thousand) and profit on the disposal of property, plant and equipment and intangible assets (PLN 127 thousand).

### 3.2.2. AMOUNT AND STRUCTURE OF OPERATING COSTS

In H1 2023, operating costs of Stalexport Autostrady Group amounted to PLN 169,756 thousand and were 45.8% higher than in the corresponding period of the previous year, mainly due to "Payments to the State Treasury" in the amount of PLN 51,142 thousand in the current period vs no such cost in the corresponding period.

In reference to the above, in the comparative period the Company updated the costs of works related to resurfacing, which it is obliged to complete by the end of the concession period. The result of these activities was an increase in funds available in the provision account for resurfacing compared to previous years, which in turn affected the level of cash underlying the calculation of "Payments to the State Treasury".

The increase in costs related to "Payments to the State Treasury" was partially offset by lower costs related to the establishment of provisions for resurfacing (a decrease by PLN 55,345 thousand).

In H1 2023, operating costs consisted of:

- cost of sales of PLN 80,827 thousand. The value of this group of costs was 38.9% lower than the year before (PLN 132,356 thousand), mainly due to lower costs of establishment of provisions for resurfacing (PLN 55,345 thousand);
- general and administrative expenses of PLN 88,690 thousand, which increased by PLN 60,873 thousand (218.8%) compared to the same period of the previous year, primarily due to the payment to the State Treasury mentioned above and higher Costs of external services;
- other operating expenses in the amount of PLN 230 thousand which were mainly affected by donations granted (PLN 87 thousand), costs of loss adjustment (PLN 74 thousand), fines, damages and fees (PLN 56 thousand), non-deductible VAT (PLN 6 thousand) and other (PLN 7 thousand);
- impairment losses on trade and other receivables in the amount of PLN 9 thousand.

### 3.2.3. FINANCING ACTIVITIES

In H1 2023, the Group recorded a positive balance on financing activities of PLN 8,621 thousand, i.e. the financial income generated (PLN 28,860 thousand) was higher than the financial expenses incurred (PLN 20,239 thousand). Financial income was mostly influenced by interest on cash and deposits in the amount of PLN 6,648 thousand and PLN 22,144 thousand, respectively. Financial expenses were mainly affected by the discounting of provisions in the amount of PLN 18,651 thousand and discounting of the liability due to Concession Fees in the amount of PLN 1,492 thousand.

It is worth mentioning that according to the International Accounting Standards and International Financial Reporting Standards, the above-mentioned provisions are reported by the Group in the financial statements in current values. This figure thus represents the nominal value of the liability or expected expenditure in question, discounted at the date the financial statements are prepared, using a market interest rate.

The balance on financial activities recorded in H1 2023 (PLN 8,621 thousand) was higher relative to balance recorded in H1 2022 (PLN -3,723 thousand).

## 3.3. PROPERTY AND FINANCIAL SITUATION

The table below presents a synthetic statement of financial position of the Group as at 30 June 2023. The comparison also shows the value of individual items and their structure at the end of 2022.

**TABLE 7 | SYNTHETIC STATEMENT OF FINANCIAL POSITION OF STALEXPORT AUTOSTRADY GROUP (CONSOLIDATED DATA) – AS AT 30 JUNE 2023 AND 31 DECEMBER 2022.**

figures in PLN thousand	30.06.2023	31.12.2022 *	Change	Structure	
			2023/2022	30.06.2022	31.12.2022
<b>Non-current assets</b>	<b>920,257</b>	957,840	<b>-4%</b>	62%	<b>66%</b>
<b>Current assets</b>	<b>562,568</b>	501,489	<b>12%</b>	38%	<b>34%</b>
<b>Total shareholders' equity</b>	<b>700,787</b>	699,287	<b>0%</b>	47%	<b>48%</b>
<b>Non-current liabilities</b>	<b>445,434</b>	459,030	<b>-3%</b>	30%	<b>31%</b>
<b>Current liabilities</b>	<b>336,604</b>	301,012	<b>12%</b>	23%	<b>21%</b>
<b>Balance sheet total</b>	<b>1,482,825</b>	<b>1,459,329</b>	<b>2%</b>	<b>100%</b>	<b>100%</b>

Source: own compilation Companies

\*Data restated in connection with the changes described in note 5 to the consolidated financial statements of the Group.

