

*This document constitutes a translation of the Management Board's Report on the activities of the Company and the Capital Group of Stalexport Autostrady S.A. in 2021, which was originally issued in Polish. In case of ambiguities in interpretation of terminology, the Polish terminology should be treated as binding.*



# REPORT

OF THE MANAGEMENT BOARD ON THE  
ACTIVITIES OF THE COMPANY AND OF  
THE STALEXPORT AUTOSTRADY S.A.  
GROUP FOR THE FINANCIAL YEAR 2021

Mysłowice, 28 February 2022

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## DEFINITIONS AND ABBREVIATIONS

The table below presents the definitions of the abbreviations used in this Report.

<b>ADT</b>	Average Daily Traffic
<b>Atlantia</b>	Atlantia S.p.A. with its registered office in Rome (Italy)
<b>Biuro Centrum</b>	Biuro Centrum Sp. z o.o. with its registered office in Katowice
<b>DPSN 2016</b>	“Best Practice of GPW Listed Companies 2016” adopted by resolution No. 26/1413/2015 of the Supervisory Board of the Warsaw Stock Exchange [GPW] on 13 October 2015, entered into force on 1 January 2016, and remained in force until 30 June 2021.
<b>DPSN 2021</b>	“Best Practice of GPW Listed Companies 2021” adopted by resolution No. 13/1834/2021 of the Supervisory Board of GPW on 29 March 2021 and entered into force on 1 July 2021.
<b>Ernst &amp; Young</b>	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k. with its registered office in Warsaw, at Rondo ONZ 1, entered on the list of entities authorised to audit financial statements kept by the National Chamber of Statutory Auditors under No. 130
<b>GDDKiA</b>	General Directorate for National Roads and Motorways
<b>GPW</b>	Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.)
<b>Capital Group, Stalexport Autostrady Group, Group</b>	The Stalexport Autostrady S.A. Capital Group with its registered office in Mysłowice
<b>KSH, Commercial Companies Code</b>	Act of 15 September 2000 – Code of Commercial Companies and Partnerships (Polish Journal of Laws Dz.U of 2000 No. 94 item 1037 as amended)
<b>Pavimental Polska</b>	Pavimental Polska Sp. z o.o. with its registered office in Trzebinia (32-450), at ul. Słowackiego 49
<b>Ordinance on current and periodic information</b>	Ordinance of the Minister of Finance of 29 March 2018 concerning current and periodic information provided by issuers of securities and the conditions for considering as equivalent information required by the law of a non-member state as equivalent (Dz.U. of 2018, item 757).

<b>SAM, Concessionaire</b>	Stalexport Autostrada Małopolska S.A. with its registered office in Mysłowice
<b>Report</b>	Report of the Management Board on the activities of the Company and of the Stalexport Autostrady S.A. Group for the financial year 2021
<b>Stalexport Autostrady, Company, Issuer</b>	Stalexport Autostrady S.A. with its registered office in Mysłowice
<b>Concession Agreement</b>	The Concession Agreement dated 19 September 1997 on construction by adaptation of the A4 motorway on the following section: Katowice (Murckowska Junction, 340.2 km) – Kraków (Balice Junction, 401.1 km) to the toll motorway standards and motorway operation on this section, including modifications made on the basis of subsequent amendments, the rights and obligations under which were transferred in their entirety from Stalexport Autostrady to SAM on 28 July 2004
<b>Act on Auditors</b>	Act of 11 May 2017 on statutory auditors, auditing firms and public supervision (Dz.U. of 2017, item 1089)
<b>Act on Offering</b>	Act of 29 July 2005 on public offering and the conditions for introducing financial instruments to the organised trading system, and on public companies (Dz.U. of 2005, item 1539, uniform text)
<b>UOKiK</b>	Act of 29 July 2005 on public offering and the conditions for introducing financial instruments to the organised trading system, and on public companies (Dz.U. of 2005, item 1539, uniform text)
<b>VIA4</b>	VIA4 Spółka Akcyjna with its registered office in Mysłowice
<b>General Meeting</b>	General Meeting of Shareholders



## PART 1

### LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD OF STALEXPORT AUTOSTRADY



**Dear Sir, Dear Madam,**

**Dear Shareholders,**

The year 2021, just like 2020, was overshadowed by the constant economic and social uncertainty related to the emergence of the successive waves of the coronavirus pandemic, with restrictions imposed and loosened with regard to very many branches of the economy, which obviously also affected the functioning of our most important project – the A4 Katowice–Kraków motorway.

Despite the constant increase in traffic intensity in the successive months of 2021, the average annual traffic intensity of 42,857 vehicles per day was still approx. 6% lower compared to the pre-pandemic year, 2019, but 17.5% higher compared to 2020. Passenger car traffic increased by 18.2% in 2021 vs 2020 and amounted to approx. 35,225 vehicles per day, while heavy goods vehicle traffic amounted to 7,631 vehicles per day and was 14.6% higher vs 2020. We recorded the largest increases in both passenger car and heavy goods vehicle traffic in Q2 2021, and the highest traffic intensity, as high as 56,000 vehicles per day, in August 2021.

As far as toll revenue is concerned, it was 24.5% higher in 2021 vs 2020, amounting to PLN 355,715 thousand. Toll revenue from passenger cars amounted to PLN 224,721 thousand, i.e. it was 31.3% higher vs 2020, while toll revenue from heavy goods vehicles was 14.4% higher vs 2020, amounting to PLN 130,994 thousand .

The higher growth dynamics of toll revenues in relation to the growth dynamics of the average daily traffic results from the change in the toll rate for passenger vehicles starting from 1 October 2020, from PLN 10 to PLN 12 for the regular rate and from PLN 7 to PLN 8 for the preferential rate for automatic payment users, another change in the preferential rate for passenger vehicles starting from 1 October 2021 (from PLN 8 to PLN 9), as well as the increase, starting from 1 October 2021, of the toll rates for category 2 and 3 vehicles from PLN 20 to PLN 22 and the abolition of preferential rates for heavy goods vehicles.

Sales revenues recorded by the Stalexport Autostrady Group in 2021 reached PLN 360,162 thousand and were 24% higher than in 2020, while the Group's net profit amounted to PLN 95,415 thousand and was 4% higher vs 2020.

The significantly lower growth dynamics in net profit was influenced mainly by own costs of sales, which increased by 30.3% compared to 2020, mostly due to the increase in depreciation and amortisation expenses from PLN 58,779 thousand to PLN 80,232 thousand. General and administrative expenses also increased by 12.4 per cent, to PLN 113,522 thousand, mostly due to the higher "Payments to the State Treasury", which amounted to PLN 63,249 thousand in 2021 (vs PLN 44,610 thousand in 2020). We would like to remind you at this point that the "Payments to the State Treasury" result from the obligations of the concessionaire of the A4 Katowice–Kraków motorway, i.e. Stalexport Autostrada Małopolska S.A., set forth in the Concession Agreement, and constitute the State Treasury's share in the profits from the motorway project.

The Group's EBIDTA result improved by 29.2% vs 2020, amounting to PLN 205,565 thousand (vs PLN 159,070 thousand in 2020).

As far as the separate result of Stalexport Autostrady is concerned, the company ended 2021 with 7% higher sales revenue vs 2020, amounting to PLN 3,709 thousand. Sales revenue results primarily from the lease of office space and parking spaces in the office building in Katowice. At the same time, the Company's net profit was 63% lower vs 2020, amounting to PLN 57,723 thousand (vs PLN 157,577 thousand in 2020). The net result was influenced mostly by the Company's 62% lower financial income, the largest item of which being dividends received (in 2021: PLN 62,179 thousand, vs PLN 164,147 thousand in 2020).

Despite the difficulties resulting from the pandemic economic situation in 2021, the Stalexport Autostrady S.A. Group continued to implement the investment programme it is obliged to implement under the Concession Agreement. The capital expenditures incurred by the Group amounted to PLN 50,205 thousand (over 20% more than in 2020) and included mainly construction works related to the drainage of the Silesian section of the A4 Katowice–Kraków motorway and modernisation of culverts under the motorway pavement. All the above-mentioned investment activities of the Group were allowed for in the capital expenditure budget for 2021 and had been approved earlier by the Supervisory Board of Stalexport Autostrady.

Last year, activities were continued aimed at reducing transaction times and increasing toll plaza capacity on the A4 Katowice–Kraków motorway. Videotolling, i.e. toll collection based on number plate recognition using mobile applications, was extended by adding the new PKO Bank Polski IKO app, and additionally it was also linked to ORLEN fleet cards. In January 2022 another mobile app was added – mPay. We also made slight changes to the traffic flow management plan at the toll plazas, enabling drivers using automatic payment methods (A4Go electronic toll collection and videotolling) to drive through more rapidly by opening extra gates in each direction of travel dedicated only to such payments, and by improving the marking of the respective gates. In addition, we installed outside bank and fleet card readers on the tolling booths. The measures described above not only reduce transaction times, but also ensure the safety of travellers and of our Group's employees at the time of the coronavirus.

I invite you to read the financial statements of Stalexport Autostrady S.A. and of the Stalexport Autostrady Group as well as the Management Board's Report on the activities of the Company and of the Group for the financial year 2021. I would like to draw your attention to a new item in this Report, containing information on the expenditures of the Group companies allocated to social objectives. The largest items among these are donations for medical care provided to people with serious illnesses in the Silesia region.

I would like to thank all shareholders and partners for their interest in Stalexport Autostrady and in its Capital Group. I would furthermore like to thank members of the Supervisory Boards for the good collaboration and for supporting our activities.

My thanks also go to the employees of the companies from the Group for their dedication, professional approach, and diligent work.

Enjoy your reading!

Yours faithfully,

President of the Management Board  
CEO

Emil Wąsacz

## PART 2

### BASIC INFORMATION ON THE COMPANY AND ON THE STALEXPORT AUTOSTRADY GROUP

#### 2.1. STALEXPORT AUTOSTRADY S.A.

ul. Piaskowa 20  
41-404 Mysłowice  
tel. +(48) 32 762 75 45

**Management Board:**  
Emil Wąsacz -

President of the Management Board,  
CEO

Mariusz Serwa –  
Vice-President of the Management  
Board, CFO

KRS [company reg. no.]: 0000016854  
NIP [tax ID]: 634-013-42-11  
REGON [statistical no.]: 271936361

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

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

Stalexport Autostrady S.A. plays the primary role in the Group which focuses on the upgrade and expansion of motorway infrastructure. The Company was the first Polish company to be granted, in 1997, a concession to implement the pioneering project with regard to the operation, alteration and adaptation of the Katowice–Kraków section of the A4 motorway to toll motorway requirements.

In 2004, the concession was transferred to an entity established specifically for the purpose of implementing 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. As at 31 December 2021 and as at the date of the Report, Atlantia held 61.2% of the Company's share capital. For more information about the Atlantia group, visit its web page at [www.atlantia.it](http://www.atlantia.it).

Apart from the activities associated with the construction and operation of toll motorways, Stalexport Autostrady also leases out office space in a building it co-owns, located in Katowice.

## 2.2. STALEXPORT AUTOSTRADY CAPITAL GROUP

The activities of the Company and of the entities belonging to its Capital Group focus primarily on activities related to motorways. They include operation and maintenance of the Katowice–Kraków section of the A4 motorway.

These activities are carried out through the SAM and VIA4 companies.

Additionally, in relation to the fact that Stalexport Autostrady Capital Group co-owns an office building in the centre of Katowice, it provides services related to the leasing of office and parking spaces.

These activities are carried out by the Company itself as the co-owner of the property, as well as by its affiliate Biuro Centrum Sp. z o.o. as the property managing entity.

**FIGURE 1 | ORGANISATIONAL CHART OF THE STALEXPORT AUTOSTRADY GROUP AS AT 31 DECEMBER 2021**



Source: The Company's own compilation

## 2.3. ENTITIES COVERED BY THE CONSOLIDATION AND THE METHODS OF THEIR CONSOLIDATION

Stalexport Autostrady is the parent company and it draws up the consolidated financial statements. The entities covered by consolidation as at 31 December 2021, except the parent entity, are described in the following table.

**TABLE 1 | ENTITIES BEING PART OF THE GROUP AS AT 31 DECEMBER 2021 (EXCEPT THE COMPANY)**

Company name	Registered office	Main area of activity	Company status	Share in capital and in total number of votes	Date of taking control/ Acquisition date	Consolidation method
<b>Stalexport Autostrada Małopolska S.A.</b>	Mysłowice	Motorway construction and operation	Subsidiary	100%	1998	Full method
<b>VIA4 S.A.</b>	Mysłowice	Motorway operation	Subsidiary	55%	1998	Full method
<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	Inactive	Subsidiary	100%*	2005	-

*\*entity not covered by consolidation due to existing limitations regarding control exercise*

Source: The Company's own compilation

The table below includes basic consolidated data of Stalexport Autostrady Group as well as separate data regarding the three major entities belonging to the Group, i.e. Stalexport Autostrady, SAM and VIA4. Apart from the results achieved by the said companies in 2021, for the purpose of comparison, the results are also included achieved by the companies in the corresponding period of the previous year, while as regards the balance sheet data, figures are presented as at 31 December 2021 and as at 31 December 2020.

**TABLE 2 | BASIC FINANCIAL DATA OF SELECTED ENTITIES FROM THE GROUP [FIGURES IN PLN'000]**

balance sheet data	Group		Stalexport Autostrady		SAM		VIA4	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
<b>Non-current assets</b>	<b>998,383</b>	1,003,802	<b>80,088</b>	76,870	<b>985,245</b>	994,609	<b>15,809</b>	15,306
<b>Current assets</b>	<b>351,970</b>	428,419	<b>242,300</b>	345,485	<b>102,811</b>	97,314	<b>16,571</b>	14,128
<b>Total shareholders' equity</b>	<b>799,019</b>	865,879	<b>314,371</b>	414,836	<b>540,200</b>	508,251	<b>12,376</b>	10,785
<b>Non-current payables</b>	<b>353,754</b>	405,373	<b>3,217</b>	5,520	<b>352,271</b>	402,591	<b>11,806</b>	11,029
<b>Current payables</b>	<b>197,580</b>	160,969	<b>4,800</b>	1,999	<b>195,585</b>	181,081	<b>8,198</b>	7,620
<b>Net debt*</b>	<b>-674,249</b>	-726,145	<b>-228,083</b>	-307,964	<b>-436,674</b>	-387,717	<b>15,052</b>	13,036
performance data	2021	2020	2021	2020	2021	2020	2021	2020
<b>Revenues from sales</b>	<b>360,162</b>	289,545	<b>3,709</b>	3,463	<b>355,715</b>	285,619	<b>52,269</b>	45,651
<b>Gross profit/loss from sales</b>	<b>235,030</b>	193,476	<b>-985</b>	-1,132	<b>214,156</b>	175,470	<b>18,934</b>	15,458
<b>EBITDA**</b>	<b>205,565</b>	159,070	<b>-5,958</b>	-6,009	<b>196,094</b>	151,566	<b>16,781</b>	14,835
<b>EBIT</b>	<b>125,333</b>	100,291	<b>-6,620</b>	-6,662	<b>117,282</b>	94,350	<b>13,789</b>	11,898
<b>Result on financial activities</b>	<b>-1,718</b>	-1,368	<b>62,330</b>	165,505	<b>-714</b>	-1,594	<b>-370</b>	-312
<b>Net profit/loss</b>	<b>95,415</b>	91,456	<b>57,723</b>	157,577	<b>88,963</b>	89,152	<b>10,800</b>	9,322
<b>EBIT margin***</b>	<b>35%</b>	35%	<b>-178%</b>	-192%	<b>33%</b>	33%	<b>26%</b>	26%
<b>ROE</b>	<b>12%</b>	11%	<b>18%</b>	38%	<b>16%</b>	18%	<b>87%</b>	86%

\* Net debt = total liabilities – provision for capital expenditures – non-current deposits – cash and cash equivalents

\*\*EBITDA = EBIT + depreciation and amortisation

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

Source: The Company's own compilation

## 2.4. DESCRIPTION OF OTHER COMPANIES OF THE STALEXPORT AUTOSTRADY GROUP

### 2.4.1. STALEXPORT AUTOSTRADA MAŁOPOLSKA S.A.

ul. Piaskowa 20  
41-404 Mysłowice  
tel. +(48) 32 762 75 55

**Management Board:**

**Emil Wąsacz** – President of the Management Board  
**Mariusz Serwa** – Vice-President of the Management Board, CFO  
**Paweł Kocot** – Member of the Management Board

**KRS [company reg. no.]: 0000026895**  
**NIP [tax ID]: 634-22-62-054**  
**REGON [statistical no.]: 273796214**

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

**Ownership structure:**  
**100% – Stalexport Autostrady**  
(through Stalexport Autoroute)

**www.autostrada-a4.pl**

SAM was established on the basis of the notarial deed of 19 December 1997 as a company which at that time was intended as a special purpose vehicle in the project consisting in the management of the A4 motorway on the Katowice–Kraków section.

The activities provided for in the Company's Statutes include management of motorway projects as well as all the tasks resulting from the applicable Concession Agreement, which encompasses management of construction, adaptation to the requirements of a toll motorway and operation of the A4 motorway Katowice–Kraków section (the aforementioned concession was initially granted to Stalexport Autostrady, and subsequently transferred to SAM pursuant to the decision of the Minister of Infrastructure of 28 July 2004).

Pursuant to the Concession Agreement, SAM was authorised to collect lease fees and toll for using the above-mentioned motorway section. In line with the provisions of this Concession Agreement, the entity is, in exchange, obliged to provide ongoing maintenance of the motorway and continue other necessary investment tasks.

SAM finances its operations with the revenue generated from toll collection and other revenue, including the received lease fees.

For the implementation of the assumed investment programme, on the other hand, SAM obtained external financing in the amount of up to PLN 380 million under the Project Loan Agreement entered into on 28 December 2005 with the Financing Banks.

On 24 July 2019, the Management Board of SAM adopted a resolution pursuant to which it decided to make a full prepayment of the outstanding debt under the Project Loan Agreement on 30 September 2019 and, after making the aforementioned prepayment, to take all factual or legal actions to have the collateral for the debt resulting from the Project Loan Agreement deleted from the relevant registers.

Selected financial data of SAM are presented in Table no. 2.

## 2.4.2. VIA4 S.A.

ul. Piaskowa 20  
41-404 Mysłowice  
tel. +(48) 32 762 73 50

**Management Board:**  
**Andrzej Gienieczko\*** –

President of the Management Board

**Mieczysław Skołożyński** –

Vice-President of the Management  
Board

**KRS [company reg. no.]: 0000162861**

**NIP [tax ID]: 634-22-98-951**

**REGON [statistical no.]: 276194390**

**Share capital:**

**PLN 500,000**

**(paid-up in full)**

**Ownership structure:**

**55% – Stalexport Autostrady**  
(through Stalexport Autoroute)

**45% - Egis Road Operation S.A.**  
(France)

**www.via4.pl**

\*from July 1, 2021 (until June 30, 2021–  
Henri Skiba)

The company VIA4 was established on the basis of the notarial deed of 14 May 1998. The business of VIA4 consists in activity related to the operation of the A4 toll motorway on the Katowice–Kraków section. The entity effectively renders its services to its only customer, namely SAM as the entity managing this motorway section pursuant to the Concession Agreement.