### 3.3.1. ASSETS

The largest **non-current asset** item was non-current cash and cash equivalents, the value of which decreased at the end of H1 2023 to PLN 468,491 thousand from PLN 490,550 thousand at the end of 2022. This was mainly the result of a decrease in cash accumulated by SAM on deposit/provision accounts created in accordance with the provisions of the Concession Agreement in order to perform strictly defined tasks (these include mainly financing of the implemented investment programme and resurfacing).

The second largest item was intangible assets, the value of which as at the end of H1 2023 amounted to PLN 329,656 thousand and consisted almost entirely of concession intangibles. Compared to the end of 2022, their value decreased by PLN 17,785 thousand. This decrease is the result of (i) depreciation of concession and other intangible assets (PLN 40,093 thousand), (ii) increase in concession intangible assets due to revaluation (PLN 21,954 thousand) and (iii) acquisition (PLN 354 thousand).

Other significant non-current asset items included deferred tax assets (PLN 82,403 thousand, up by PLN 4,255 thousand) and property, plant and equipment (PLN 32,185 thousand, down by PLN 1.721 thousand). The first item mentioned above included deferred tax assets relating to property, plant and equipment and provisions established, offset by a deferred tax liability relating mainly to concession intangibles.

In the structure of **current assets**, the largest item was cash (PLN 526,980 thousand), the value of which as at the end of H1 2023 increased by PLN 50,093 thousand relative to the balance as at the end of 2022. Another significant current asset was trade and other receivables (PLN 29,965 thousand), which increased by PLN 10,015 thousand, mainly due to an increase in receivables from other entities. In addition, inventories (PLN 4,318 thousand) increased by PLN 874 thousand compared to 2022 and current investments amounting to PLN 1,215 thousand grew by PLN 130 thousand.

### 3.3.2. LIABILITIES

As at 30 June 2023, the Group's total **liabilities and provisions** amounted to PLN 782,038 thousand, of which 57% were non-current items. The main titles of liabilities and provisions included:

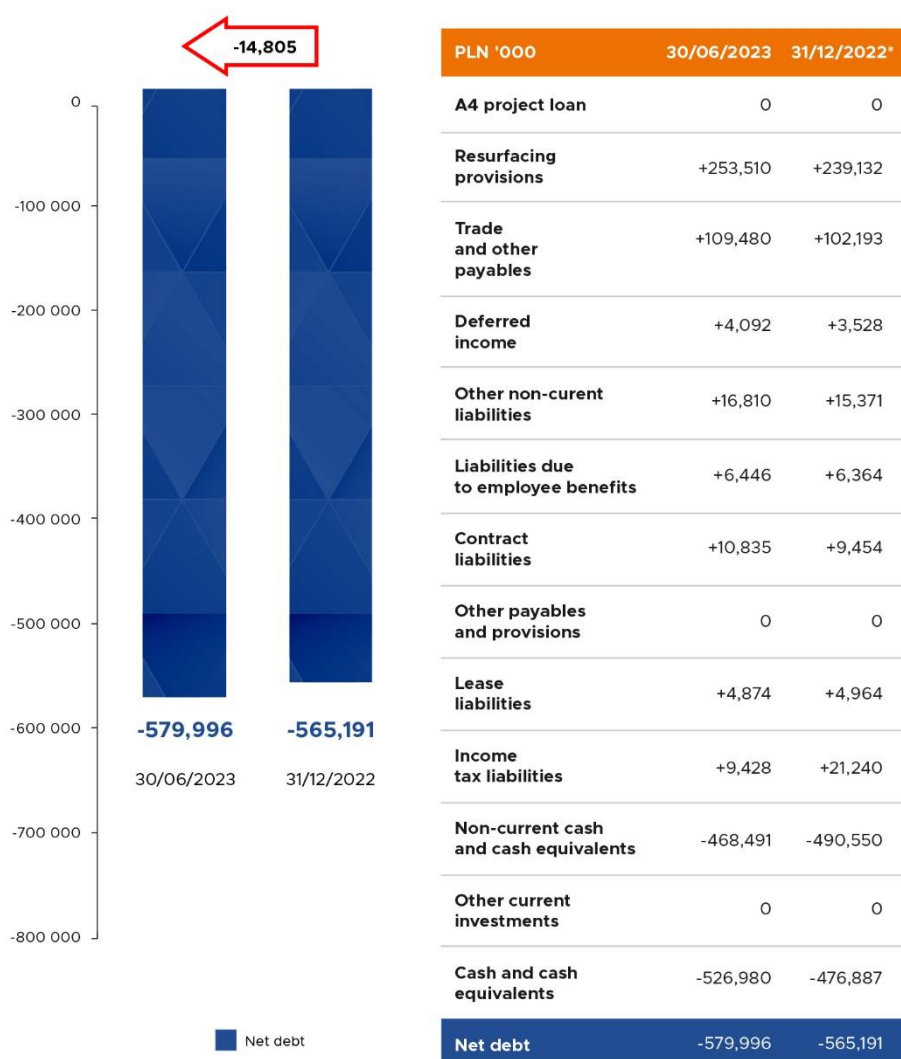
- PLN 366,563 thousand of provision for capital expenditures under Stage II of the investment project carried out on the managed section of the A4 motorway;
- PLN 253,510 thousand of provision established for the planned resurfacing;
- PLN 109,480 thousand of trade and other payables;
- PLN 16,810 thousand of other non-current liabilities (including PLN 9,201 thousand of liabilities from Concession Fees);
- PLN 10,835 thousand worth of prepaid A4 proximity cards and A4Go on-board units sold but not used for travel on the A4 Katowice-Kraków motorway;
- PLN 9,428 thousand of income tax liabilities;
- PLN 6,446 thousand of liabilities due to employee benefits;
- PLN 4,874 thousand of lease liabilities.
- PLN 4,092 thousand of prepayments for lease of Travel Service Areas and land for optical fibres (applies to the A4 Katowice-Kraków motorway section);

### 3.3.3. NET DEBT

Excluding provisions for stage II construction works from the liabilities, the Group's net debt in the first half of 2023 changed by PLN -14,805 thousand. The Group's net debt is primarily influenced by non-current cash and cash equivalents and short-term cash.

The detailed calculation of the ratio and its value at the end of H1 2023 and at 31 December 2022 is presented below.

**FIGURE 5 | GROUP NET DEBT LEVELS (CONSOLIDATED DATA) – AS AT 30 JUNE 2023 AND 31 DECEMBER 2022**



Source: Company's own compilation

\* Data restated in connection with the changes described in note 5 to the consolidated financial statements of the Group.

### 3.3.4. INVESTMENT OUTLAYS

The value of investment outlays incurred by Stalexport Autostrady Group in H1 2023 amounted to PLN 25,016 thousand and included mainly construction works carried out on the managed section of the A4 Katowice-Kraków motorway. These expenses were mainly related to the drainage system of the Silesian section of the motorway. The Group's other investment outlays include the purchase of equipment necessary for the on-going maintenance of the motorway, as well as the replacement of office equipment and means of transport. The value of investment outlays presented above also includes the Engineer's costs and design costs.

All the investment activities of the Group described above were included in planned investment outlays for 2023 and were previously approved by the Supervisory Board of Stalexport Autostrady. It is worth to note that the financing of the investment tasks under the Concession Agreement concluded by SAM is secured with own funds derived from the operation of the A4 motorway (tolls).

## » PART 4

### DEVELOPMENT PROSPECTS AND DEFINITION OF KEY RISKS AND THREATS, DESCRIPTION OF EXTERNAL AND INTERNAL FACTORS SIGNIFICANT FOR THE DEVELOPMENT OF THE GROUP

#### 4.1. GROWTH PROSPECTS

As part of its internal development strategy, the Group has taken and will continue to take steps to improve the quality of service provided to motorway users by enhancing the toll collection system which will enable customers to diversify the forms of payment for using the motorway. These measures are aimed at increasing the capacity of toll plazas and reducing transaction times. An example of such action by Stalexport Autostrady Group was the pioneering project carried out in 2016 - among concessionaires of toll motorways in Poland - to introduce electronic toll collection in microwave technology (compliant with European Union directives) under the trade name "A4Go", which enables more convenient and faster passage through toll plazas operated on the A4 Katowice-Kraków motorway section than using traditional forms of payment.