For the services it performs, the entity receives lump-sum remuneration, the value of which depends mainly on the level of traffic on the motorway and on the inflation rate.

The main tasks performed by VIA4 comprise the services consisting in ongoing operation and maintenance of the A4 toll motorway section (Katowice–Kraków), including: operation of the toll collection system; management of motorway traffic; maintenance, i.e. keeping the motorway facilities in proper technical condition; comprehensive maintenance of the entire motorway right-of-way; winter maintenance of the motorway; management and consulting, in particular with respect to future repairs and renovation of the road surface and projects related to road standard improvement.

VIA4 also carries out equally important tasks related to safety and road traffic: 24/7 motorway patrols, which in cooperation with the Motorway Management Centre ensure possibly quick incident detection; operation of the SOS telephone system along the motorway right-of-way; cooperation with the police and other services in order to ensure unobstructed traffic flow on the motorway in case of collisions, accidents or other incidents.

Selected financial data of VIA4 are presented in Table no. 2.



### 2.4.3. BIURO CENTRUM SP. Z O.O.

ul. Mickiewicza 29  
40-085 Katowice  
tel. +(48) 32 207 22 08

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

**KRS [company reg. no.]: 0000087037**  
**NIP [tax ID]: 634-10-03422**  
**REGON [statistical no.]: 272254793**

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

**Ownership structure:**  
**59.37% – WĘGŁOKOKS S.A**  
**40.63% – Stalexport Autostrady**

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

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

The main business of Biuro Centrum consists in management and maintenance of the office and conference building in Katowice at ul. Mickiewicza 29 co-owned by Stalexport Autostrady (40.47%) and Węgłokoks S.A. (59.53%).

Biuro Centrum guarantees high standards and professionalism in all services concerning property management and maintenance. It has modern organisational, technical and office facilities in place.

The supplementary activities of Biuro Centrum include catering services in the "Pod wieżami" restaurant run by the Company.

## → PART 3

### INFORMATION SIGNIFICANT FOR THE ASSESSMENT OF THE FINANCIAL POSITION (CURRENT AND PREDICTED), ASSETS AND FINANCIAL RESULT OF THE GROUP AND THEIR CHANGES, AND INFORMATION SIGNIFICANT FOR THE ASSESSMENT OF THE ISSUER'S AND OF ITS GROUP'S ABILITY TO FULFIL THEIR OBLIGATIONS

#### 3.1. STALEXPORT AUTOSTRADY

##### 3.1.1. PRESENTATION OF FINANCIAL RESULTS

The table below shows the Company's basic financial results achieved in 2021 and comparative figures for the previous year (2020).

**TABLE 3 | SELECTED ITEMS OF STATEMENT OF COMPREHENSIVE INCOME OF STALEXPORT AUTOSTRADY IN 2021 AND 2020 (SEPARATE FIGURES)**

'000 PLN	2021	2020	Change [%]
Revenues from sales	<b>3,709</b>	3,463	<b>7%</b>
Cost of sales	<b>-4,694</b>	-4,595	<b>2%</b>
<b>Gross loss on sales</b>	<b>-985</b>	<b>-1,132</b>	<b>-13%</b>
Other operating revenue	<b>118</b>	94	<b>26%</b>
General and administrative expenses	<b>-5,154</b>	-5,614	<b>-8%</b>
Other operating expenses	<b>-3</b>	-6	<b>-50%</b>
Reversal of loss/(Losses) on impairment of trade receivables and other receivables	<b>-596</b>	-4	<b>14,800%</b>
<b>Loss on operating activities (EBIT)</b>	<b>-6,620</b>	<b>-6,662</b>	<b>-1%</b>
Financial revenue	<b>62,454</b>	165,634	<b>-62%</b>
Financial expenses	<b>-124</b>	-129	<b>-4%</b>
<b>Balance on financial activities</b>	<b>62,330</b>	<b>165,505</b>	<b>-62%</b>
<b>Profit before taxation</b>	<b>55,710</b>	<b>158,843</b>	<b>-65%</b>
Income tax	<b>2,013</b>	-1,266	<b>259%</b>
<b>Net profit</b>	<b>57,723</b>	<b>157,577</b>	<b>-63%</b>

Source: The Company's own compilation based on the Company's separate financial statements

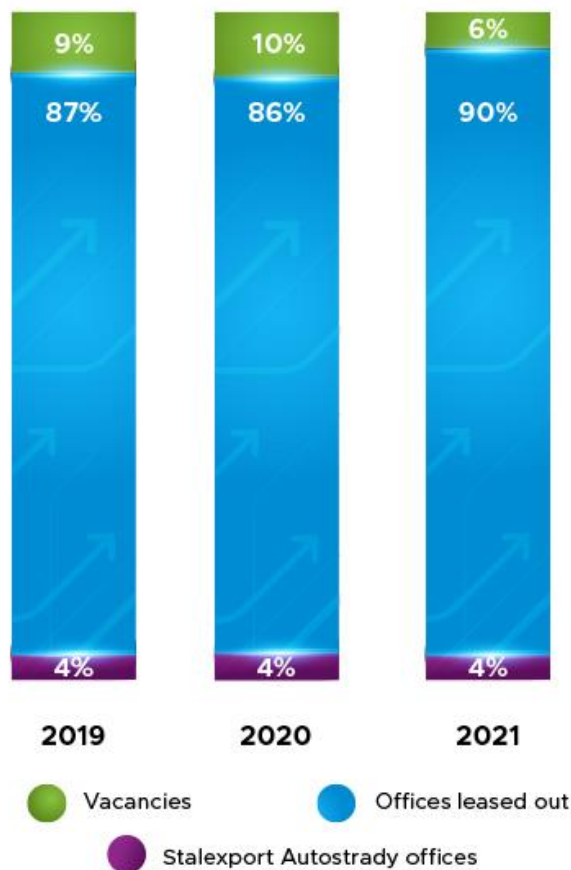
The amount of net profit generated in 2021 was mainly a result of positive financial operations described in more detail in paragraph 3.1.1.3 of the Report.

### 3.1.1.1. AMOUNT AND STRUCTURE OF OPERATING REVENUE

Stalexport Autostrady runs its motorway business through its subsidiaries. Thus, the separate revenue from sales generated by the Company includes mainly revenue from services related to the lease of space in the office building in Katowice at ul. Mickiewicza 29 and of parking spaces located next to that office building.

The total revenues generated by Stalexport Autostrady in 2021 from the service involving the lease of investment property amounted to PLN 3,501 thousand vs PLN 3,258 thousand in 2020.

**FIGURE 2 | STRUCTURE OF OFFICE SPACE UTILISATION IN THE PROPERTY IN KATOWICE AT UL. MICKIEWICZA 29**



Stalexport Autostrady is a co-owner of the office building in Katowice at ul. Mickiewicza 29. As part of the co-ownership, the Company has at its sole disposal office space of 4,734 m<sup>2</sup> (and additionally 212 m<sup>2</sup> of conference rooms), of which 183 m<sup>2</sup> as at the end of 2021 was occupied by Stalexport Autostrady for its own needs (the same amount as in 2020).

Currently, the amount of office space not leased out fluctuates around the minimum level possible from the technical point of view that results from a natural turnover of lessees and preparation (refurbishment or redecoration) of spaces in order to lease them out again to third parties.

The plan for this year is to continue the efforts in order to maintain the current office space occupancy while maintaining the optimum rent rates.

Revenue from contracts with customers, in the amount of PLN 204 thousand, was generated by the Company mainly as a result of the provision of services for related entities, including mainly work related to IT services.

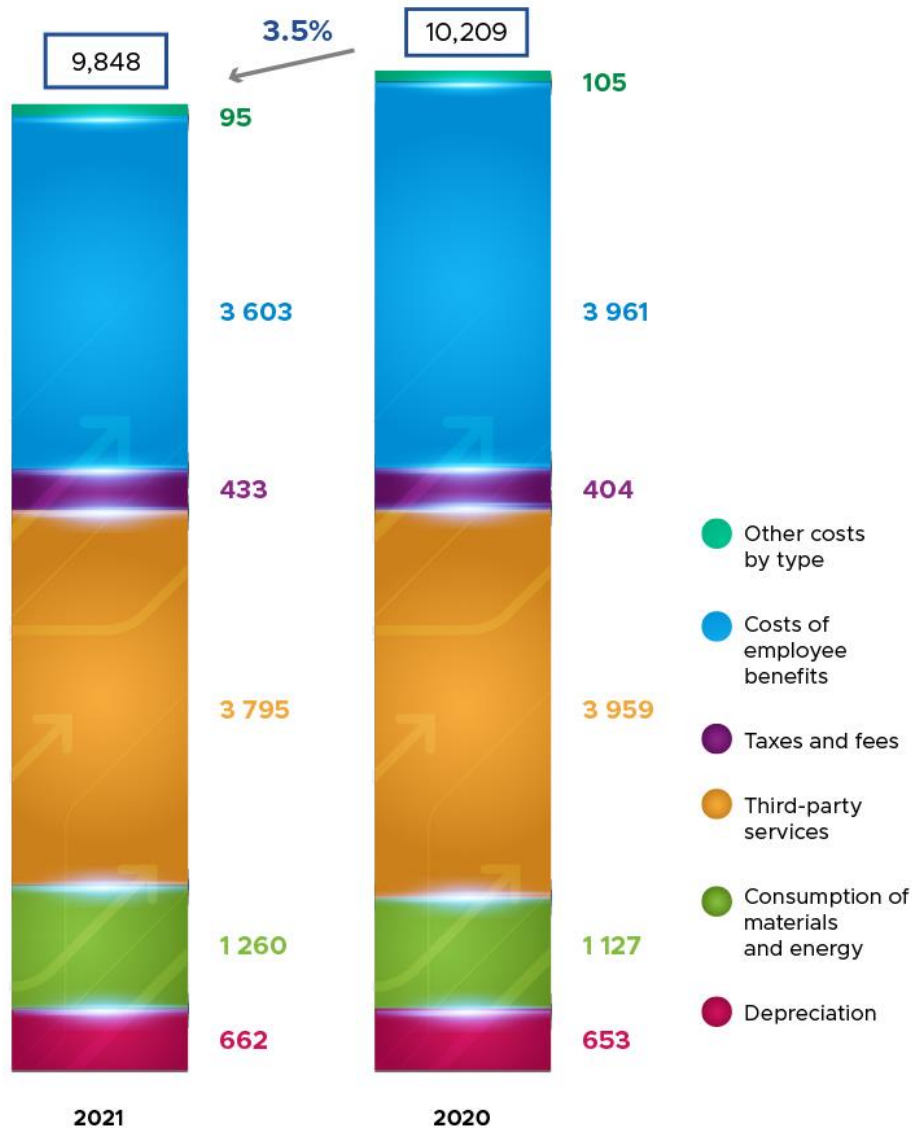
Source: The Company's own compilation

Revenue from other services in 2021 amounted to PLN 4 thousand, which represented an increase vs the previous year by PLN 3 thousand.

### 3.1.1.2. AMOUNT AND STRUCTURE OF OPERATING EXPENSES

In 2021, the expenses incurred by Stalexport Autostrady – including the cost of sales as well as general and administrative expenses – decreased by 3.5%.

**FIGURE 3 | STRUCTURE OF COSTS OF THE COMPANY'S OPERATING ACTIVITIES BY TYPE [‘000 PLN]**



Source: The Company's own compilation (in '000 PLN)

The largest item of costs by type incurred by Stalexport Autostrady in 2021 was represented by outsourced services (including, but not limited to property administration, repair, maintenance and cleaning service, property security, rental and lease of office space, and consultancy services). These costs decreased by approx. 4.1% in 2021 vs 2020.

The second largest item of costs by type incurred by the Company represents costs of employee benefits (down by 9% vs 2020), including mainly costs of remuneration of the Management Board, described more extensively in notes 25 and 30.3 to the Company's separate financial statements.

In 2021, consumption of materials and energy increased by approx. 11.8% vs the previous year. Depreciation in 2021 was at a similar level as in 2020, while taxes and fees were higher (by 7.2%). Other costs by type decreased by 9.5%. In 2021, other operating expenses amounted to PLN 3 thousand.

### 3.1.1.3. FINANCIAL OPERATIONS

The financial operations of the Company significantly affect the net profit/loss generated by Stalexport Autostrady. This is a consequence of the nature of the activity carried out by the Company (managing the Group). This activity makes it possible to accumulate funds that can subsequently be used for the implementation of potential future investments or for dividend payment.

The figures in this area of operation are influenced to the greatest extent by financial revenue, which in 2021 comprised the following:

- dividend received from subsidiaries (PLN 62,137 thousand);
- interest related to finance lease (PLN 114 thousand);
- interest related to investments in debt instruments (PLN 98 thousand);
- interest related to investments consisting in depositing financial resources with banks (PLN 63 thousand);
- dividends received from other entities (PLN 42 thousand).

In 2021, total financial revenue amounted to PLN 62,454 thousand and, mainly as a result of lower dividend from subsidiaries, was PLN 103,180 thousand lower than in 2020.

In turn, the amount of financial expenses in 2021 was influenced in a decisive manner by interest on liabilities measured at depreciated cost, including interest on lease liabilities, in the amount of PLN 116 thousand.

### 3.1.2. ASSETS AND FINANCIAL POSITION

The assets and the financial position of Stalexport Autostrady were presented on the basis of the synthetic statement of financial position shown in the table below. It takes into account the structure of assets and liabilities of the Company and the year-on-year dynamics for particular items.

**TABLE 4 | SYNTHETIC REPORT ON THE STATEMENT OF FINANCIAL POSITION OF STALEXPORT AUTOSTRADY AS AT 31 DECEMBER 2021 AND 31 DECEMBER 2020 – SEPARATE FIGURES**

in '000 PLN			<i>Dynamics</i>	<i>Structure</i>	
	31 Dec 2021	31 Dec 2020	2021/2020	31 Dec 2021	31 Dec 2020
<b>Non-current assets</b>	<b>80,088</b>	76,870	<b>4%</b>	25%	<b>18%</b>
<b>Current assets</b>	<b>242,300</b>	345,485	<b>-30%</b>	75%	<b>82%</b>
<b>Total shareholders' equity</b>	<b>314,371</b>	414,836	<b>-24%</b>	98%	<b>98%</b>
<b>Non-current payables</b>	<b>3,217</b>	5,520	<b>-42%</b>	1%	<b>1%</b>
<b>Current payables</b>	<b>4,800</b>	1,999	<b>140%</b>	1%	<b>0%</b>
<b>Balance sheet total</b>	<b>322,388</b>	<b>422,355</b>	<b>-24%</b>	<b>100%</b>	<b>100%</b>

Source: The Company's own compilation

### 3.1.2.1. ASSETS

As far as the structure of **non-current assets** as at the end of 2021 is concerned, the main item consists in the shares of the subsidiary conducting the motorway business, i.e. SAM (PLN 66,753 thousand). The increase in the value of non-current assets recorded in the analysed period is mainly attributable to the increase in the value of deferred tax assets by PLN 2,007 thousand and of finance lease receivables by PLN 1,500 thousand . An increase was also recorded in the value of property, plant and equipment (by PLN 211 thousand), intangible assets (by PLN 28 thousand) and other long-term investments (by PLN 28 thousand). As a consequence of depreciation the value of the investment property decreased in 2021, by PLN 556 thousand .

The amount of **current assets** as at the end of 2021 is determined by cash and cash equivalents (PLN 236,100 thousand, representing an increase vs 2020 by PLN 100,594 thousand). Other items of current assets of Stalexport Autostrady that can be distinguished are trade receivables and other receivables in the amount of PLN 3,558 thousand (down by PLN 24,213 thousand), short-term finance lease receivables in the amount of PLN 1,518 thousand (increase by PLN 432 thousand), as well as short-term investments in the amount of PLN 1,124 thousand (down by PLN 179,940 thousand). The decrease in short-term investments is due to the sale of debt instruments held at the end of 2020 measured at depreciated cost.

An aggregate analysis of the components of current assets discussed above shows that their total value as at the end of 2021 is PLN 242,300 thousand vs PLN 345,485 thousand as at the end of the previous year, which means a decrease by PLN 103,185 thousand.

### 3.1.2.2. LIABILITIES

In 2021, a decrease was recorded in the equity structure with regard to the amount of retained earnings, which amounted to PLN 58,949 thousand as at the end of the year (decrease by PLN 100,518 thousand vs 2020). The above is a consequence of the net profit generated by the Company for the reporting period in the amount of PLN 57,723 thousand as well as of payment of dividend in the amount of PLN 158,248 thousand (from retained earnings). Other reserves and supplementary capital remained at the same level (PLN 62,695 thousand) as at the end of 2020.

As at 31 December 2021, the company's total liabilities amounted to PLN 8,017 thousand (increase by PLN 498 thousand vs 31 December 2020), resulting from the increase in the amount of payables related to employee benefits (by PLN 1,121 thousand), as well as from the decrease in trade payables and other payables as well as in lease (respectively by PLN 613 thousand and by PLN 10 thousand).

## 3.2. THE CAPITAL GROUP

### 3.2.1. PRESENTATION OF FINANCIAL RESULTS

The following table includes basic financial results of the Stalexport Autostrady Group generated in 2021 along with comparative data for the previous year.

**TABLE 5 | SELECTED ITEMS OF THE STATEMENT OF COMPREHENSIVE INCOME OF THE STALEXPORT AUTOSTRADY GROUP IN 2021 AND 2020 – CONSOLIDATED**

'000 PLN	2021	2020	Change [%]
Revenues from sales	360,162	289,545	24%
Cost of sales	-125,132	-96,069	30%
<b>Gross profit on sales</b>	<b>235,030</b>	<b>193,476</b>	<b>21%</b>
Other operating revenue	5,072	8,103	-37%
General and administrative expenses	-113,522	-101,033	12%
Other operating expenses	-658	-225	192%
Reversal of losses/(Losses) on impairment of trade receivables and other receivables	-589	-30	1,863%
<b>Profit on operating activities (EBIT)</b>	<b>125,333</b>	<b>100,291</b>	<b>25%</b>
Financial revenue	1,019	4,141	-75%
Financial expenses	-2,737	-5,509	-50%
<b>Balance on financial activities</b>	<b>-1,718</b>	<b>-1,368</b>	<b>26%</b>
Share in profit/loss of affiliates	15	-272	106%
<b>Profit before taxation</b>	<b>123,630</b>	<b>98,651</b>	<b>25%</b>
Income tax	-28,215	-7,195	292%
<b>Net profit</b>	<b>95,415</b>	<b>91,456</b>	<b>4%</b>

Source: The Company's own compilation

In 2021, the Group obtained 24% higher sales revenues compared to the corresponding period of the previous year. It should be noted at this point that in 2020, more severe restrictions on social and economic activity were in place, due to the spread of the SARS-CoV-2 coronavirus and the number of COVID-19 cases.