The implementation of this project was possible thanks to the experience of companies from the Mundys group in the electronic toll collection sector. Taking advantage of this experience, in 2019 the Group has taken steps to introduce other forms of electronic payment. These efforts gave rise to the introduction of so-called "videotolling" using the AutoPay app in July 2019, and led to newer and more user-friendly online store for "A4Go" being launched in 2020 ([www.a4go.pl](http://www.a4go.pl)). Subsequently, videotolling was made available also through applications such as SkyCash (July 2020.), IKO PKO BP (February 2021), mPay (January 2022) and to users of Orlen (May 2021), Shell fleet cards (April 2022) and DKV (March 2023).

Work is also underway and discussions are being held with other partners to further expand access to electronic forms of payment. The applied technological solutions may in future enable the users of the new national electronic toll collection system (e-TOLL) to travel on the motorway section managed by the Group - the so-called national interoperability. Implementation of such functionality is subject to appropriate arrangements with the Public Side, owner of e-TOLL.

#### 4.2. DESCRIPTION OF SIGNIFICANT RISK FACTORS, THREATS AND WAYS OF COUNTERACTING THOSE RISKS AS WELL AS CHARACTERISTICS OF EXTERNAL AND INTERNAL FACTORS SIGNIFICANT FOR THE DEVELOPMENT OF THE COMPANY AND STALEXPORT AUTOSTRADY GROUP

The principal risks, threats and the external and internal factors relevant to the Group's and the Company's operations can be divided into three main areas, related to:

- **the A4 Katowice-Kraków project under implementation.**

This area is dominated by risks and factors of economic and financial nature connected with the general economic situation and the current situation on the construction works market, including the growing prices of such work as well as risks of political and legal nature.

The **economic situation** prevailing in the country primarily affects the number of vehicles using the A4 motorway (this factor mainly affects truck traffic), and thus the level of toll revenues generated by the Concessionaire. The Group mitigates this risk by applying an appropriate (optimal) pricing policy and takes steps to improve the

quality of customer service on the motorway section it manages by improving the toll collection system currently in place, allowing customers to diversify the forms of payment for using the motorway.

As for the **market for construction works**, a good economic situation raises the prices of construction services and reduces the effectiveness of the A4 Katowice-Kraków project, while in a weak economic situation the Group is able to obtain more favourable conditions for the performance of the necessary works, and thus more funds are available to the shareholders. The Company seeks to mitigate the risk in this area by actively managing the schedule of planned and executed construction works as part of its rights under the Concession Agreement.

Institutional and legal instability of the environment regulating the infrastructure sector in Poland is the main factor from a group of **political and legal risks**. By promoting good practices and solutions aimed at creating an appropriate legal framework for the implementation of infrastructural projects and through active participation in the public discussion on new legislative solutions, among other things, the Company seeks to counteract those risks. The group of these risks also includes potential actions aimed at changing the applicable laws which may affect the level of revenues or expenses of the A4 Katowice-Kraków project. It is worth noting here that the Concession Agreement contains provisions allowing the State Treasury to seek compensation if the public side carries out activities which have a negative impact on the profitability of the A4 Katowice-Kraków project.

Regulations concerning toll collection on motorways may be quoted as an example of the above. As of 1 July 2023, toll for light vehicles on state motorways has been abolished. In turn, as at the date of this report, the abolition of motorway toll for light vehicles on concession sections, which include the A4 Katowice-Kraków motorway, has the dimension of a political declaration and has not been the subject of discussions between the Concessionaire and the relevant institutions of the State Treasury. It is difficult to estimate the potential effects of the above unless and until the Ministry of Infrastructure presents a draft solution taking into account all aspects of functioning of the concession until its expiry in 2027, together with the financial implications for both parties to the Concession Agreement.

Additional risks are also related to the decision of the Polish Office of Competition and Consumer Protection (UOKiK) of 2008, in which the Office stated, among other things, that the Concessionaire's practice restricted competition by "imposing unfair prices for using the toll section of the motorway in the amount specified in the price list, despite repair works being carried out at the same time on that section, resulting in major traffic disruption" and ordered that these practices be ceased. The Concessionaire should take into account the provisions of the decision in the implementation of the policy of setting toll rates when carrying out future renovations that cause significant impediments to vehicle traffic. The Company has mitigated this risk by implementing the following documents: (i) Rules for Conducting Works on the Motorway Causing Traffic Congestion and (ii) Rules for Applying Discounts to Motorway Toll Rates in the Event of Conducting Construction/Repair Works Between Toll Plazas Resulting in the Failure to Meet the Motorway Standard.

On 10 February 2023, the Company was informed that the Concessionaire had received, on the same day, from the Director of the Office of Competition and Consumer Protection Branch in Katowice, authorised to act by the President of the Office, a request to provide information and documents in connection with the explanatory proceedings conducted before the Office aimed at determining on a preliminary basis whether, in connection with the rules for determining and collecting tolls on the A4 motorway, there may have been a violation of the provisions of the Act on Competition and Consumer Protection, justifying the initiation of anti-monopoly proceedings. Until the date of publishing of this Report, the Concessionaire has provided a certain amount of information and a number of documents required by the Office indicated in the aforementioned and subsequent requests, thus complying with its obligation at this stage of the explanatory proceedings.

In addition, the time frame for the operation of the A4 Katowice-Kraków project, combined with a buoyant mood on the labour market, may create the risk of not ensuring sufficient resources of suitably qualified personnel. The Company has taken measures to curb the emergence of the above-mentioned risk by creating appropriate loyalty and retention programmes for employees.

- **rental of office space and investment of cash resources held.**

This area includes risks related to the economic situation and investment climate as well as market interest rate risk.

**The economic situation** prevailing in the country is directly reflected in the office space rental market, and thus influences the volume of vacant (unrented) space and the level of rents. The Company mitigates this risk by applying a flexible pricing policy and other measures aimed at increasing the attractiveness of office space and improving the safety of its users. Moreover, the Company is constantly conducting activities aimed at attracting new tenants.

Due to the revenue structure and nature of the Company's business, its financial results are subject to **interest rate risk**. This risk arises from the volatility of financial markets and manifests itself in changes in the price of money. Stalexport Autostrady limits this risk by diversifying the terms for which the accumulated funds are invested.

- **overall activities carried out by the Group.**

The aforementioned institutional and legal instability of the environment does not refer only to the performance of the A4 Katowice-Kraków project, but to the entire activity of the Company and its Group, with particular focus on the fact that Stalexport Autostrady operates as a public company. The Company tries to counteract these risks by on-going monitoring of changes in legal regulations (domestic and EU), using advisory services of companies specialising in a given field, participation of the Management Board and employees responsible for a given area of the Company's operations in trainings and conferences devoted to new regulations, and implementing appropriate procedures and good practices both at the level of the Company and of the entire Group.

In addition to the risks described above, which have accompanied the Company's operations for years, a new risk emerged in 2022 **associated with the armed conflict in Ukraine**, the course and impact of which on the economic situation are currently difficult to predict. At the moment of writing of this report, the Company does not see any threat to the continuity of its operations. However, the Group will monitor on an ongoing basis the impact of the political and economic situation in Ukraine on the Group's activities, including its future financial standing and financial performance.

The responsibility for proper identification of risks in all the aforementioned areas of activity of the Company and of the Group and their owners, as well as for setting an acceptable level of risk, rests with the Management Board, which is supported in the above areas by Chief Risk Officer appointed both at Stalexport Autostrady and its subsidiaries.



## » PART 5

### SUMMARY

In conclusion of the presentation of the Report, we wish to emphasise that Stalexport Autostrady Group, operating in the motorway sector, has solid financial foundations which guarantee the stability of its current operations and create opportunities for the implementation of future, usually very capital-intensive projects, related to the construction and management of motorways.