The gross profit from sales increased by 21% vs the previous year. The gross profit dynamic was fundamentally driven by the increase in sales revenues mentioned earlier. On the other hand, own costs of sales were 30% higher vs 2020.

### 3.2.1.1. AMOUNT AND STRUCTURE OF OPERATING REVENUE

The financial results of the Stalexport Autostrady Group are influenced mainly by the Group's motorway activity consisting in the management and operation of the toll section of the A4 Katowice–Kraków motorway. This activity is carried out through the Group's subsidiary SAM under the Concession Agreement it signed, in force until 2027.

The traffic intensity on the concession section of the motorway – particularly as far as heavy goods vehicles are concerned – largely depends on the rate of development of the economy, measured by the gross domestic product (GDP) level.



In 2021, Average Daily Traffic (ADT) on the concession section of the A4 motorway Katowice–Kraków amounted to 42,857 vehicles and was 17.5% higher than the traffic level recorded in 2020 (36,467 vehicles). Toll revenue in 2021 amounted to PLN 355,715 thousand, representing an increase by 24.5% vs the same period in 2020 (PLN 285,619 thousand).

As far as passenger cars are concerned, Average Daily Traffic increased from 29,806 vehicles in 2020 to 35,225 vehicles in 2021 (an 18.2% increase). Toll revenue from passenger cars in 2021 amounted to PLN 224,721 thousand, i.e. it increased by 31.3% vs 2020 (PLN 171,090 thousand). The difference between the dynamic of change in toll revenue vs the dynamic of the change in the average daily traffic of passenger vehicles results from the change in the toll rate starting from 1 October 2020 (from PLN 10 to PLN 12 in the case of the regular rate, and from PLN 7 to PLN 8 in the case of the preferential rate), and from the subsequent change of the preferential rate starting from 1 October 2021 (from PLN 8 to PLN 9).

As far as heavy goods vehicles are concerned, Average Daily Traffic increased by approx. 14.6%, i.e. from 6,662 vehicles in 2020 to 7,631 vehicles in 2021. Toll revenue from heavy goods vehicles in 2021 amounted to PLN 130,994 thousand, i.e. it increased by 14.4% vs 2020 (PLN 114,529 thousand). In the case of heavy goods vehicles, on 1 October 2021 the rate was changed for category 2 and 3 vehicles (from PLN 20 to PLN 22), and preferential rates were abolished.

The tables below show the Average Daily Traffic (ADT) and the toll revenue in 2021 versus 2020, with the relevant dynamics.



**TABLE 6 | AVERAGE DAILY TRAFFIC (ADT)**

ADT	2021	2020	Change
 Passenger cars	35,225	29,806	18.2%
 Heavy goods vehicles	7,631	6,662	14.6%
<b>Total</b>	<b>42,857</b>	<b>36,467</b>	<b>17.5%</b>

Source: The Company's own compilation



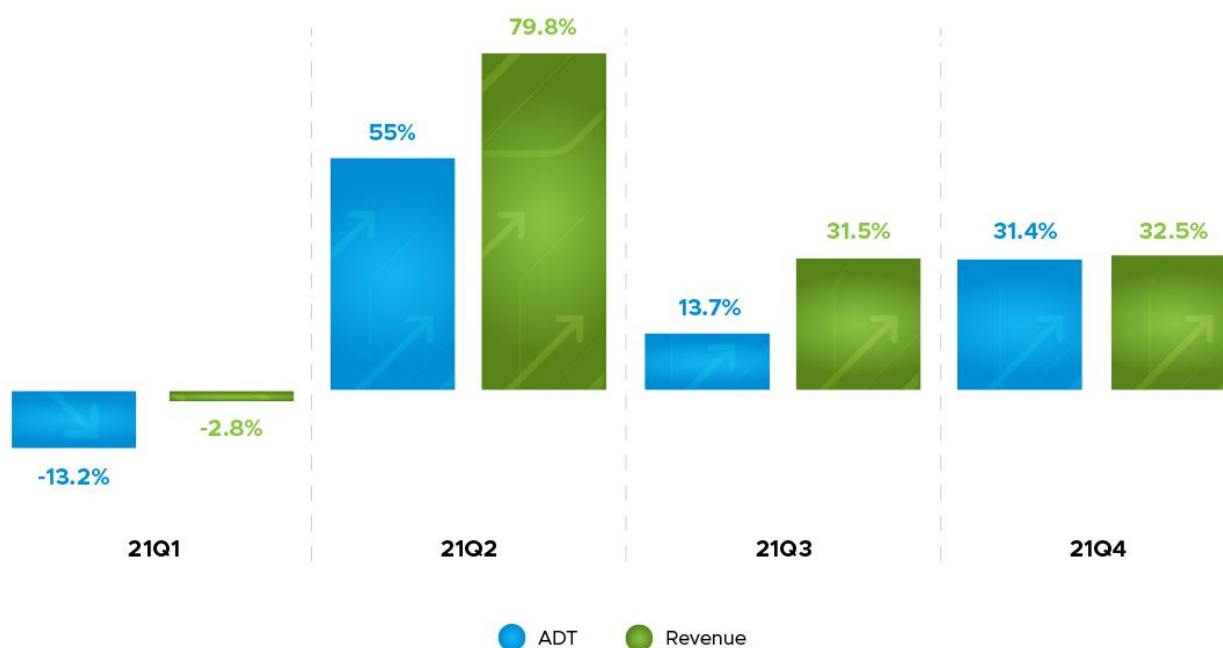
TABLE 7 | TOLL REVENUE

[tys. PLN]	2021	2020	Zmiana
 Passenger cars	224,721	171,090	31.3%
 Heavy goods vehicles	130,994	114,529	14.4%
<b>Total</b>	<b>355,715</b>	<b>285,619</b>	<b>24.5%</b>

Source: The Company's own compilation

The following figures show the dynamics of Average Daily Traffic (ADT) and of toll revenue in 2021 vs 2020 on a quarterly basis, separately for passenger cars and heavy goods vehicles.

FIGURE 4 | DYNAMICS OF ADT AND OF TOLL REVENUE FOR PASSENGER CARS IN 2021 VS 2020 (QUARTER ON QUARTER OF THE PREVIOUS YEAR)



Source: The Company's own compilation

**FIGURE 5 | DYNAMICS OF ADT AND OF TOLL REVENUE FOR HEAVY GOODS VEHICLES IN 2021 VERSUS 2020 (QUARTER ON QUARTER OF THE PREVIOUS YEAR)**



Source: The Company's own compilation

The difference in traffic and revenue dynamics between the quarters results from the factors described above. It should be noted in addition that in Q2 2020, more severe restrictions on social and economic activity were in place, due to the spread of the SARS-CoV-2 coronavirus and the number of COVID-19 cases.

Apart from toll collection, the Group also obtained revenue from sales related to motorway operation in the amount of PLN 935 thousand, including PLN 933 thousand on account of compensation for damaged motorway infrastructure.

Apart from the motorway activity, revenue from sales of the Stalexport Autostrady Group in the amount of PLN 4,447 thousand was related to the lease of space in the office building located in Katowice, at ul. Mickiewicza 29 (PLN 3,501 thousand), compensation for damaged motorway infrastructure (PLN 933 thousand), and provision of other services.

Compared to 2020, the amount of revenue unrelated to motorway activities increased by 13.3%.

In 2021, other operating revenue amounted to PLN 5.072 thousand and included revenue from the lease of rest and service areas (PLN 4,183 thousand), compensation/damages, contractual penalties, reimbursement of fees and costs of court proceedings (PLN 497 thousand), interest on receivables (PLN 83 thousand), and other (PLN 309 thousand).

### 3.2.1.2. AMOUNT AND STRUCTURE OF OPERATING EXPENSES

In 2021, the operating expenses of the Stalexport Autostrady Capital Group amounted to PLN 239,901 thousand and were 21.6% higher than in the previous year (PLN 197,357 thousand), mainly due to higher depreciation (PLN 80,232 thousand in the current period, vs PLN 58,779 thousand in the previous year), and the amount of “Payments to the State Treasury” (PLN 63,249 thousand in the current period, vs PLN 44,610 thousand in the previous year).

In 2021, the costs of operating activities consisted of the following:

- cost of sales in the amount of PLN 125,132 thousand. The amount corresponding to this cost group was approx. 30.3% higher vs the previous year (PLN 96,069 thousand), mainly due to an increase in depreciation costs;
- general and administrative expenses in the amount of PLN 113,522 thousand, which represented an increase by PLN 12,489 thousand (12.4%) compared to the previous year (including due to the higher amount of “Payments to the State Treasury”);
- other operating expenses in the amount of PLN 658 thousand, influenced decisively by the loss on the disposal/liquidation of property, plant and equipment (PLN 325 thousand);
- losses on impairment of trade receivables and other receivables in the amount of PLN 589 thousand.

### 3.2.1.3. FINANCIAL OPERATIONS

In 2021, the Group recorded a negative balance on financial operations in the amount of PLN 1,718 thousand, i.e. the financial revenues generated (PLN 1,019 thousand) were lower than the financial expenses incurred (PLN 2,737 thousand). The financial revenue was influenced to the largest extent by interest on deposits and on debt instruments, amounting respectively to PLN 429 thousand and PLN 313 thousand, as well as by the net foreign exchange gain (PLN 190 thousand) and provision discount unwinding (PLN 39 thousand). The financial expenses, in turn, were influenced decisively by the discounting of the payable related to Concession Fees in the amount of PLN 2,607 thousand.

At this point, it is worth mentioning that in line with the International Accounting Standards as well as the International Financial Reporting Standards, the provisions indicated above are recognised by the Group in the financial statements at their present value. The relevant figure reflects, therefore, the nominal value of the given liability or of the expected expenditure, discounted as at the day the financial statements are prepared, using the market interest rate.

The negative balance on financial operations recorded in 2021 (PLN 1,718 thousand) increased compared to the balance in 2020 (PLN 1,368 thousand).

### 3.2.2. ASSETS AND FINANCIAL POSITION

The following table includes a synthetic statement of financial position of the Group and its structure as at 31 December 2021. For the sake of comparison, the values of the individual items and their structure as at the end of 2020 are also presented.

**TABLE 8 | SYNTHETIC REPORT ON STALEXPORT AUTOSTRADY'S STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 AND 31 DECEMBER 2020 – CONSOLIDATED FIGURES**

in '000 PLN	Dynamics			Structure	
	31 Dec 2021	31 Dec 2020	2021/2020	31 Dec 2021	31 Dec 2020
<b>Non-current assets</b>	<b>998,383</b>	1,003,802	<b>-1%</b>	74%	<b>70%</b>
<b>Current assets</b>	<b>351,970</b>	428,419	<b>-18%</b>	26%	<b>30%</b>
<b>Shareholders' equity</b>	<b>799,019</b>	865,879	<b>-8%</b>	59%	<b>60%</b>
<b>Non-current payables</b>	<b>353,754</b>	405,373	<b>-13%</b>	26%	<b>28%</b>
<b>Current payables</b>	<b>197,580</b>	160,969	<b>23%</b>	15%	<b>11%</b>
<b>Balance sheet total</b>	<b>1,350, 353</b>	<b>1,432,221</b>	<b>-6%</b>	<b>100%</b>	<b>100%</b>

Source: The Company's own compilation

#### 3.2.2.1. ASSETS

The largest item in **non-current assets** were non-current investments, whose value had increased as at the end of 2021 to the amount of PLN 502,727 thousand vs PLN 457,068 thousand as at the end of 2020. This resulted from the effect of the increase in the value of cash accumulated by SAM in deposit/reserve accounts created in line with the provisions of the Concession Agreement for the purpose of completion of the tasks specifically provided for in the Agreement (including mainly financing of the investment programme being implemented).

Intangible fixed assets constituted the second largest item, amounting to PLN 426,368 thousand as at the end of 2021. They consisted virtually entirely of concession intangible assets. Their value decreased by PLN 56,713 thousand vs the end of 2020. This decrease is a resultant of (i) the depreciation of concession and other intangible assets (PLN 71,720 thousand), (ii) the increase in concession intangible assets as a result of revaluation (PLN 12,473 thousand), and (iii) acquisition (PLN 2,534 thousand).

Another significant item of non-current assets is represented by deferred income tax assets (PLN 33,845 thousand), up by PLN 7,916 thousand, and by property, plant and equipment (PLN 29,106 thousand , down by PLN 2,020 thousand). Deferred income tax assets included items related, among others, to property, plant and equipment as well as the provisions established, set off against the deferred tax provision, related mainly to concession intangible assets.

The largest item in the structure of **current assets** was represented by cash and cash equivalents (PLN 326,183 thousand) whose value showed an increase by PLN 96,320 thousand as at the end of 2021 vs the balance as at the end of 2020. Trade receivables and other receivables constituted another significant item of current assets (PLN 20,856 thousand), with an increase by PLN 6,924 thousand, mainly as a result of an increase in receivables from other entities. Apart from the above, inventories (PLN 3,320 thousand) increased vs the end of 2020 by PLN 111 thousand, while current investments in the amount of PLN 1,124 thousand decreased by PLN 179,941 thousand vs the end of 2020.

### 3.2.2.2. LIABILITIES

As at 31 December 2021, the Group's total **payables and provisions** amounted to PLN 551,334 thousand, of which 64.2% were non-current items. The main items of payables and provisions included the following:

- PLN 396,766 thousand: provision for capital expenditures within Phase II of the investments being implemented on the managed section of the A4 motorway;
- PLN 74,736 thousand: trade and other payables (including Payments to the State Treasury in the amount of PLN 42,305 thousand);
- PLN 19,452 thousand: provision established for planned motorway resurfacing;
- PLN 17,251 thousand: other non-current payables, including PLN 9,712 thousand of payables under the Concession Fees;
- PLN 15,757 thousand: income tax payable;
- PLN 11,382 thousand: value of the toll for the A4 Katowice–Kraków motorway sold in the form of the prepaid KartA4 proximity cards and of the A4Go onboard devices, but unused;
- PLN 8,414 thousand: payable related to employee benefits;
- PLN 4,359 thousand: prepayment related to lease of rest and service areas (MOP) and land for fibre optic cables (concerns the Katowice–Kraków section of the A4 motorway);
- PLN 3,217 thousand: lease payable.

### 3.2.2.3. THE COMPANY'S AND THE GROUP'S MAIN DOMESTIC AND FOREIGN INVESTMENTS, INCLUDING IN PARTICULAR SECURITIES, FINANCIAL INSTRUMENTS, INTANGIBLE FIXED ASSETS AND REAL ESTATE, INCLUDING EQUITY INVESTMENTS MADE OUTSIDE THE GROUP OF ITS RELATED ENTITIES WITH A DESCRIPTION OF THE FINANCING METHODS

The capital expenditures incurred by the Group in 2021 amounted to PLN 50,205 thousand and included mainly construction works carried out on the managed Katowice–Kraków section of the A4 motorway. These expenses were mainly related to motorway drainage and modernisation of culverts. Other capital expenditure of the Group pertains mainly to the purchase of the equipment required for the purpose of ongoing motorway maintenance, replacement of office equipment and means of transportation. The above-mentioned value of capital expenditure also includes the supervision costs and design costs.

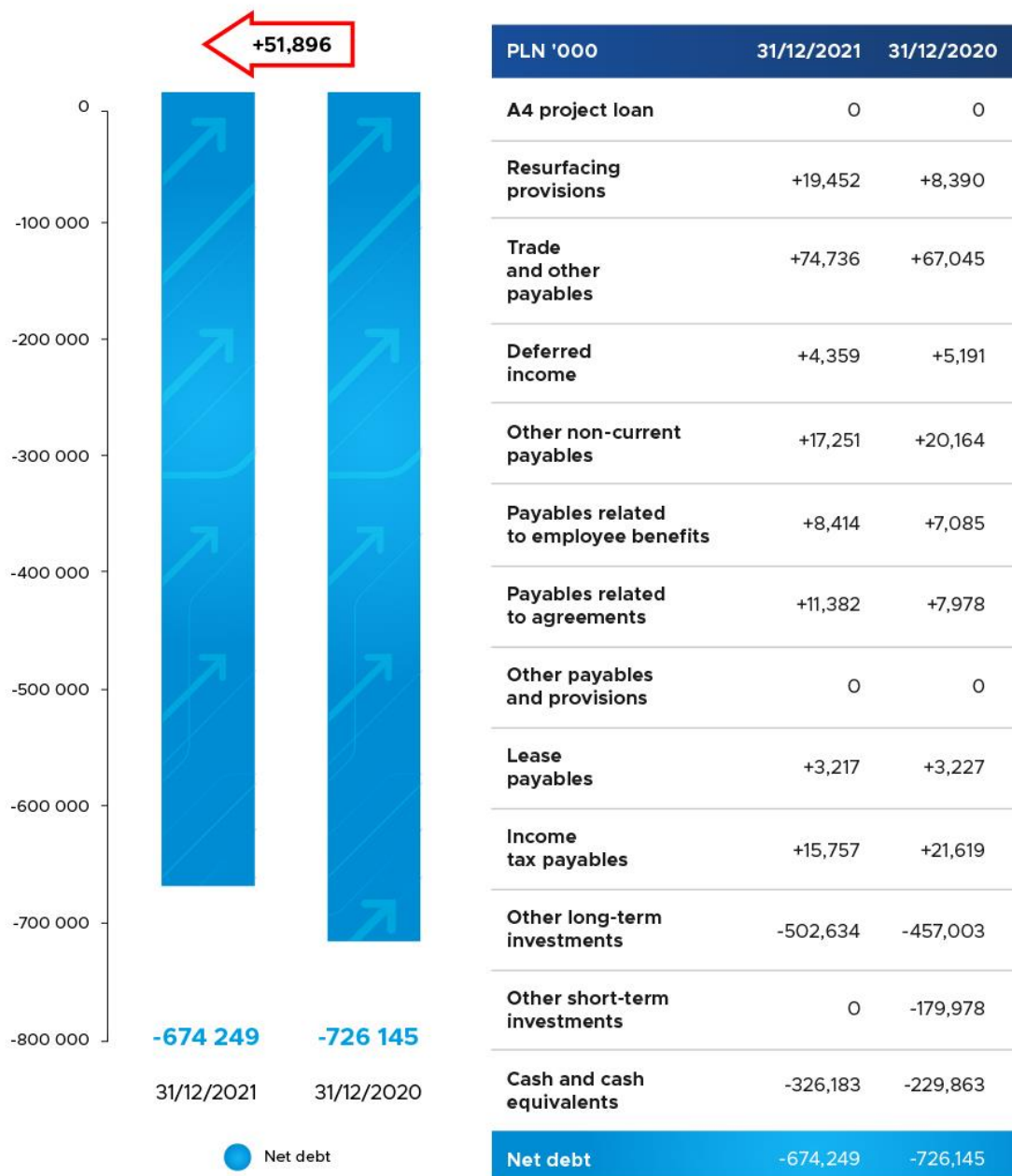
All the above-mentioned investment activities of the Group were allowed for in the capital expenditure budget for 2021 and had been approved earlier by the Supervisory Board of Stalexport Autostrady. At this point, it is worth emphasising that financing of the investment tasks resulting from the Concession Agreement entered into by SAM is secured with own funds generated from the operation of the A4 motorway (toll).