28 September  
2023

*Date*

**Andrzej Kaczmarek**

President of the Management Board

*Signed with a qualified  
electronic signature*

28 September  
2023

*Date*

**Mariusz Serwa**

Vice-President of the Management Board, Chief  
Financial Officer

*Signed with a qualified  
electronic signature*

## » PART 6

**STATEMENTS OF THE MANAGEMENT BOARD THAT TO THE BEST OF THEIR KNOWLEDGE, THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND COMPARATIVE DATA HAVE BEEN PREPARED IN ACCORDANCE WITH THE APPLICABLE ACCOUNTING PRINCIPLES AND THAT THEY GIVE A TRUE, RELIABLE AND FAIR VIEW OF THE PROPERTY AND FINANCIAL SITUATION OF THE GROUP AND ITS FINANCIAL RESULT AND THAT THE INTERIM REPORT OF THE MANAGEMENT BOARD ON THE OPERATIONS OF THE COMPANY'S CONTAINS A TRUE REPRESENTATION OF THE GROWTH, ACHIEVEMENTS AND SITUATION OF THE COMPANY'S GROUP, INCLUDING THE DESCRIPTION OF PRINCIPAL THREATS AND RISKS**

### Statement

We hereby represent that to the best of our knowledge the condensed interim consolidated financial statements of the Company for H1 2023 and comparative data have been prepared in compliance with the applicable accounting principles and that they give a true, fair and clear view of the property and financial position, as well as of the financial result of Stalexport Autostrady.

We also declare that the Report of the Management Board on the operations of Stalexport Autostrady S.A. in H1 2023 contains a true representation of the growth, achievements and situation of the Company, including the description of principal threats and risks.

28 September  
2023

*Date*

**Andrzej Kaczmarek**

President of the Management Board

28 September  
2023

*Date*

**Mariusz Serwa**

Vice-President of the Management Board, Chief  
Financial Officer

## APPENDIX

- [Appendix 1](#) Selected financial data of Stalexport Autostrady
- [Appendix 2](#) Selected financial data of Stalexport Autostrady Group

## APPENDIX 1

### SELECTED FINANCIAL DATA OF STALEXPORTE AUTOSTRADY

**TABLE 8 | FINANCIAL DATA RELATING TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS OF STALEXPORTE AUTOSTRADY FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2023**

	in PLN thousand		in EUR thousand	
	H1 2023	H1 2022	H1 2023	H1 2022
Revenue	<b>2,312</b>	2,019	<b>501</b>	435
Loss on operating activities	<b>(3,929)</b>	(2,766)	<b>(852)</b>	(596)
Profit before tax	<b>57,611</b>	47,468	<b>12,489</b>	10,224
Net profit for the reporting period	<b>57,041</b>	46,897	<b>12,365</b>	10,101
Weighted average number of shares at the end of the period (in thousands)	<b>247,262</b>	247,262	<b>247,262</b>	247,262
Earnings per ordinary share (in PLN/EUR)	<b>0.23</b>	0.19	<b>0.05</b>	0.04
Diluted earnings per ordinary share (in PLN/EUR)	<b>0.23</b>	0.19	<b>0.05</b>	0.04
Net cash from operating activities	<b>(2,588)</b>	(77)	<b>(561)</b>	(17)
Net cash from investing activities	<b>56,608</b>	45,269	<b>12,271</b>	9,751
Net cash from financing activities	<b>(49,630)</b>	(59,469)	<b>(10,759)</b>	(12,809)
Total net cash flows	<b>4,390</b>	(14,277)	<b>952</b>	(3,075)
	<b>30.06.2023</b>	<b>31.12.2022</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
Total assets	<b>319,435</b>	311,975	<b>71,778</b>	66,521
Non-current assets	<b>79,982</b>	81,451	<b>17,972</b>	17,367
Current assets	<b>239,453</b>	230,524	<b>53,806</b>	49,153
Total payables	<b>7,837</b>	7,989	<b>1,761</b>	1,703
Non-current liabilities	<b>5,748</b>	5,292	<b>1,292</b>	1,128
Current liabilities	<b>2,089</b>	2,697	<b>469</b>	575
Total equity	<b>311,598</b>	303,986	<b>70,017</b>	64,817

Source: Company's own compilation

Selected financial data was converted into EUR according to the following principles:

- individual items of the consolidated statement of comprehensive income and the consolidated cash flow statement for H1 2023 and H1 2022 according to the exchange rate being the arithmetic mean of the average exchange rates announced by the National Bank of Poland, in force on the last day of each month of the fiscal period, i.e. 4.613 PLN/EUR and 4.6427 PLN/EUR, respectively;
- individual asset and liability items at the average exchange rate announced by the National Bank of Poland as at the balance sheet date, i.e. respectively 4.4503 PLN/EUR as at 30 June 2023 and 4.6899 PLN/EUR as at 31 December 2022.



## APPENDIX 2

### SELECTED FINANCIAL DATA OF STALEXPORT AUTOSTRADY GROUP

**TABLE 9 | FINANCIAL DATA RELATING TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF STALEXPORT AUTOSTRADY GROUP FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2023**

	in PLN thousand		in EUR thousand	
	H1 2023	H1 2022*	H1 2023	H1 2022*
Revenue	<b>233,543</b>	187,720	<b>50,627</b>	40,433
Profit on operating activities	<b>69,135</b>	30,000	<b>14,987</b>	6,462
Profit before tax	<b>77,823</b>	26,339	<b>16,870</b>	5,673
Net profit for the reporting period	<b>57,495</b>	15,935	<b>12,464</b>	3,432
Net profit attributable to owners of the Parent Company	<b>54,099</b>	12,837	<b>11,728</b>	2,765
Weighted average number of shares at the end of the period (in thousands)	<b>247,262</b>	247,262	<b>247,262</b>	247,262
Earnings per share attributable to owners of the Parent Company (in PLN/EUR)	<b>0.22</b>	0.05	<b>0.05</b>	0.01
Diluted earnings per share attributable to owners of the Parent Company (in PLN/EUR)	<b>0.22</b>	0.05	<b>0.05</b>	0.01
Net cash from operating activities	<b>78,947</b>	72,524	<b>17,114</b>	15,621
Net cash from investing activities	<b>3,922</b>	(18,821)	<b>850</b>	(4,054)
Net cash from financing activities	<b>(54,835)</b>	(62,936)	<b>(11,887)</b>	(13,556)
Total net cash flows	<b>28,034</b>	(9,233)	<b>6,077</b>	(1,989)
	<b>30.06.2023</b>	<b>31.12.2022*</b>	<b>30.06.2023</b>	<b>31.12.2022*</b>
Total assets	<b>1,482,825</b>	1,459,329	<b>333,197</b>	311,164
Non-current assets	<b>920,257</b>	957,840	<b>206,785</b>	204,235
Current assets	<b>562,568</b>	501,489	<b>126,411</b>	106,930
Total payables	<b>782,038</b>	760,042	<b>175,727</b>	162,059
Non-current liabilities	<b>445,434</b>	459,030	<b>100,091</b>	97,876
Current liabilities	<b>336,604</b>	301,012	<b>75,636</b>	64,183
Total equity	<b>700,787</b>	699,287	<b>157,470</b>	149,105
Equity of owners of the Parent Company	<b>696,704</b>	692,177	<b>156,552</b>	147,589
Non-controlling interest	<b>4,083</b>	7,110	<b>917</b>	1,516
Share capital	<b>185,447</b>	185,447	<b>41,671</b>	39,542

Source: Company's own compilation

\*Data restated in connection with the changes described in note 5 to the consolidated financial statements of the Group.

*Selected financial data was converted into EUR according to the following principles:*

- a) individual items of the consolidated statement of comprehensive income and the consolidated cash flow statement for H1 2023 and H1 2022 according to the exchange rate being the arithmetic mean of the average exchange rates announced by the National Bank of Poland, in force on the last day of each month of the fiscal period, i.e. 4.613 PLN/EUR and 4.6427 PLN/EUR, respectively;*
- b) individual asset and liability items at the average exchange rate announced by the National Bank of Poland as at the balance sheet date, i.e. respectively 4.4503 PLN/EUR as at 30 June 2023 and 4.6899 PLN/EUR as at 31 December 2022.*