### 3.2.2.4. NET DEBT

Excluding from the liabilities the provisions for Phase II construction works, the Group's net debt as at the end of 2021 increased by the amount of approx. PLN 51,896 thousand. The Group's net debt is fundamentally influenced by cash in long-term and short-term deposits.

The detailed method of calculation of this ratio and its value in the years 2020–2021 are presented below..

**FIGURE 6 | NET DEBT OF THE GROUP (CONSOLIDATED FIGURES) – BALANCE AS AT 31 DECEMBER 2020 AND AS AT 31 DECEMBER 2021**



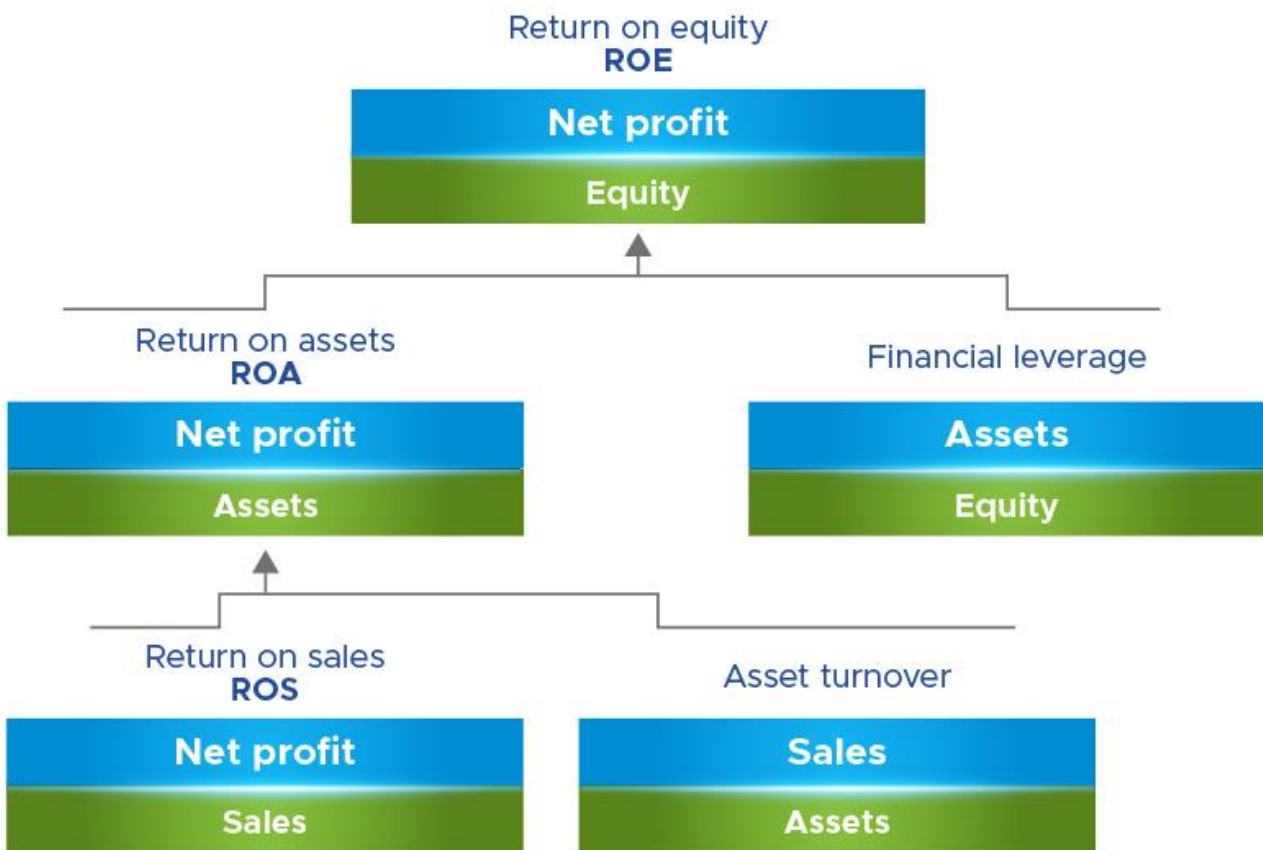
Source: The Company's own compilation

### 3.2.3. DUPONT ANALYSIS

The DuPont method is based on the assumption that the profitability and the growth rate of a company depend mostly on the efficiency of operational management, investment management, and financing strategy.

The starting point for the analysis is an assessment of the Company's equity performance using the basic value metric, i.e. ROE (calculated as net profit to equity). Subsequently, the ratio was decomposed, making it possible to extend the analysis to the following areas: return on sales, asset management, and finance management.

**FIGURE 7 | DUPONT ANALYSIS DIAGRAM**



Source: The Company's own compilation based on Sierpińska M., Jachna T. 2000: Ocena przedsiębiorstwa wg standardów światowych

According to the DuPont model, ROE depends on the margins achieved (return on sales – ROS), on asset efficiency (asset turnover), and on the degree of financial leverage. The table below presents a calculation of the ROE value and of the ratios influencing the annual rate of return on equity.

**TABLE 9 | RETURN ON EQUITY (ROE), INCLUDING DECOMPOSITION OF THE RATIO – CALCULATIONS FOR THE YEARS 2019–2021**

Ratio	2021	2020	2019
Return on equity (ROE)	11.9%	10.6%	10.1%
Return on assets (ROA)	7.1%	6.4%	6.1%
Return on net sales (ROS)	26.5%	31.6%	22.9%
Asset Turnover	0.27	0.2	0.27
Financial Leverage	1.69	1.65	1.66

*ROE = net profit/equity*

*ROA = net profit/total assets*

*ROS = net profit/sales revenue*

*Asset turnover=revenue on sales/total assets*

*Financial leverage=total assets/equity*

Source: The Company's own compilation

In the Group's case, ROE is influenced to a significant extent by the return on sales (ROS), which was 26.5% in the analysed period. The decrease of the ratio vs 2020 results mainly from the higher depreciation and from the Payment to the State Treasury, taken into account in the general and administrative expenses.

ROE is also influenced by the level of applied Financial Leverage, which makes it possible for the company to hold assets significantly exceeding its equity. In the Group's case, financial leverage for the last 3 years was on a similar level, between 1.69 and 1.65.

The Group's revenue is characterised by a relatively high degree of stability and predictability, which is possible owing to the multiannual contract related to the management of the A4 motorway Katowice–Kraków toll section (Concession Agreement). The activity pursued makes it possible to generate a relatively high margin, which is confirmed by the sales margin ratios of over 50% (65.3% in 2021) as well as EBIT of over 30% (34.8% in 2021).

**TABLE 10 | PROFITABILITY OF THE STALEXPORT AUTOSTRADY GROUP IN THE YEARS 2019–2021 ON THE INDIVIDUAL LEVELS OF ITS ACTIVITY**

Ratio	2021	2020	2019
Sales margin	65.3%	66.8%	74.7%
EBITDA margin	57.1%	54.9%	53.0%
EBIT margin	34.8%	34.6%	36.7%

*Sales margin = gross profit on sales / sales revenue*

*EBITDA margin = (profit/loss on operating activities excluding depreciation and amortisation and the resurfacing provision) /sales revenue*

*EBIT margin = operating profit / sales revenue*

Source: The Company's own compilation



The Asset Turnover ratio is one of the drivers of ROE, apart from return on sales and finance management efficiency. It shows the efficiency of the investment policy pursued by the Company's Management Board as well as the performance of the individual asset items.

The analysis of the Capital Group's asset turnover was carried out on the basis of the ratios presented in the table below.

**TABLE 11 | STALEXPORT AUTOSTRADY GROUP'S PERFORMANCE RATIOS IN THE YEARS 2019–2021**

Ratio	2021	2020	2019
<b>Asset Turnover</b>	<b>0.27</b>	0.2	<b>0.27</b>
<b>Working Capital Turnover</b>	<b>2.33</b>	1.08	<b>1.58</b>
<b>Receivables Turnover</b>	<b>17.27</b>	20.78	<b>13.36</b>
<b>Liabilities Turnover</b>	<b>0.65</b>	0.51	<b>0.67</b>

*Asset turnover = revenue on sales / total assets*

*Working capital turnover = sales revenue / (current assets - short-term liabilities and provisions)*

*Receivables turnover = sales revenue / current receivables*

*Liabilities turnover = sales revenue / liabilities*

Source: The Company's own compilation

In the period discussed here, asset, working capital and liabilities turnover ratios increased vs 2020, while the receivables turnover ratio decreased. In the first case, the clear trend results from the revenue increase and from the decrease in the value of assets, and in the second case from the increase in the value of receivables vs 2020.

An analysis of the liquidity and debt ratios included in the table below makes it possible to assess the level of risk related to repayment of current liabilities. The first two ratios compare current payables to current assets which can be used to repay those liabilities. The other ratios reflect the Group's debt.

**TABLE 12 | STALEXPORT AUTOSTRADY GROUP'S LIQUIDITY AND DEBT RATIOS 2019-2021**

Ratio	2021	2020	2019
<b>Current liquidity</b>	<b>1.78</b>	2.66	<b>2.22</b>
<b>Quick liquidity</b>	<b>1.76</b>	1.52	<b>2.21</b>
<b>Debt to assets</b>	<b>0.41</b>	0.4	<b>0.4</b>
<b>Debt to equity</b>	<b>0.69</b>	0.65	<b>0.66</b>
<b>Long-term debt</b>	<b>0.44</b>	0.47	<b>0.43</b>

*Current liquidity = current assets / short-term liabilities*

*Quick liquidity = (short-term receivables + current investments + cash) / short-term liabilities*

*Debt to assets = liabilities / total assets*

*Debt to equity = liabilities / equity*

*Long-term debt = long-term liabilities / equity*

*In order to calculate the ratios described above, the values of receivables, inventories and liabilities as at the end of each year were used.*

Source: The Company's own compilation

In the period under discussion, the current ratio decreased, while the quick ratio increased compared to the previous year. Both ratios were well above one, i.e. the level generally recognised as safe. Additionally, it should be pointed out that the Group keeps, in accordance with the Concession Agreement, cash in reserve accounts to cover future liabilities for which provisions were established. These funds are recorded as other non-current investments, so they are not included in the calculations of the above liquidity ratios. Debt ratios remained at a similar level as in the previous year.

 **PART 4****ANALYSIS OF THE CORE MARKET OF THE COMPANY'S AND OF THE GROUP'S OPERATION**

Taking into account the condition of the road infrastructure and development needs, the Ministry of Infrastructure drafted the “Programme for Construction of National Roads until 2030 (with a perspective until 2033)”, hereinafter referred to as the Programme.

The new Programme sets forth the objectives of the transport policy in terms of building the TEN-T road network in the territory of Poland as well as complementary road connections. The total amount of approx. PLN 292 billion will be allocated to the implementation of the investments included in the new programme. The financial limit includes new tasks with a value of approx. PLN 187 billion and continued tasks with a value of approx. PLN 105 billion. The programme description indicates improvement of the capacity of the main traffic arteries as one of the key elements.

The basic source of financing for the investments included in the Programme is the National Road Fund, whose sources in turn include EU funds. The details of the Programme are not known yet, including whether it will also assume continuation of financing of motorways in the Public-Private Partnership (PPP) formula.

 **PART 5****OTHER INFORMATION ON THE STALEXPORT AUTOSTRADY GROUP****5.1. INFORMATION ON AGREEMENTS SIGNIFICANT FOR THE GROUP'S ACTIVITY, INCLUDING AGREEMENTS BETWEEN SHAREHOLDERS AS WELL AS INSURANCE, COLLABORATION AND COOPERATION AGREEMENTS THE COMPANY IS AWARE OF**

On 9 August 2021, SAM issued a variation order to the lump-sum contract "F2b-12-2020 – Alteration of A4 motorway drainage – Part IV" (hereinafter: Variation Order) concluded with Pavimental Polska (hereinafter: Contractor) on 25 June 2020. The original value of the above contract was PLN 64,729,676.67 (net).

The additional works commissioned from the Contractor under the Variation Order concern the modernisation of 11 reinforced concrete culverts located under motorway mainline.

The net value of the Variation Order consists of three essential parts:

- the cost of modernising 11 culverts amounting to PLN 8,797,022.47 (net),
- the cost of potential temporary traffic arrangements introduced on the motorway, dedicated to the culvert modernisation works, amounting to PLN 483.04 (net) per day of temporary traffic arrangements introduced on a 1 km section on a single motorway carriageway,
- the cost of potential repair of the motorway pavement in the area of the culverts amounting to PLN 25,677.53 (net) per repair in a single location (i.e. within a single motorway carriageway).

**On 4 January 2022**, SAM issued a letter of approval for Pavimental Polska (hereinafter: "Contractor"). The issuing of the said letter of approval means that the Contracting Authority accepted the Contractor's tender submitted in the procedure related to the performance of the lump-sum contract ROM 4610 – "Renovation of bridge structures no. M04, M06, M10P and M10L" (hereinafter: "Contract").

The net value of the Contract is PLN 35,953,301.90 (hereinafter: the Approved Net Contractual Amount). Under the Contract, bridge structures No. M04, M06, M10P, M10L and M11L on the A4 motorway Katowice–Kraków section will be renovated.

Along with the letter of approval issued by the Contracting Authority, the agreement was sent to be signed by the Contractor (signed by the Contracting Authority on 4 January 2022) concerning the performance of the Contract.

According to clause 27.2 of the instructions for bidders, the Contracting Authority's notification of acceptance of a tender in the letter of approval will be considered tantamount to conclusion of the Contract, until the Contracting Authority and the Contractor sign the agreement.

The General Conditions for the implementation of the said Contract will be provided by the "Conditions of Contract for Plant and Design-Build for Electrical and Mechanical Plant, and for Building and Engineering Works, Designed by the Contractor", First Edition 1999, published by Fédération Internationale des Ingénieurs-Conseils (FIDIC), copy in Polish (fourth English-Polish edition, unchanged, 2008). The General Conditions of Contract will be complemented by the Specific Conditions of Contract. The General Conditions of Contract remain in force unless the Specific Conditions of Contract provide otherwise. The General and the Specific Conditions of the Contract together form the Conditions of Contract.

The agreement provides for the following contractual penalties (liquidated damages) for the Contractor:

- delay damages – the liquidated damages limit under Clause 8.7 of the Conditions of Contract is 10% of the Approved Net Contractual Price,
- damages for failure to remedy defects by the fixed date – the liquidated damages limit under Clause 11.4 of the Conditions of Contract is 10% of the Approved Net Contractual Price,
- damages for unjustified traffic hindrances – the liquidated damages limit under Clause 8.13 of the Conditions of Contract is 2% of the Approved Net Contractual Price,

In the reporting period and until the date of this Report, no other agreements significant for the Group's activity were entered into.

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

No changes in the Group's organisation occurred in the reporting period, including changes as a result of merger of entities, acquisition or loss of control over subsidiaries and long-term investments, or the division, restructuring or discontinuation of activities

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

All transactions concluded by the Company or its subsidiaries with related parties were carried out on market terms. However, the Company's Management Board would like to point to several significant transactions between the Company or its subsidiaries and related parties:

- The **Operation and Maintenance Agreement** which was initially entered into in 1998 by and between Stalexport Autostrady and VIA4. The current agreement was entered into by and between **SAM and VIA4** on 22 March 2006.

The Operation and Maintenance Agreement was entered into for the term of the Concession Agreement (until 2027) and concerns strictly defined works connected with the A4 concession project, including toll collection services and current maintenance and operation of the motorway (including winter maintenance). The contractual level of the operator's remuneration in the term of the agreement separates in a long term the risk of impact of frequent market price fluctuations on maintenance and operation costs as well as ensures continuity of services and operation through the many years of implementation of the investment project. In 2021, the value of the transactions between SAM and VIA4 under the above-mentioned Agreement amounted to PLN 51,160 thousand.

Considering the specificity and the scope of the above-mentioned agreement and the fact that the market for services of that kind is very limited, it is difficult to compare the provisions of the Operation and Maintenance Agreement to the terms which it is possible to obtain on what is referred to as the free market.

Nevertheless, in the opinion of the Company's Management Board, the above-mentioned Agreement was entered into on market terms and its provisions do not differ from the terms which might have been obtained if it had been signed with an entity not belonging to the Group.

- The **Agreement on Operation Services** related to the office facility located in Katowice at ul. Mickiewiczza 29 of 1 March 2000, as amended, concluded between **Biuro Centrum** and the co-owners of the office building, including the Company, and the Car Park Management Agreement related to the car park located next to the said office building of 1 October 2009 concluded between the **Company and Biuro Centrum**.

The Company incurred maintenance costs and costs related to security and functioning of the said office facility and car park, and all the expenses mentioned above were made through Biuro Centrum. The total amount of said expenses in 2021 attributable to the Company was PLN 3,864 thousand.

- **Toll collection system repair & maintenance services** performed by **Autostrade-Tech S.p.A.** (this entity is a member of the Atlantia group which holds 100% of the shares of Autostrade-Tech S.p.A.) for **SAM and VIA4**.

As part of the gradual phasing out of the period of support and maintenance in 2018 within the framework of the Toll Collection Equipment Replacement (WUPO) contract, the repair & maintenance services for the toll collection system were performed on the basis of separate agreements. Currently, SAM is authorised to contract out investment tasks related to the development of the toll collection system under the service agreement. In 2021, under the said agreement, work was continued, among other activities, related to the implementation of videotolling, the replacement of fleet and cash card terminals and the implementation of new signage, including variable message signs for lanes dedicated to A4Go electronic toll collection and videotolling. The value of the investment expenditures for the tasks contracted out under the Software Service Agreement in 2021 amounted to PLN 3,588 thousand.

In the opinion of the Company's Management Board, the said services were performed in accordance with market terms not diverging from the terms which could have been obtained had the services been rendered by an entity not belonging to the Group.

- **Contract between SAM and Pavimental Polska Sp. z o.o.** (the entities belong to the Atlantia group, which holds 99.6% of the shares of Pavimental S.p.A., i.e. the sole shareholder of Pavimental Polska Sp. z o.o.) on **resurfacing on motorway sections with a total length of 42.4 km, performance of bridge works related to resurfacing and reconstruction of a part of the linear drainage system in the central reservation**.

The contractor in this case was selected on the basis of a tendering procedure. The contract was entered into for the amount of PLN 49,689 thousand on 4 February 2019, and the time set for completion of the works envisaged by the contract is 600 days from the initial date, i.e. from 25 February 2019.

In 2019, the mobilisation period ended and works commenced. By the end of 2021, more than a dozen variation orders had been issued, including, among others, one variation order in H1 2021, significantly increasing the scope of the work to include resurfacing of the "Jeleń" junction. Taking into account all the variation orders, the total value of the contract is 69,690 thousand. The total net value of works invoiced by the contractor under this contract amounts to PLN 66,328 thousand (95.2% of the contractual value), of which the amount of PLN 11,386 thousand was invoiced in 2021.

Taking into consideration the procedure for the selection of the entity to implement the above-mentioned contract, in the opinion of the Company's Management Board its terms should be deemed market terms.

- **Contract between SAM and Pavimental Polska Sp. z o.o.** (the entities belong to the Atlantia group, which holds 99.6% of the shares of Pavimental S.p.A., i.e. the sole shareholder of Pavimental Polska Sp. z o.o.) on the **alteration of the A4 motorway drainage – Part III covering the alteration of the drainage for one catchment area in the Małopolskie voivodeship**.

The contractor in this case was selected on the basis of a tendering procedure. The contract was entered into for the amount of PLN 15,033 thousand on 9 July 2019, and the time set for completion of the works envisaged by the contract is 620 days from the initial date, i.e. from 19 August 2019.

In 2019, the mobilisation period ended and works commenced. By the end of 2021, five variation orders had been issued, increasing the total contract value to PLN 16,260 thousand. The total net value of works invoiced by the contractor under this contract amounts to PLN 16,260 thousand (100% of the contractual value), of which the amount of PLN 4,448 thousand was invoiced in 2021.

Taking into consideration the procedure for the selection of the entity to implement the above-mentioned contract, in the opinion of the Company's Management Board its terms should be deemed market terms.

- **Contract between SAM and Pavimental Polska Sp. z o.o.** (the entities belong to the Atlantia group, which holds 99.6% of the shares of Pavimental S.p.A., i.e. the sole shareholder of Pavimental Polska Sp. z o.o.) **for the modernisation of 12 culverts located in the right-of-way of the concession section of the A4 motorway Katowice–Kraków.**

The contractor in this case was selected on the basis of a tendering procedure. The contract was entered into for the amount of PLN 7,305 thousand on 29 January 2020, and the time set for completion of the works envisaged by the contract is 660 days from the initial date, i.e. from 26 February 2020.

In 2020, the mobilisation period ended and works commenced. By the end of 2021, a variation order had been issued increasing the total contract value to PLN 7,475 thousand. The total net value of works invoiced by the contractor under this contract amounts to PLN 7,161 thousand (95.8% of the contractual value), of which the amount of PLN 3,978 thousand was invoiced in 2021.

Taking into consideration the procedure for the selection of the entity to implement the above-mentioned contract, in the opinion of the Company's Management Board its terms should be deemed market terms.

- **Contract between SAM and Pavimental Polska Sp. z o.o.** (the entities belong to the Atlantia group, which holds 99.6% of the shares of Pavimental S.p.A., i.e. the sole shareholder of Pavimental Polska Sp. z o.o.) **on the alteration of the A4 motorway drainage – Part IV covering the alteration of the drainage for 13 catchment areas in the Małopolskie voivodeship.**

The contractor in this case was selected on the basis of a tendering procedure. The contract was entered into for the amount of PLN 64,730 thousand on 25 June 2020, and the time set for completion of the works envisaged by the contract is 800 days from the initial date, i.e. from 27 July 2020.

In 2020, the mobilisation period ended and works commenced. By the end of 2021, a variation order had been issued concerning the modernisation of 11 culverts located in the right-of-way, increasing the total contract value to PLN 73,527 thousand. The total net value of the works invoiced by the contractor under this contract amounts to PLN 27,374 thousand (37.2% of the contractual value), of which the amount of PLN 24,425 thousand was invoiced in 2021.

Taking into consideration the procedure for the selection of the entity to implement the above-mentioned contract, in the opinion of the Company's Management Board its terms should be deemed market terms.

- **Contract between SAM and Pavimental Polska Sp. z o.o.** (the entities belong to the Atlantia group, which holds 99.6% of the shares of Pavimental S.p.A., i.e. the sole shareholder of Pavimental Polska Sp. z o.o.) **for the performance of running repairs of motorway pavement on the concession section of the A4 motorway Katowice–Kraków.**

The contractor in this case was selected on the basis of a tendering procedure. The contract, for the amount of PLN 475 thousand, involved the performance of running repairs of the pavement of the A4 motorway Katowice–Kraków, with a total surface area of 951 m<sup>2</sup>, comprising the binder course and the wear course. The works were completed in Q4 2021. The total net value of the works invoiced by the contractor under this contract amounted to PLN 475 thousand (100% of the contractual value), of which the whole amount was invoiced in 2021.

Taking into consideration the procedure for the selection of the entity to implement the above-mentioned contract, in the opinion of the Company's Management Board its terms should be deemed market terms.

#### **5.4. INFORMATION REGARDING AGREEMENTS ON CREDITS AND LOANS INCURRED AND TERMINATED IN THE FINANCIAL YEAR**

In 2021, the Company, just like other entities from the Group, did not incur any new loans or credit. No credit or loan agreement was terminated in that period either.

## **5.5. INFORMATION ON LOANS GRANTED IN THE FINANCIAL YEAR, INCLUDING LOANS GRANTED TO RELATED PARTIES**

In 2021, the Company, just like the other entities from the Capital Group, did not grant any loans to related parties or to entities not belonging to the Group.

## **5.6. INFORMATION ON SURETIES AND GUARANTEES GRANTED AND RECEIVED IN THE FINANCIAL YEAR, INCLUDING ONES GRANTED TO RELATED PARTIES**

In 2021, the Company did not grant or receive any sureties or guarantees. As at the end of 2021, the Company did not have any contingent liabilities.

In 2021, SAM obtained performance guarantees related to construction works and guarantees securing trade receivables resulting from agreements with issuers of fleet and fuel cards and electronic toll collection service providers.

## **5.7. INFORMATION ON ISSUANCE OF SECURITIES INCLUDING DESCRIPTION OF THE USE OF THE PROCEEDS FROM THE ISSUE BY THE COMPANY**

In 2021, the Company, similarly to other entities of the Group, did not issue any securities.

## **5.8. EXPLANATION OF DIFFERENCES BETWEEN THE FINANCIAL RESULTS PRESENTED IN THE ANNUAL REPORT AND PREVIOUSLY PUBLISHED FINANCIAL RESULT FORECASTS FOR THE FINANCIAL YEAR**

Neither the Company nor the Group published any financial result forecasts for 2021.

## **5.9. EVALUATION (WITH JUSTIFICATION) OF THE MANAGEMENT OF RISK AND FINANCIAL RESOURCES, TAKING INTO ACCOUNT THE ABILITY TO REPAY LIABILITIES INCURRED AND DETERMINATION OF POTENTIAL THREATS AND ACTIONS THE STALEXPORT AUTOSTRADY GROUP HAS TAKEN OR INTENDS TO TAKE TO PREVENT SUCH THREATS**

Currently, there are no threats related to the liquidity risk. The free funds held by the Company are fully sufficient to pay off the remaining liabilities and may be used to finance future motorway projects. Currently, free funds are kept in bank deposits or in debt securities guaranteed by a bank, which generates additional financial revenue.

## **5.10. INVESTMENT PLANS FEASIBILITY ASSESSMENT**

The amount of the funds held and the predicted cash flows from operating activities make it possible to determine the absence of threats to the timely performance by the Group of the investment works defined in the Concession Agreement.

Detailed information concerning the construction works currently in progress can be found in note 35 to the Group's consolidated financial statements.



**5.11. ASSESSMENT OF THE FACTORS AND EXTRAORDINARY EVENTS AFFECTING THE COMPANY'S AND THE GROUP'S OPERATING RESULTS IN THE REPORTING PERIOD, WITH DETERMINATION OF THE DEGREE OF IMPACT OF THESE FACTORS OR EXTRAORDINARY EVENTS ON THE ACHIEVED RESULT**

In the reporting period, no extraordinary events occurred influencing the result of the Company and the Group's business activity.

**5.12. INFORMATION ON EVENTS SIGNIFICANTLY INFLUENCING THE COMPANY'S AND THE GROUP'S ACTIVITY, OCCURRING IN THE REPORTING PERIOD AND AFTER ITS END**

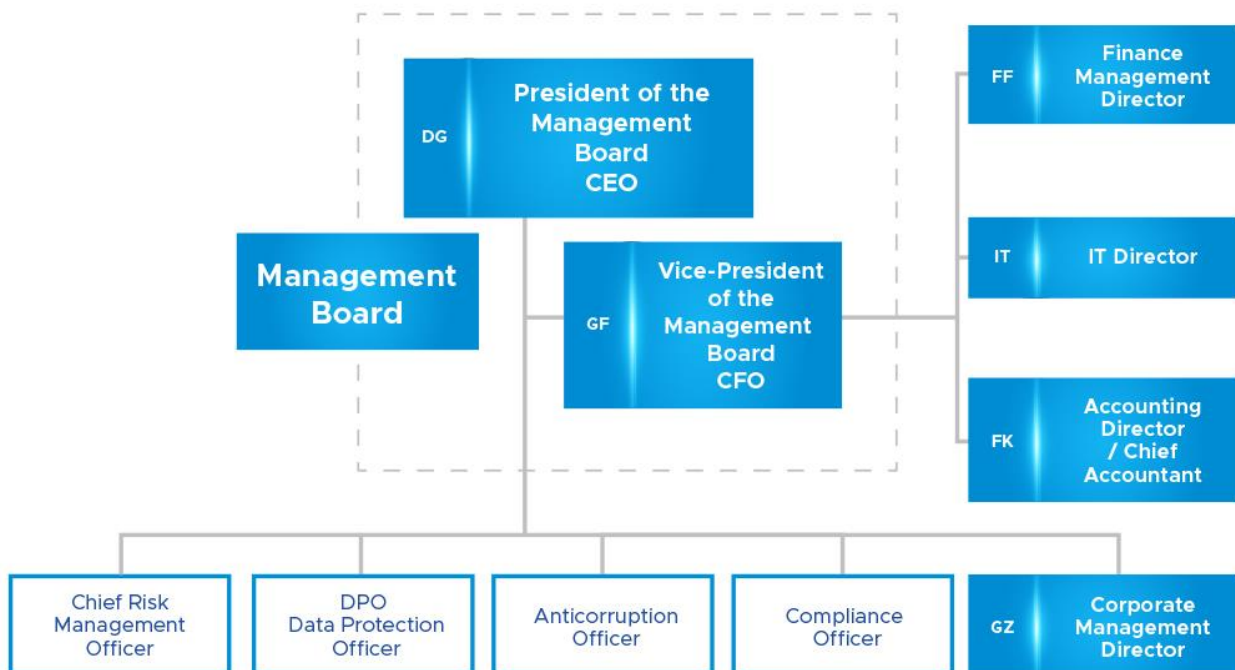
Both in the reporting year and after its end, no events significantly influencing the operations of the Company and the Capital Group were recorded.

**5.13. CHANGES TO THE BASIC PRINCIPLES OF MANAGEMENT OF THE COMPANY'S BUSINESS AND INFORMATION SIGNIFICANT FOR THE ASSESSMENT OF THE EMPLOYMENT SITUATION OF THE STALEXPORT AUTOSTRADY GROUP**

**Organisational structure of Stalexport Autostrady**

The Company's organisational structure did not change in 2021. The Company's organisational chart as at 31 December 2021 is presented in the figure below.

**FIGURE 8 | ORGANISATIONAL CHART OF STALEXPORT AUTOSTRADY S.A. AS AT 31 DECEMBER 2021**



Source: The Company's own compilation

The Company's headcount as at 31 December 2021 was 25 (6% FTE) and thus remained unchanged vs 31 December 2020.

The structure of the Group together with a description of the entities it includes is presented in part 2 of the Report.

#### (i) Employment in the Group

As at 31 December 2021, the Stalexport Autostrady Group had 325 employees, including 5 executive officers (members of management boards) and 22 middle management employees (directors and managers). For the sake of comparison, as at 31 December 2020, the Stalexport Autostrady Group had 329 employees, including 5 executive officers (members of management boards) and 21 middle management employees (directors and managers).

The decrease in the Group's headcount recorded as at 31 December 2021 compared to the headcount as at 31 December 2020 (in terms of the number of persons), amounting to approx. 1.22%, is due to a decrease in employment in the toll collection staff group (VIA4).

### 5.14. INFORMATION REGARDING AGREEMENTS BETWEEN THE COMPANY AND THE MANAGING PERSONS PROVIDING FOR COMPENSATION IF THEY RESIGN OR ARE MADE REDUNDANT WITHOUT AN IMPORTANT REASON OR IF THEY ARE DISMISSED OR MADE REDUNDANT BECAUSE OF THE COMPANY'S MERGER BY ACQUISITION

The agreements with members of the Management Board performing such functions in 2021 provide for the following:

- in the case of Emil Wąsacz – a 6 months' severance pay in the case of dismissal before the end of the term of office;
- in the case of Mariusz Serwa – payment of an additional benefit corresponding to 6 months' remuneration in the case of termination of the contract by the Company, except termination for reasons attributable to the managing person.

### 5.15. CHANGES IN THE COMPOSITION OF MANAGEMENT AND SUPERVISORY BODIES OF THE COMPANY AND OF THE GROUP IN THE REPORTING PERIOD

#### Stalexport Autostrady

The changes in the composition of the Company's management and supervisory bodies are described in paragraph 7.14.

#### SAM

##### (i) Management Board

No changes occurred in the composition of the Management Board in the reporting period and until the date of preparation hereof. It continued to be composed of the following persons:

- Emil Wąsacz – President of the Management Board,
- Mariusz Serwa – Vice-President of the Management Board,
- Paweł Kocot – Member of the Management Board.

##### (ii) Supervisory Board

The following changes occurred in the composition of the Supervisory Board of SAM in the reporting period and until the date of preparation hereof.

**In the period from 1 January 2021 to 27 July 2021**, the Supervisory Board of SAM performed its duties in the following composition:

- Stefano Bonomolo – Chairman of the Supervisory Board,
- Massimo Di Casola – Deputy Chairman of the Supervisory Board,
- Stefano Rossi – Secretary of the Supervisory Board.

**On 27 July 2021**, Mr Stefano Rossi handed in his resignation as a member of the Supervisory Board of SAM.

**On 12 August 2021**, the Extraordinary General Meeting of SAM appointed Mr Marco Stocchi Grava as member of the Supervisory Board of SAM.

**On 24 November 2021**, the Supervisory Board of SAM elected Mr Marco Stocchi Grava Secretary of the Supervisory Board. Thus, from 24 November 2021 until the date of preparation of the Report, the Supervisory Board of SAM operated in the following composition:

- Stefano Bonomolo – Chairman of the Supervisory Board,
- Massimo Di Casola – Deputy Chairman of the Supervisory Board,
- Marco Stocchi Grava – Secretary of the Supervisory Board.

## VIA4

### (i) Management Board

The following change occurred in the composition of the Management Board in the reporting period.

**In the period from 1 January 2021 to 30 June 2021**, the Management Board of VIA4 operated in the following composition:

- Henri Skiba – President of the Management Board,
- Mieczysław Skołożyński – Vice-President of the Management Board.

**In the period from 1 July 2021** until the date of preparation of the Report, the Management Board operated in the following composition:

- Andrzej Gienieczko – President of the Management Board,,
- Mieczysław Skołożyński – Wiceprezes Zarządu.

### (ii) Supervisory Board

The following changes occurred in the composition of the Supervisory Board in the reporting period.

**In the period from 1 January 2021 to 19 January 2021**, the Supervisory Board operated in the following composition:

- Mariusz Serwa – Chairman of the Supervisory Board,
- Emmanuelle Freneat – Deputy Chairman of the Supervisory Board,
- Krzysztof Bernatowicz,
- Massimo Di Casola,
- Carlo Ciattoni,
- Andrea Wolski.

Mr Andrea Wolski resigned from his function on **19 January 2021**, and on 10 February 2021 Stalexport Autostrady S.A. appointed Mr Stefano Bonomolo as a member of the Board.

**From 10 February 2021** until the date of preparation of the Report, the Supervisory Board was composed of the following persons:

- Mariusz Serwa – Chairman of the Supervisory Board,
- Emmanuelle Freneat – Deputy Chairman of the Supervisory Board,
- Krzysztof Bernatowicz,
- Stefano Bonomolo,
- Massimo Di Casola,
- Carlo Ciattoni.

#### BIURO CENTRUM

No changes occurred in the composition of the Management Board and of the Supervisory Board of Biuro Centrum in the reporting period and until the date of preparation of the Report.

##### (i) Management Board

**In the period from 1 January 2021** until the date of preparation of the Report, the Management Board of Biuro Centrum was composed of the following persons:

- Damazy Ćwikowski – President of the Management Board,
- Dorota Karolak – Vice-President of the Management Board.

##### (ii) Supervisory Board

**In the period from 1 January 2021** until the date of preparation of the Report, the Supervisory Board was composed of the following persons:

- Krzysztof Rewers – Chairman of the Supervisory Board,
- Katarzyna Bijak – Deputy Chairman of the Supervisory Board,
- Aleksandra Kwiatek-Deka – Secretary of the Supervisory Board.

## 5.16. REMUNERATION OF THE MANAGING AND SUPERVISING PERSONS OF STALEXPORT AUTOSTRADY

Pursuant to the Statutes of Stalexport Autostrady, the rules for the Management Board members' remuneration payment are defined by the Supervisory Board. The total remuneration paid to the Company's managing persons, i.e. members of the Management Board, in 2021, amounted to PLN 1,224.56 thousand . The total remuneration of the Company's managing persons obtained for being members of subordinated entities' bodies in the same period amounted to PLN 936,04 thousand . Detailed information regarding the amount of remuneration of the Company's managing persons in 2021 is presented in the table below.

**TABLE 13 | REMUNERATION PAID IN 2021 TO PERSONS MANAGING THE COMPANY [‘000 PLN]**

No.	Given name and surname	Function in the Company	Remuneration, rewards or benefits paid within the Company	Remuneration amounts received as members of subordinated entities' bodies	TOTAL
1.	Emil Wąsacz	President of the Management Board CEO	837.76	415.00	1,252.76
2.	Mariusz Serwa	Vice-President of the Management Board, CFO	386.80	521.04	907.84
<b>TOTAL</b>			<b>1,224.56</b>	<b>936.04</b>	<b>2,160.60</b>

Source: The Company's own compilation

The remuneration amounts presented in the table above include payment of the amount of PLN 534.31 thousand on account of the annual reward paid in 2021 and concerning 2020, covered by a provision charged to 2020.

The provision for the Management Board's annual reward for 2021 in the amount of PLN 215.48 thousand, and additionally the provision for payment of the three-year incentive plan (concerning the period from January 2019 until December 2021) in the amount of PLN 1,138.50 thousand, were charged to 2021 .

Pursuant to the Statutes of Stalexport Autostrady, the rules for the Supervisory Board members' remuneration payment are defined by the General Meeting.

In 2021, the total remuneration paid to the members of the Company's Supervisory Board amounted to PLN 183.27 thousand . Detailed information regarding the amount of remuneration paid to individual persons being members of the Supervisory Board of Stalexport Autostrady in that period is presented in the table below.

**TABLE 14 | REMUNERATION PAID IN 2021 TO MEMBERS OF THE COMPANY'S SUPERVISORY BOARD [‘000 PLN]**

No.	Given name and surname	Function in the Supervisory Board of Stalexport Autostrady	Remuneration amount
1.	Roberto Mengucci	Chairman	did not receive remuneration
2.	Tomasz Dobrowolski	Deputy Chairman	95.03
3.	Stefano Rossi	Secretary	did not receive remuneration
4.	Stefano Bonomolo	Member	did not receive remuneration
5.	Nicola Bruno	Member	did not receive remuneration
6.	Massimo Di Casola	Member	did not receive remuneration
7.	Andrzej Kaczmarek	Member	88.24
<b>TOTAL</b>			<b>183.27</b>

Source: The Company's own compilation

There are no payables in the Company or in the Group resulting from pensions and similar benefits for former managing or supervising persons or former members of administrative bodies, or any payables incurred in relation to such pensions.

#### **5.17. INFORMATION ON ALL PAYABLES RESULTING FROM PENSIONS AND SIMILAR BENEFITS FOR FORMER MANAGING OR SUPERVISING PERSONS OR FORMER MEMBERS OF ADMINISTRATIVE BODIES AND ON LIABILITIES INCURRED IN RELATION TO SUCH PENSIONS**

There are no payables in the Company or in the Group resulting from pensions and similar benefits for former managing or supervising persons or former members of administrative bodies, or any payables incurred in relation to such pensions.

#### **5.18. INFORMATION ON THE COMPANY'S OWN SHARES**

The Company does not hold any of its own shares.

#### **5.19. INFORMATION ON THE COMPANY'S BRANCH OFFICES**

The Company does not have branch offices.

## 5.20. THE COMPANY'S SHARES AND THE RELATED COMPANIES' SHARES HELD BY PERSONS MANAGING AND SUPERVISING STALEXPORT AUTOSTRADY

The number and nominal value of shares of Stalexport Autostrady and of related parties held by persons managing and supervising the Company is provided based on representations made by the relevant persons. The figures as at 31 December 2021 and as at the date of this Report are presented in the table below.

**TABLE 15 | NUMBER AND NOMINAL VALUE OF SHARES OF STALEXPORT AUTOSTRADY AND OF RELATED PARTIES HELD BY PERSONS MANAGING AND SUPERVISING THE COMPANY (AS AT 31 DECEMBER 2021 AND AS AT THE DATE OF THIS REPORT)**

No.	Given name and surname	Name of person/entity	Number of shares [units]	Nominal value
1.	Emil Wąsacz	Stalexport Autostrady	59,000	PLN 44,250
2.	Roberto Mengucci	Atlantia	27,354	no nominal value
3.	Nicola Bruno	Atlantia	75	no nominal value
4.	Stefano Bonomolo	Atlantia	862	no nominal value
5.	Massimo Di Casola	Atlantia	75	no nominal value

Source: The Company's own compilation based on representations made by the persons managing and supervising the Company

## 5.21. INFORMATION ON AGREEMENTS THE COMPANY IS AWARE OF (INCLUDING THOSE ENTERED INTO AFTER THE BALANCE SHEET DATE), WHICH IN THE FUTURE MAY RESULT IN CHANGES IN PROPORTIONS OF THE SHARES HELD BY THE EXISTING SHAREHOLDERS AND BONDHOLDERS

The Company is not aware of any agreements concluded, as a result of which changes may take place in the future in the proportions of shares held by the existing shareholders.

## 5.22. INFORMATION ON THE CONTROL SYSTEM REGARDING EMPLOYEE SHARE SCHEMES

No employee share schemes function in Stalexport Autostrady or in other companies from the Group.

## 5.23. INFORMATION ON THE CONTRACT WITH THE AUDITING FIRM ON THE AUDIT OR REVIEW OF FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

### (i) Stalexport Autostrady

In accordance with the powers stipulated in the Statutes of the Company, the Supervisory Board entrusted the audit of the financial statements of the Company and of the consolidated financial statements of the Stalexport Autostrady S.A. Group for 2021 to Ernst & Young Audył Polska spółka z ograniczoną odpowiedzialnością sp.k., entered on the list of entities authorised to audit financial statements under number 130.

On 18 June 2021, the Company signed a contract with Ernst & Young related to the audit and review of the financial statements and to the performance of procedures with regard to the evaluation of the annual reports on remuneration of the Management Board and of the Supervisory Board in the years 2021–2022.

The total remuneration of Ernst & Young for the audit and review of the financial statements for 2021 was set at the net amount of PLN 96.7 thousand, including remuneration for work related to the following:

- review of the interim separate and consolidated financial statements of Stalexport Autostrady for the period of 6 months ended on 30 June 2021: PLN 32.2 thousand;
- audit of the annual separate and consolidated financial statements of the Company for 2021: PLN 64.5 thousand.

Remuneration for the performance of procedures in relation to the evaluation of the annual report on the remuneration of the Management Board and of the Supervisory Board for 2021 was set at the amount of PLN 10 thousand.

The limit for additional costs subject to reimbursement in relation to the above services was set at 10%.

The total remuneration of Ernst & Young for the audit and review of the financial statements for 2020, in turn, amounted to PLN 97.5 thousand including remuneration for work related to the following:

- review of the interim separate and consolidated financial statements of Stalexport Autostrady for the period of 6 months ended on 30 June 2020: PLN 30 thousand;
- audit of the annual separate and consolidated financial statements of the Company for 2020: PLN 67.5 thousand.

Remuneration for the performance of procedures in relation to the evaluation of the annual report on the remuneration of the Management Board and of the Supervisory Board for the years 2019–2020 was set at the amount of PLN 20 thousand.

The limit for additional costs subject to reimbursement was set at 10%, but ultimately such costs did not occur.

## (ii) SAM

In accordance with the powers stipulated in the Statutes of SAM, the audit of the financial statements of SAM for 2021 was entrusted the Ernst & Young Company by the company's Supervisory Board.

On 25 June 2021, SAM signed a contract with Ernst & Young concerning the following:

- review of the Condensed financial statements or audit of the condensed financial statements for the periods of 6 months ending on 30 June 2021 and 30 June 2022;
- audit of the financial statements for the periods of 12 months ending on 31 December 2021 and 31 December 2022;

The total remuneration of Ernst & Young for the audit of the financial statements for 2021 was set at the net amount of PLN 75.2 thousand, including remuneration for the following:

- audit of the condensed financial statements for the period of 6 months ended on 30 June 2021: PLN 32.2 thousand;
- audit of the financial statements for the period of 12 months ended on 31 December 2021: PLN 43 thousand .

The limit for additional costs subject to reimbursement was set at 10%.

The total remuneration of Ernst & Young for the audit of the financial statements for 2020 amounted to PLN 70 thousand (net), including remuneration for the following:

- audit of the condensed financial statements for the period of 6 months ended on 30 June 2020: PLN 30 thousand;
- audit of the financial statements for the period of 12 months ended on 31 December 2020: PLN 40 thousand.



The limit for additional costs subject to reimbursement was set at 10%, but ultimately such costs did not occur.

#### (iii) VIA4

In accordance with the powers stipulated in the Statutes of VIA4, the audit of the financial statements of VIA4 for 2021 was entrusted by the Supervisory Board (by way of resolution no. 15/2021 of 13 April 2021) to Ernst & Young Audyt Polska Sp. z o.o. sp.k. (hereinafter: Ernst & Young). On 28 June 2021, VIA4 signed a contract with Ernst & Young on the audit of the financial statements in the years 2021–2022.

The total remuneration of Ernst & Young for the audit of the financial statements for 2021 was set at the net amount of PLN 69.9 thousand, including remuneration for work related to the following:

- audit of the interim financial statements for the period of 6 months ended on 30 June 2021: PLN 26.9 thousand;
- audit of the annual financial statements for 2021: PLN 43 thousand.

The limit for additional costs subject to reimbursement was set at 10%, not more than PLN 6.99 thousand .

The total remuneration of Ernst & Young for the audit of the financial statements for 2020 amounted to PLN 65 thousand (net), including remuneration for work related to the following:

- audit of the interim financial statements for the period of 6 months ended on 30 June 2020: PLN 25 thousand;
- audit of the annual financial statements for 2020: PLN 40 thousand.

The limit for additional costs subject to reimbursement was set at 10% and the actual additional costs amounted to PLN 84.

#### (iv) Biuro Centrum

In accordance with the powers determined in the Articles of Association of Biuro Centrum, the Supervisory Board entrusted the audit of the financial statements of Biuro Centrum for 2021 to PKF Consult Sp. z o.o. Spółka Komandytowa with its registered office in Warsaw (hereinafter: PKF Consult), entered in the list of auditing firms under the number 477 and entered in the register of entrepreneurs kept by the District Court for the capital city of Warsaw, 13<sup>th</sup> Commercial Department of the National Court Register, under the number KRS: 0000579479.

The contract on the audit of the separate financial statements of Biuro Centrum for 2021 was entered into on 12 November 2020. The remuneration to be received by PKF Consult under that contract will amount to PLN 12.2 thousand (net).

The contract on the audit of the separate financial statements of Biuro Centrum for 2020 was entered into on 12 November 2020 with the company PKF Consult. The remuneration which PKF Consult received in relation to that amounted to PLN 13.2 thousand (net).

## 5.24. INFORMATION ON SIGNIFICANT PROCEEDINGS BEFORE THE COURT, THE AUTHORITY COMPETENT FOR ARBITRATION PROCEEDINGS OR A PUBLIC ADMINISTRATION AUTHORITY

Neither the Company nor any other entities of the Group are parties to any significant proceedings in course before a common court, an arbitration court or public administration authorities.

 **PART 6****INFORMATION ON THE STRATEGY ADOPTED FOR THE DEVELOPMENT OF THE COMPANY AND OF ITS GROUP AND ON ACTIVITIES UNDERTAKEN TO IMPLEMENT THAT STRATEGY IN THE PERIOD COVERED BY THE REPORT WITH A DESCRIPTION OF THE PROSPECTS FOR DEVELOPMENT OF THE COMPANY'S BUSINESS AT LEAST IN THE FOLLOWING YEAR ALONG WITH A DESCRIPTION OF SIGNIFICANT RISK FACTORS AND THREATS, AND CHARACTERISATION OF EXTERNAL AND INTERNAL FACTORS SIGNIFICANT FOR THE DEVELOPMENT OF THE STALEXPORT AUTOSTRADY GROUP****6.1. INFORMATION ON THE STRATEGY ADOPTED FOR THE DEVELOPMENT OF THE COMPANY AND OF ITS GROUP AND ON ACTIVITIES UNDERTAKEN TO IMPLEMENT THAT STRATEGY IN THE PERIOD COVERED BY THE REPORT WITH A DESCRIPTION OF THE PROSPECTS FOR DEVELOPMENT OF THE COMPANY'S BUSINESS AT LEAST IN THE FOLLOWING YEAR**

As far as the internal development strategy is concerned, the Group has been making and will continue to make efforts to improve the quality of services provided to the motorway users by way of improvements of the toll collection system, allowing the customers to diversify the range of toll payment methods. These efforts are intended to improve the flow capacity at the toll plazas and to shorten the transaction time. An example of such activities undertaken on the part of the Stalexport Autostrady Group was the pioneer project (among toll motorway concessionaires in Poland) implemented in 2016, consisting in the introduction of an electronic toll collection system using the microwave technology (in accordance with EU directives) under the commercial name of "A4Go", making it possible to drive through the toll plazas on the A4 Katowice–Kraków section more conveniently and faster compared to using traditional payment methods.

It was possible to implement this project thanks to the experience of the companies from the Atlantia group, an international leader in the electronic toll collection sector. Drawing further on this experience, in 2019 the Group undertook actions aimed at introducing more electronic payment forms. As a result of these activities, videotolling was introduced in July 2019 using the AutoPay application, and in 2020 a newer and more user-friendly online store was launched for "A4Go" ([www.a4go.pl](http://www.a4go.pl)). Subsequently, the videotolling function was also made available through the SkyCash application (in July 2020) and the IKO PKO BP application (in February 2021), as well as to Orlen fleet card users (in May 2021) and through the mPay application (in January 2022).

Work is also in progress as well as talks with other partners for the purpose of further expansion of access to electronic forms of payment. The technological solutions applied may in the future enable the users of the new Polish toll collection system (e-TOLL) to travel on the motorway section managed by the Group – this is referred to as domestic interoperability. The introduction of this functionality is subject to appropriate arrangements with the Public Party, which is the owner of e-TOLL.

**6.2. DESCRIPTION OF SIGNIFICANT RISK FACTORS AND THREATS, AND CHARACTERISATION OF EXTERNAL AND INTERNAL FACTORS SIGNIFICANT FOR THE DEVELOPMENT OF THE COMPANY AND OF THE STALEXPORT AUTOSTRADY GROUP**

The fundamental risks and threats and the external and internal factors significant for the operation of the Group and of the Company can be divided into three basic areas related to the following:

- **the A4 Katowice–Kraków project in progress.**

In this area, the prevalent risks as well as economic and financial factors are those related to the overall economic situation and to the current situation on the construction works market, as well as those of political and legal nature.

The **overall economic situation** in Poland has an impact mainly on the number of vehicles using the A4 motorway (this factor affects mainly the heavy goods vehicle traffic), and thus on the level of revenue from toll collection generated by the Concessionaire. The Group reduces this risk by means of an adequate (optimal) pricing policy and by taking actions aimed at improving the customer service quality on the motorway section managed by the Group by the improvement of the toll collection system currently in progress, allowing the customers to diversify the available range of toll payment methods.

As far as the **construction works market** is concerned, a buoyant mood on that market increases the prices of construction services and decreases the profitability of the A4 Katowice–Kraków project, while in the period of downturn on that market, the Group can negotiate more favourable conditions for the execution of the necessary works, thus keeping more funds available to the shareholders. The Company seeks to reduce the risk within this area by active management, within the scope of powers granted to it under the Concession Agreement, of the schedule of the construction works planned and carried out.

Institutional and legal instability of the environment regulating the infrastructure sector in Poland is the main factor from the **political and legal risk** group. The Company seeks to counteract these risks for instance by promoting best practices and solutions aimed at creating an appropriate legal framework for the execution of infrastructure projects and by actively participating in the public debate regarding new legislative solutions. This risk group also includes the potential actions aimed at amending the existing law, which may affect the revenue or expense level of the A4 Katowice–Kraków project. It is worth emphasising at this point that the Concession Agreement includes provisions which make it possible to claim compensation from the State Treasury if the public party performs activities that adversely affect the profitability of the A4 Katowice–Kraków project.

Additional risks are also related to the decision of the Polish Office of Competition and Consumer Protection (hereinafter 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. When performing future repair works causing substantial traffic disruption, the Concessionaire should take into account the provisions of that decision in its toll rate policy. The Company reduced this risk by introducing the following documents for application: (i) the Rules of performance of works causing traffic disruption on the motorway and (ii) the Principles of charging reduced toll rates if construction/repair works are being performed between the toll plazas leading to the failure to meet the motorway standard.

- **lease of office space and investment of own funds held**

Within this scope, the risks that should be mentioned are those related to the overall economic situation and to the investment climate, as well as to the market interest rate risk.

The **overall economic situation** in Poland directly affects the office space lease market and thus the size of the vacant (not leased) space and the rent rates. The Company reduces this risk by applying a flexible pricing policy and by making other efforts to increase the attractiveness of the office space and to improve the safety of its users. Furthermore, the Company makes constant efforts to win new lessees.

As a result of the revenue structure and of the nature of the business, the Company's financial results are burdened by an **interest rate risk**. This risk is related to the volatility of the financial markets and manifests itself in changes in the value of money. Stalexport Autostrady reduces this risk by diversifying the terms of the deposits in which the Company invests its funds.



- **all activities generally performed by the Group.**

The institutional and legal instability of the environment, mentioned above, affects not only the implementation of the A4 Katowice–Kraków project, but also all of the Company's and of the Group's activities, with particular emphasis on the functioning of Stalexport Autostrady as a public company. The Company seeks to counteract these risks by constantly monitoring all changes to legal regulations (both national and EU ones), by using consultancy services provided by companies specialising in the given fields, by participation of the Management Board and of the employees responsible for the given area of the Company's business in training courses and conferences related to the new regulations, and by implementing appropriate procedures and best practices, both in the Company and in the entire Group.

Apart from the risks described above, which have accompanied the Company's business for many years now, a new risk **related to the spread of the SARS-CoV-2 coronavirus and of COVID-19 infections** appeared in 2020.

**The SARS-CoV-2** pandemic caused a decline in vehicle traffic on the A4 motorway as well as a decline in toll revenue. The Company adopted a number of measures to keep business continuity, including among other things introducing partly remote work and reducing the extent of direct contact of its employees, assuring personal protection equipment for employees, and testing employees for the virus.

**The SARS-CoV-2** pandemic did not disrupt the supply chain of goods and services for the Company or for the Group's companies, nor did it cause a lack of resources, including personnel, determining their functioning. As at the time of preparation of this report, the Company does not find any threat to its business continuity.

The results of the spread of the SARS-CoV-2 coronavirus and of COVID-19 infections have had and may continue to have a significant impact on the Group's future operational and financial results as well as on the Group's business due to the fact that the vast majority of the Group's revenues is represented by toll revenues from the section of the A4 motorway Katowice–Kraków, managed by SAM. Thus, the Group's results will be impacted by all changes in traffic on said motorway section caused by the spread of the SARS-CoV-2 coronavirus and of COVID-19 infections, which may be influenced by the following, among other things:

- guidelines and restrictions of state bodies and institutions aimed at reducing the spread of the SARS-CoV-2 coronavirus, including among other things introducing restrictions in passenger and heavy goods vehicle traffic in the national territory or for international road transport by the Polish state or by neighbouring countries;
- macroeconomic consequences of the pandemic for the Polish economy, including prospects for a return to positive GDP increase values.

The effective extent of the future impact of the consequences of the spread of the SARS-CoV-2 coronavirus (or another virus with similar effects) and of COVID-19 infections on the Company's and on the Group's business is unknown in the Management Board's opinion, and depends on factors which are beyond the Company's control.

The Management Board is responsible for the proper identification of risks in all the above-mentioned areas of operations of the Company and the Capital Group and their owners, as well as for determining the acceptable level of risk, which is supported in the above-mentioned activities by the Chief Risk Management Officer, appointed both at the level of Stalexport Autostrady and subsidiaries.

 **PART 7**

## **REPRESENTATION OF THE MANAGEMENT BOARD OF STALEXPORT AUTOSTRADY ON THE COMPANY'S COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES**

### **7.1. INTRODUCTION**

In compliance with the obligation stipulated in §70(4)(5) of the Ordinance concerning current and periodic information, the Management Board of Stalexport Autostrady publishes this statement of compliance by the Company with the corporate governance principles specified in the following collections:

- DPSN 2016 in the period from 1 January 2021 to 30 June 2021
- DPSN 2021 in the period from 1 July 2021 to 31 December 2021

### **7.2. COLLECTION OF CORPORATE GOVERNANCE PRINCIPLES THE COMPANY IS SUBJECT TO AND ITS PUBLIC AVAILABILITY**

The Management Board of Stalexport Autostrady represents that the collection of corporate governance principles the Company was subject to in 2021, i.e. the DPSN 2016 and the DPSN 2021, is publicly available on the following web pages:

- of the Warsaw Stock Exchange ([www.corp-gov.gpw.pl](http://www.corp-gov.gpw.pl));
- of the Polish Association of Stock Exchange Issuers ([www.seg.org.pl](http://www.seg.org.pl));
- of the Company ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

### **7.3. COLLECTION OF CORPORATE GOVERNANCE PRINCIPLES THE COMPANY WAS ALLOWED TO DECIDE TO APPLY VOLUNTARILY AND ITS PUBLIC AVAILABILITY**

The collection of corporate governance principles which the Company decided voluntarily to comply with comprises the following documents in force at the Atlantia S.p.A Capital Group:

- Code of Ethics,
- Compliance Program,
- Anti-Corruption Policy.

The above documents were accepted for application subject to the provision that they shall be in force without any changes, unless their provisions are contrary to the Polish law.

All the above documents are available on the Company's web page ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

### **7.4. ALL INFORMATION CONCERNING THE CORPORATE GOVERNANCE PRACTICES APPLIED BY THE COMPANY EXCEEDING THE REQUIREMENTS PROVIDED FOR BY THE NATIONAL LAW, TOGETHER WITH INFORMATION ON THE CORPORATE GOVERNANCE PRACTICES APPLIED BY THE COMPANY**

On 28 December 2020, the Company adopted the "Whistleblowing Procedure", in accordance with the guidelines in force in the Atlantia Group, subject to the following provisions: (1) its content has been adapted to the organisational

structure in force in the Company; (2) the procedure applies without changes, provided that its provisions were not contrary to the provisions of the Polish law; (3) if the procedure refers to provisions of the Italian law or of international law, this should be deemed as reference to the provisions of the Polish law or of international law applicable in the relevant area, if Poland is a party to the relevant international agreements or conventions. This procedure replaced the previously applicable "Notification Procedure". In 2021, the "Whistleblowing Procedure" was updated twice. The "Whistleblowing Procedure" is available on the Company's web page ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

## 7.5. EXTENT TO WHICH THE COMPANY DEPARTED FROM THE PROVISIONS INCLUDED IN THE ABOVE-MENTIONED COLLECTION OF CORPORATE GOVERNANCE PRINCIPLES, IDENTIFICATION OF THOSE PROVISIONS AND EXPLANATION OF THE REASONS FOR THE DEPARTURE

### 7.5.1. DPSN 2016 IN FORCE UNTIL 30 JUNE 2021

Pursuant to §29(3) of the Rules of Giełda Papierów Wartościowych w Warszawie S.A. [Warsaw Stock Exchange], Stalexport Autostrady submitted, on 8 January 2016, report no. 1/2016, via the Electronic Information Database (EBI), concerning the non-observance of specific principles included in the DPSN 2016 collection.

According to the said report, Stalexport Autostrady did not apply 3 recommendations: VI.R.1., VI.R.2., VI.R.3. as well as 4 specific principles: I.Z.1.9., II.Z.8., III.Z.3., VI.Z.1.; however, recommendation VI.R.3 and principle II.Z.8 were observed from 20 May 2016.

The principles and recommendations in force until 30 June 2021 (DPSN 2016) from which the Company departed are presented in the table below, with an explanation of the reasons for the departure.

**TABLE 16 | PRINCIPLES AND RECOMMENDATIONS, IN FORCE UNTIL 30 JUNE 2021 (DPSN 2016), FROM WHICH THE COMPANY DEPARTED WITH AN EXPLANATION OF THE REASONS FOR THE DEPARTURE**

Principle/ recommendation no. (DPSN 2016)	Principle/ recommendation contents	Reasons for the Company's departure from observance of the individual principle/recommendation
I.Z.1.9	Information on dividend planned and paid by the company in the period of the last 5 financial years, including data concerning the record date, the payment dates and the dividend amounts: in total and per share,	As far as planned dividend is concerned, the Company does not intend to observe that principle, due to the fact that the planning of dividend of significant value by Stalexport Autostrady depends on the possibility and on the schedule of receiving dividends from the Group companies.
III.Z.3.	The rules of independence set forth in generally recognised, international standards of professional practice for internal audit apply to the person in charge of the internal audit function and to the other persons responsible for the performance of its tasks.	This principle is not observed, except the function of compliance supervision, for which a Compliance Officer was appointed in the Company.
VI.Z.1.	The incentive programmes should be structured in such a way as to make sure,	The Company has appropriate incentive programmes (long-term programmes) in place

	<p><b>among other things, that the level of remuneration of members of the company's management board and of its key managers depends on the actual, long-term financial position of the company and on the long-term increase of value for shareholders and stability of the enterprise's functioning.</b></p>	<p>for the Management Board members. The Company did not introduce a similar incentive programme for key managers not being members of the Management Board.</p>
<p><b>VI.R.1.</b></p>	<p><b>Remuneration of members of the company's bodies and key managers should result from the remuneration policy adopted</b></p>	<p>On 19 June 2020, the Company's General meeting adopted a policy of remuneration of Members of the Management Board and of the Supervisory of Stalexport Autostrady, and at a subsequent General Meeting on 24 November 2020, a slight modification to the policy was made.</p> <p>The Company does not have, on the other hand, a policy of remuneration of key managers in place. Remuneration of the managerial staff is determined on the basis of the Remuneration Rules drafted in accordance with the Labour Code requirements. This circumstance makes the rules of remuneration in the Company transparent and thus this does not lead to a risk or to any potential adverse effects of failure to apply the rule.</p>
<p><b>VI.R.2.</b></p>	<p><b>The remuneration policy should be closely linked to the company's strategy, its short- and long-term goals, long-term interests and results, and it should also take into account solutions aimed at avoiding discrimination for any reasons.</b></p>	<p>The policy of remuneration of members of the Management Board and of the Supervisory Board of Stalexport Autostrady meets the requirements set forth in this principle.</p> <p>However, the Company does not have a remuneration policy for key managers in place, as indicated in the comment on recommendation VI.R.1. Nevertheless, the rules of remuneration of the managerial staff adopted in the Company comply to the requirements indicated in recommendation VI.R.1.</p>

Source: The Company's own compilation

### 7.5.2. DPSN 2021 IN FORCE FROM 1 JULY 2021

Pursuant to §29(3) of the Rules of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange), Stalexport Autostrady submitted, on 30 July 2021 via the Electronic Information Database (EBI), information on the state of application by Stalexport Autostrady of the rules contained in the set of "Best Practices of WSE Listed Companies 2021" (DPSN 2021), which were adopted by Resolution No. 13/1834/2021 of the Supervisory Board of the WSE of March 29, 2021 and entered into force on July 1, 2021. In accordance with that information, the Company does not apply 13 principles of DPSN 2021, i.e. the following numbers: 1.3.1., 1.3.2., 1.4., 1.4.1., 1.4.2., 1.6., 2.1., 2.2., 2.4., 3.2., 3.3., 3.6., 6.2.

The principles of DPSN 2021, the application of which the Company departed from, along with an explanation of the reasons for such departure, are presented in the table below.

**TABLE 17| PRINCIPLES IN FORCE FROM 1 JULY 2021 FROM WHICH THE COMPANY DEPARTED WITH AN EXPLANATION OF THE REASONS FOR THE DEPARTURE**

Principle no. (DPSN 2021)	Principle contents	Reasons for the Company's departure from the principle
1.3.1	<b>Companies integrate ESG factors in their business strategy, including in particular: environmental factors, including measures and risks relating to climate change and sustainable development;</b>	The Company does not have a formalised business strategy that would take into account ESG aspects. However, taking into account the importance of such aspects, it intends to undertake actions aimed at developing such a strategy and subsequently implementing it by the end of 2022.
1.3.2	<b>social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialogue with local communities, customer relations.</b>	Explanation why this principle is not applied: same as for item 1.3.1.
1.4	<b>To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial. ESG information concerning the strategy should among others:</b>	Explanation why this principle is not applied: same as for item 1.3.1.
1.4.1	<b>explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;</b>	Explanation why this principle is not applied: same as for item 1.3.1.
1.4.2	<b>present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.</b>	Explanation why this principle is not applied: same as for item 1.3.1.
1.6	<b>Companies participating in the WIG20, mWIG40 or sWIG80 index hold on a quarterly basis and other companies hold at least on an annual basis a meeting with investors to which they invite in particular shareholders, analysts,</b>	The Company holds a meeting for investors once a year, after publication of the statements for the previous year.



	<p>industry experts and media representatives. At such meetings, the management board of the company presents and comments on the strategy and its implementation, the financial results of the company and its group, and the key events impacting the business of the company and its group, their results and outlook. At such meetings, the management board of the company publicly provides answers and explanations to questions raised.</p>	<p>The Company sees no need to increase the frequency of meetings with investors because:</p> <ul style="list-style-type: none"> <li>• the Company's activity is characterised by highly predictable of revenues and expenses:</li> <li>– the dominant share of revenues and expenses is generated by the multiannual motorway concession project with a history of over 20 years of traffic, toll rates and revenues;</li> <li>– in addition, quarterly reports include information on the development of traffic and revenues in the respective quarters;</li> <li>• during the meeting with investors, the Company presents its investment plan for the current year, allowing the investors to obtain information on investment expenditures or to estimate the latter.</li> </ul>
2.1	<p>Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.</p>	<p>Taking into account the size of the activity carried out and guided by the principle of adequacy, the Company has not drawn up and does not implement a policy of diversity. The main criteria for evaluation applied when selecting members of the Company's bodies and its key managers are qualifications, expertise, and professional experience of the individual candidates, confirming that they are prepared to perform the relevant function in terms of their knowledge concerning the relevant field.</p>
2.2	<p>Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.</p>	<p>Explanation why this principle is not applied: same as for item 2.1.</p>
2.4	<p>The supervisory board and the management board vote in an open ballot unless otherwise required by law.</p>	<p>Application of the principle with regard to Supervisory Board resolutions would require an amendment to the Company's Statutes and to the Regulations of the Supervisory Board.</p>
3.2	<p>Companies' organisation includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to</p>	<p>Due to the limited scale of activity of Stalexport Autostrady S.A. and the small number of persons employed in the Company, no organisational unit has been established separately within the</p>

<p><b>the size of the company or the type of its activity.</b></p>	<p>Stalexport Autostrady S.A. organisational structure responsible for the performance of all tasks in the individual systems or functions referred to in item 3.1., except the following functions:</p> <ol style="list-style-type: none"> <li>1) compliance supervision, for which a Compliance Officer was appointed in the Company.</li> <li>2) risk management, for which a Chief Risk Management Officer was appointed.</li> </ol> <p>In the remaining areas, i.e. internal control and audit, the functions and tasks are currently performed directly by Members of the Management Board of Stalexport Autostrady S.A. in accordance with the division of competences.</p> <p>Nevertheless, on 2 March 2021, the Supervisory Board passed a resolution on the adoption by the Company of the document entitled “Objectives, powers and duties of the Internal Audit Director at Stalexport Autostrady S.A.”, and consequently the recruitment process for this position is currently in progress. (*)</p>
<p><b>3.3</b></p> <p><b>Companies participating in the WIG20, mWIG40 or sWIG80 index appoint an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such person should be appointed.</b></p>	<p>On 2 March 2021, the Supervisory Board passed a resolution on the adoption by the Company of the document entitled “Objectives, powers and duties of the Internal Audit Director at Stalexport Autostrady S.A.”, and consequently the recruitment process for this position is currently in progress. (*)</p>
<p><b>3.6</b></p> <p><b>The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.</b></p>	<p>According to the document adopted by the Company’s Supervisory Board, entitled “Objectives, powers and duties of the Internal Audit Director at Stalexport Autostrady S.A.”, the head of internal audit reports organisationally to the Management Board, not to the President of the Management Board. (**)</p>

6.2	<p><b>Incentive schemes should be structured in a way necessary among others to tie the level of remuneration of members of the company's management board and key managers to the actual long-term standing of the company measured by its financial and non-financial results as well as long-term shareholder value creation, sustainable development and the company's stability.</b></p>	<p>The principle is applied with regard to the members of the Management Board. Incentive schemes for key managers who are not members of the Management Board at the same time result from the Rules of Remuneration in force at the Company.</p>
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(\*) Information up to date as at the time of submission of the representation by the Management Board on 30 July 2021 and as at 31 December 2021. After the end of the reporting period, the recruitment process was completed, and from 1 March 2022 an Internal Audit Director will function within the Company's organisational structure.

(\*\*) The Internal Audit Director appointed from 1 March 2022 will report to the President of the Management Board.

Source: The Company's own compilation

## 7.6. THE GROUP'S EXPENDITURES ALLOCATED TO SOCIAL OBJECTIVES

TABLE 18 | DONATIONS MADE BY THE GROUP'S COMPANIES IN 2021

No.	Donee name	Donor name	Public benefit organisation	Amount	Objective
1.	Regional Railway Hospital in Katowice	SAM	no	PLN 10,000	Modernisation work in areas related to the treatment of COVID patients
2.	The Great Orchestra of Christmas Charity Foundation	SAM	yes	PLN 1,000	29. Finale of the Great Orchestra of Christmas Charity
3.	House of Guardian Angels" Association for Children and Youth	SAM	yes	PLN 10,000	Donation for underprivileged children
4.	"Eye to Eye with Cancer" Foundation]	SAM	yes	PLN 5,000	Cancer prevention activities
5.	"Cordis" Hospice Civic Association	SAM	yes	PLN 6,885,86	Covering the costs of medicines and medical supplies purchased
6.	Foundation for Cardiac Surgery Development	SAM	yes	PLN 10,000	"Cardiac Prosthesis for Children" project
7.	"Shelter" Foundation in Katowice	SAM	yes	PLN 10,000	Help for stray animals

8.	Krakow Animal Welfare Association	SAM	yes	PLN 10,000	Help for stray animals
9.	Spark Foundation	SAM	yes	PLN 12,000	Donation for children with cancer
10.	Sosnowiec Hospice	SAM	yes	PLN 12,000	Assistance to people with serious illnesses
11.	“House of Guardian Angels” Association for Children and Youth	SAM	yes	PLN 11,100	Donation for underprivileged children
12.	“Cordis” Hospice Civic Association	SAM	yes	PLN 12,000	Covering the costs of medicines and medical supplies purchased
13.	The Great Orchestra of Christmas Charity Foundation	VIA4	yes	PLN 4,000	29. Finale of the Great Orchestra of Christmas Charity
14.	Voluntary Fire Brigade in Balice	VIA4	no	PLN 3,899	Purchase of a trailer for a firefighting vehicle
15.	“Cordis” Hospice Civic Association	VIA4	yes	PLN 4,510.01	Covering the costs of medicines and medical supplies purchased
16.	Voluntary Fire Brigade in Grojec	VIA4	no	PLN 5,000	Purchase of special firefighter uniforms
17.	“Heart for a Baby” Foundation	VIA4	yes	PLN 1,000	Support for the treatment of a disabled child
18.	“Eye to Eye with Cancer” Foundation	Biuro Centrum	yes	PLN 4,000	Activities related to cancer prevention
19.	Voluntary Fire Brigade in Katowice	Biuro Centrum	no	PLN 1,000	Donation
20.	OTOCZKA Association in Zabrze	Biuro Centrum	no	PLN 3,000	Helping sick children
<b>TOTAL</b>				<b>PLN 136,394,87</b>	

Source: The Company's own compilation

**TABLE 19| GROUP COMPANIES' SPONSORSHIP EXPENDITURES IN 2021**

No.	Sponsored entity	Sponsor	Amount	Objective
1.	Józef Dietl Award Foundation	SAM	PLN 5,000	Józef Dietl Award Gala
2.	"House of Guardian Angels" Association for Children and Youth	SAM	PLN 20,000	Social campaign during the European Economic Congress in Katowice
<b>TOTAL</b>			<b>PLN 25,000</b>	

Source: The Company's own compilation

## 7.7. DESCRIPTION OF THE BASIC ATTRIBUTES OF THE COMPANY'S SYSTEMS OF INTERNAL CONTROL AND RISK MANAGEMENT AS REGARDS THE PROCESS OF DRAWING UP SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

The Management Board of Stalexport Autostrady is responsible for the system of internal control and its effectiveness. The system of internal control and risk management with regard to the process of drawing up financial statements involves the procedures for drawing up and approval of financial statements in force in Stalexport Autostrady. The system makes it possible to monitor the liabilities and to control the costs and the achieved results on a systematic basis. The financial data underlying the financial statements and the periodic reports come from the accounting and financial system IMPULS in which documents are recorded in line with the Company's accounting policy based on the International Accounting Standards.

The financial statements are drawn up by the financial and accounting staff under the control of the Company's Chief Accountant and they are subsequently verified by the Vice-President of the Management Board – CFO in cooperation with the Finance Management Director and their final contents are approved by the Management Board by way of a resolution.

The financial statements approved by the Management Board are audited by a statutory auditor selected by the Supervisory Board of the Company. Subsequently, pursuant to § 18(2)(1) of the Company's Statutes, the Supervisory Board, following the recommendation of the Audit Committee, verifies each year whether the audited financial statements of the Company and of the Group are consistent with the books and documents and whether they reflect the real situation, and notifies the shareholders of the results of this verification in its annual report.

The Company systematically monitors changes required under external laws and regulations concerning the stock exchange reporting requirements and prepares to implement them suitably in advance.

## 7.8. SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY SIGNIFICANT BLOCKS OF SHARES AND THE NUMBER OF SHARES HELD BY THESE SHAREHOLDERS, THEIR PERCENTAGE SHARE IN THE SHARE CAPITAL, THE NUMBER OF VOTES RELATED TO THOSE SHARES AND THEIR PERCENTAGE SHARE IN THE TOTAL NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY

The shareholders holding, according to the best knowledge of the Company, at least 5% of the total number of votes at the Stalexport Autostrady General Meeting as at 31 December 2021 and as at the date of this Report are listed in the table below.

**TABLE 20| LIST OF STALEXPORT AUTOSTRADY SHAREHOLDERS HOLDING SIGNIFICANT BLOCKS OF THE COMPANY'S SHARES (AS AT 31 DECEMBER 2021 AND AS AT THE DATE OF THE REPORT)**

Entity name	Number of ordinary bearer shares [units]	Share in the share capital [%]	Number of votes at the General Meeting [units]	Share in the total number of votes at the General Meeting [%]
Atlantia	<b>151,323,463</b>	61.20%	<b>151,323,463</b>	61.20%
TFI PZU	<b>12,406,475</b>	5.02%	<b>12,406,475</b>	5.02%

Source: The Company's own compilation based on notifications received by the Company from shareholders pursuant to Articles 69 and 69a in conjunction with Article 87 of the Act on public offering, on the conditions governing the introduction of financial instruments to organised trading, and on public companies

## 7.9. HOLDERS OF ANY SECURITIES GIVING SPECIAL CONTROL RIGHTS AND A DESCRIPTION OF THESE RIGHTS

No shares of Stalexport Autostrady provide shareholders with special control rights towards the Company.

## 7.10. INFORMATION ON ALL LIMITATIONS REGARDING EXERCISING THE VOTING RIGHT, SUCH AS THE LIMITATION OF EXERCISING THE VOTING RIGHT BY THE HOLDERS OF A SPECIFIED PART OR NUMBER OF VOTES, TIME LIMITATIONS REGARDING EXERCISING THE VOTING RIGHTS OR PROVISIONS UNDER WHICH THE CAPITAL RIGHTS RELATED TO THE SECURITIES ARE SEPARATED FROM THE HOLDING OF SECURITIES

The shares of Stalexport Autostrady are not subject to any limitations as far as exercising the right to vote related to the shares is concerned.

## 7.11. INFORMATION ON ALL LIMITATIONS REGARDING TRANSFERRING THE OWNERSHIP RIGHTS TO THE COMPANY'S SECURITIES

The shares of Stalexport Autostrady are not subject to any limitations with regard to the transfer of ownership right.

## 7.12. DESCRIPTION OF THE RULES OF APPOINTING AND DISMISSING MANAGING PERSONS AND THEIR POWERS, IN PARTICULAR THE RIGHT TO DECIDE ON THE ISSUANCE OR BUYBACK OF SHARES

Pursuant to §10 of the Statutes of Stalexport Autostrady, the Management Board is composed of 1 to 3 persons. The President of the Management Board is appointed by the Supervisory Board and other members of the Management Board are appointed by the Supervisory Board upon a motion of the President of the Management Board.

The powers of the Management Board are defined by the Statutes of the Company and by the Regulations of the Management Board issued on the basis of those Statutes, as well as by the Commercial Companies Code and by other generally applicable laws. The Statutes of Stalexport Autostrady and the Regulations of the Management Board are available on the corporate web page of Stalexport Autostrady ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

### 7.13. AMENDMENTS TO THE COMPANY'S STATUTES

Amendments to the Statutes of the Company are made in accordance with the rules specified in the Commercial Companies Code. The Statutes of Stalexport Autostrady do not stipulate otherwise in this respect, except for §5(2) which concerns material change of the objects of the Company. In such a case, the Statutes do not stipulate the necessity to buy out the shareholders that do not agree to the amendment.

### 7.14. THE GENERAL MEETING'S RULES OF PROCEDURE AND ITS BASIC POWERS WITH A DESCRIPTION OF THE RIGHTS OF SHAREHOLDERS AND THE WAY OF EXERCISING SUCH RIGHTS, IN PARTICULAR THE RULES RESULTING FROM THE REGULATIONS OF THE GENERAL MEETING IF SUCH REGULATIONS WERE ADOPTED, UNLESS INFORMATION IN THIS RESPECT RESULTS DIRECTLY FROM THE LAW

General meetings of Stalexport Autostrady are held in line with the rules described in the Commercial Companies Code, in the Statutes and in the "Rules of participation in the General Meeting of Stalexport Autostrady S.A. with its registered office in Mysłowice using means of electronic communication" (hereinafter: the "Rules of the e-GM"), passed by the Supervisory Board on 21 May 2020, and they do not diverge from the rules applied by other companies listed on the Warsaw Stock Exchange. In particular, apart from the shareholders, the members of the Management Board and of the Supervisory Board of the Company as well as guests, including experts invited by the body convening the GM, may attend the GM. A representative of the Company's statutory auditor attends the general meetings whose agenda comprises financial matters of the Company, and provides explanations during such meetings.

General Meetings are convened in the manner and according to the rules stipulated in the generally applicable regulations. This means that the notice convening the General Meeting is published on the web page of Stalexport Autostrady ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)) not later than 26 days before the date of the general meeting. Moreover, in accordance with § 19 of the Ordinance on current and periodic information, the Company provides, in the form of a current report, all the information related to the convening of the General Meeting, required by that regulation.

The shareholders holding shares of Stalexport Autostrady on the 16th day before the date of the General Meeting, which is the record date, are entitled to take part in the General Meeting. The basis for permitting a shareholder to attend the General Meeting is the placing of that shareholder on the list made available to the Company by Krajowy Depozyt Papierów Wartościowych S.A. (the Central Securities Depository of Poland) not later than one week before the date of the General Meeting.

The General Meetings are held in the Company's registered office or in Katowice and the specific rules of procedure are specified for them in the Rules of the General Meeting of Stalexport Autostrady. The Rules of the General Meeting currently in force are available on the corporate web page of Stalexport Autostrady. The above-mentioned Rules specify in particular the scope of rights of the shareholders (in relation to the most important right that is exercised by them, i.e. participation in the General Meeting) and the way such rights are exercised, the rules of appointing the Chairman of the GM, the tasks of the Chairman of the GM and his duties.

Pursuant to Article 4065 of the Commercial Companies Code, if those convening the Meeting so decide, participation in the General Meeting is possible using means of electronic communication and comprises: (i) bidirectional communication in real time between all the persons participating in the General Meeting, located in a place different than the venue of the General Meeting, and (ii) the voting right exercised personally or by proxy before or during the General Meeting. In this case, participation in the General Meeting involves using a dedicated IT platform, with the shareholder having the possibility of exercising the voting right by way of an instant text messaging service.

The specific principles of participation in the General Meeting using means of electronic communication are set forth in the Rules of the e-GM and in the notice convening the General Meeting.

The current Rules of participation in the General Meeting using means of electronic communication are available on the corporate web page of Stalexport Autostrady.

Pursuant to §24 of the Company's Statutes, GM resolutions are required in particular in the case of the following:

- 1) approval, upon review, of the Management Board's report on the Company's activities and of the financial statements for the previous financial year;
- 2) distribution of profit/covering of losses;
- 3) acknowledgement of the fulfilment of duties by members of the Management Board and members of the Supervisory Board;
- 4) disposal and lease of the enterprise or of its organised part and establishing a limited right in rem over them;
- 5) issuing of convertible bonds or senior bonds;
- 6) review and approval of the financial statements of the Stalexport Autostrady Group;
- 7) amendment to the Company's Statutes, including change of the objects of the Company, share capital increase or decrease and redemption of shares;
- 8) material change of the objects of the Company;
- 9) dissolution and liquidation of the Company;
- 10) Company's merger, demerger and transformation;
- 11) appointment of members of the Supervisory Board after their number has been determined for the given term of office and their dismissal;
- 12) determination of the remuneration rules for the appointed members of the Supervisory Board.

## **7.15. DESCRIPTION OF THE OPERATION OF THE MANAGING, SUPERVISORY OR ADMINISTRATIVE BODIES OF THE COMPANY AND OF THEIR COMMITTEES, WITH AN INDICATION OF THE COMPOSITION AND OF CHANGES TAKING PLACE IN THEM OVER THE LAST FINANCIAL YEAR**

### **(i) Management Board**

Pursuant to §10 of the Company's Statutes, the Management Board is composed of 1 to 3 persons. The President of the Management Board is appointed by the Supervisory Board, and the other Management Board members are appointed by the Supervisory Board at the request of the President of the Management Board. The joint term of office of the Management Board members lasts three consecutive years, and their mandates expire on the day of holding of the General Meeting approving the financial statements for the last full financial year of performance of the function of Management Board member.

- Emil Wąsacz – President of the Management Board,
- Mariusz Serwa – Vice-President of the Management Board.





**Emil Wąsacz – President of the  
Management Board**



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

The Management Board operates on the basis of applicable provisions of the law, including the Commercial Companies Code and the Statutes passed by the General Meeting. Moreover, pursuant to the Company's Statutes, the Management Board adopted its own Regulations, setting forth its detailed rules of procedure. They Regulations of the Management Board are available on the corporate web page of Stalexport Autostrady ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

## **(ii) Supervisory Board**

Pursuant to §14 of the Company's Statutes, the Supervisory Board is composed of 5 to 9 persons appointed for a joint term of office of three years. The General Meeting appoints and dismisses members of the Supervisory Board having previously determined their number for the given term of office.

In the period from 1 January 2021 to 27 July 2021, the Supervisory Board operated in the following composition:

1. Roberto Mengucci – Chairman of the Supervisory Board,
2. Tomasz Dobrowolski – Deputy Chairman of the Supervisory Board,
3. Stefano Rossi – Secretary of the Supervisory Board,
4. Stefano Bonomolo,
5. Nicola Bruno,
6. Massimo Di Casola,
7. Andrzej Kaczmarek.

On 28 July 2021, the Company received the resignation handed in by Mr Stefano Rossi from the function of member of the Supervisory Board of Stalexport Autostrady S.A., effective as of 27 July 2021.

The Supervisory Board operates on the basis of applicable provisions of the law, including the Commercial Companies Code and the Statutes passed by the General Meeting. Moreover, pursuant to the Company's Statutes, the Supervisory

Board adopted its own Regulations, constituting its rules of procedure. They are available on the corporate web page of Stalexport Autostrady ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

#### ▪ **Supervisory Board Committees**

The following committees function within the Supervisory Board: The Remuneration Committee and the Audit Committee, operating as advisory and opinion-forming bodies for the Supervisory Board,

In the reporting period, they were composed of the following members:

##### **Remuneration Committee:**

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

##### **Audit Committee:**

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

The Supervisory Board's committees operate pursuant to the regulations adopted by the Supervisory Board forming Enclosures to the Regulations of the Supervisory Board. These Regulations are also available from the corporate web page of the Company ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

#### **(iii) Detailed information concerning the Audit Committee and the selection and work of the auditing firm**

##### ▪ **Persons meeting the statutory criteria of independence**

**Mr Tomasz Dobrowolski and Mr Andrzej Kaczmarek meet the criteria of independence envisaged for independent Audit Committee members**, referred to in Article 129(3) of the Act of 11 May 2017 on statutory auditors, auditing firms and public supervision (Dz.U. of 2017, item 1089), and §3(5) of the Rules of the Audit Committee, and **the criteria of independence envisaged for independent Remuneration Committee members**, referred to in Annex II to Commission Recommendation 2005/162/EC of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board, taking into account the guidelines included in the DPSN 2016 and in the DPSN 2021.

##### ▪ **Persons who have knowledge and skills in the field of accounting or auditing of financial statements, with an indication of how they acquired them**

**Mr Nicola Bruno and Mr Andrzej Kaczmarek** have knowledge and skills in the field of accounting or auditing of financial statements (which they confirmed by submitting the appropriate declarations, and which result from their education (Mr Nicola Bruno), and from experience and many years of professional practice (Mr Nicola Bruno, Mr Andrzej Kaczmarek). Detailed information concerning the qualifications and experience of the Supervisory Board members mentioned above is available on the Company's corporate web page ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

##### ▪ **Persons who have knowledge and skills with regard to the sector in which the Issuer operates, with an indication of how they acquired them**

**Mr Tomasz Dobrowolski, Mr Nicola Bruno and Mr Andrzej Kaczmarek** have knowledge and skills with regard to the sector in which the Company operates, which they acquired in the course of their professional career, for instance during work or performance of services for other entities from the Atlantia Group. Detailed information concerning the

qualifications and experience of the Supervisory Board members mentioned above is available on the Company's corporate web page ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

- **Information whether the auditing firm which audited the Issuer's financial statements performed permitted services other than auditing and whether, in relation to that, the independence of that auditing firm was assessed and whether consent was given to the performance of such services**

On 1 June 2018, the Audit Committee assessed the independence of the auditing firm (Ernst & Young) and consented to the performance, for Stalexport Autostrady by Ernst & Young, of the following permitted services other than auditing:

- a) performing reviews of condensed separate interim financial statements of Stalexport Autostrady for the periods of 6 months ending on 30 June 2018, 30 June 2019 and 30 June 2020, drawn up in accordance with the IFRS/IAS;
- b) performing reviews of condensed consolidated interim financial statements of the Stalexport Autostrady Group for the periods of 6 months ending on 30 June 2018, 30 June 2019 and 30 June 2020, drawn up in accordance with the IFRS/IAS;
- c) performing reviews with regard to the consolidated financial information of the Stalexport Autostrady Group drawn up as at 30 June 2018, 30 June 2019 and 30 June 2020, in accordance with the accounting policy of the Atlantia S.p.A. Group.

On 11 January 2021, the Audit Committee assessed the independence of the auditing firm (Ernst & Young) and expressed its consent to the performance for Stalexport Autostrady by Ernst & Young of permitted services other than auditing, i.e. evaluation of the report on remuneration of Management Board and Supervisory Board Members for the years 2019–2020 within the scope of placing information in said report required under Article 90g, paragraphs 1–5 and 8 of the Act on Public Offering, on the Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies.

- **Main assumptions of the policy developed to select the auditing firm to perform the audit and the policy of performance, by the auditing firm performing the audit, by entities related to that auditing firm and by a member of the auditing firm's network, of permitted services other than auditing**

On 16 October 2017, the Audit Committee and the Company's Supervisory Board, operating pursuant to the following:

- Act of 11 May 2017 on statutory auditors, auditing firms and public supervision (Dz.U. of 2017, item 1089) and
- 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,

adopted for application the following documents:

- Policy of selecting the statutory auditor/auditing firm to carry out the audit of the financial statements of Stalexport Autostrady S.A.,
- Policy of performance, for Stalexport Autostrady S.A., of permitted services other than auditing by the statutory auditor/auditing firm carrying out the audit, by their related entities or by a member of the auditing firm's network,
- Procedure of selecting the statutory auditor/auditing firm to carry out the audit of the financial statements of Stalexport Autostrady S.A.

The above-mentioned documents are available on the corporate web page of Stalexport Autostrady ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

The Company is guided by the following principles when selecting the statutory auditor/auditing firm:

1. The Company assesses the proposals submitted by statutory auditors/auditing firms in accordance with the criteria set forth in the tender documentation on the basis of transparent and non-discriminatory selection criteria and prepares a report containing the conclusions from the selection procedure, approved by the Audit Committee.
  2. The Company does not restrict the possibilities of presenting a proposal to the auditing firms and in no way does it exclude from participation in the procedure auditing firms that obtained less than 15% of their total remuneration related to audit from entities of public interest in Poland in the preceding calendar year, or exclude the possibility of entrusting the audit of financial statements to more than one auditing firm.
  3. The Company is free to determine the selection procedure and may conduct direct negotiations with the interested auditing firms during the selection procedure.
  4. It is considered unacceptable and invalid in the procedure of selection of statutory auditors/auditing firms to include, in the contracts entered into by the Company with third parties, any clauses that restrict the possibility of selecting the statutory auditor/auditing firm, for the purposes of auditing the Company. The Company is obliged to notify directly and immediately the competent authorities about any attempts made by third parties to impose such a contractual clause or to influence the Supervisory Board's decision concerning the selection of the statutory auditor/auditing firm in any other inappropriate manner.
- **Information whether the recommendation concerning the selection of the auditing firm to perform the audit complied with the conditions in force, and if the selection of the auditing firm did not involve renewal of a contract on the auditing of financial statements - whether the recommendation was made following a selection procedure organised by the Issuer that met the criteria in force**

On 2 March 2021, the Company's Supervisory Board adopted a resolution on the selection of the previous statutory auditor/auditing firm to audit the financial statements of Stalexport Autostrady S.A. for the years 2021–2022. The Audit Committee's recommendation concerning this was drafted following a selection procedure organised by the Companies in compliance with the applicable criteria.

- **Number of Audit Committee meetings held**

The Audit Committee held eight meetings and adopted eight resolutions during the financial year.

**(iv) Proxies**

Pursuant to Article 371 §4 of the Commercial Companies Code, proxies are appointed by the Company's Management Board. In the reporting period, the Company did not have any proxies.

 **PART 8****CONCLUSION**

Concluding the presentation of the Report, we would like to emphasise that the Stalexport Autostrady Capital Group, operating in the motorway sector, has sound financial bases that guarantee the stability of its business, as well as provide opportunities for implementation of future projects related to the construction and management of motorways.

28 February 2022  
*Date*

**Emil Wąsacz**  
President of the Management Board, CEO

*Signed with a qualified  
electronic signature*

28 February 2022  
*Date*

**Mariusz Serwa**  
Vice-President of the Management Board, CFO

*Signed with a qualified  
electronic signature*

 **PART 9****MANAGEMENT BOARD'S REPRESENTATIONS AND INFORMATION**

- 9.1. MANAGEMENT BOARD'S REPRESENTATION SETTING FORTH THAT, ACCORDING TO THEIR BEST KNOWLEDGE, THE ANNUAL FINANCIAL STATEMENTS AS WELL AS THE COMPARABLE DATA HAVE BEEN DRAWN UP IN LINE WITH THE APPLICABLE ACCOUNTING STANDARDS AND THEY GIVE A TRUE, FAIR AND CLEAR VIEW OF THE COMPANY'S ASSETS AND FINANCIAL POSITION AND OF ITS FINANCIAL RESULT, AND THAT THE MANAGEMENT BOARD'S REPORT ON THE ACTIVITIES OF THE COMPANY GIVES A TRUE PRESENTATION OF THE COMPANY'S DEVELOPMENT, ACHIEVEMENTS AND POSITION, INCLUDING A DESCRIPTION OF THE MAJOR THREATS AND RISK**

**Representation**

We hereby represent that, according to our best knowledge, the annual financial statements of the Company for 2021 and the comparable data have been drawn up in line with the applicable accounting standards and they give a true, fair and clear view of Stalexport Autostrady's assets and financial position as well as of its financial profit or loss.

At the same time, we represent that the annual Management Board's Report on the Activities of Stalexport Autostrady S.A. in 2021 gives a true presentation of the Company's development, achievements and position, including a description of the major risks and threats.

28 February 2022  
*Date*

**Emil Wąsacz**  
President of the Management Board, CEO

28 February 2022  
*Date*

**Mariusz Serwa**  
Vice-President of the Management Board, CFO

**9.2. MANAGEMENT BOARD'S REPRESENTATION SETTING FORTH THAT, ACCORDING TO THEIR BEST KNOWLEDGE, THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AS WELL AS THE COMPARABLE DATA HAVE BEEN DRAWN UP IN LINE WITH THE APPLICABLE ACCOUNTING STANDARDS AND THEY GIVE A TRUE, FAIR AND CLEAR VIEW OF THE GROUP'S ASSETS, FINANCIAL POSITION AND FINANCIAL RESULT, AND THAT THE MANAGEMENT BOARD'S REPORT ON THE ACTIVITIES OF THE GROUP GIVES A TRUE PRESENTATION OF THE GROUP'S DEVELOPMENT, ACHIEVEMENTS AND POSITION, INCLUDING A DESCRIPTION OF THE MAJOR THREATS AND RISK**

**Representation**

We hereby represent that, according to our best knowledge, the annual consolidated financial statements of the Company for 2021 and the comparable data have been drawn up in line with the applicable accounting standards and they give a true, fair and clear view of the Stalexport Autostrady Capital Group's assets and financial position as well as of its financial profit or loss.

At the same time, we represent that the annual Management Board's Report on the Activities of the Stalexport Autostrady S.A. Group for the financial year 2019 gives a true presentation of the Capital Group's development, achievements and position, including a description of the major risks and threats.

28 February 2022

*Date*

**Emil Wąsacz**

\_\_\_\_\_  
President of the Management Board, CEO

28 February 2022

*Date*

**Mariusz Serwa**

\_\_\_\_\_  
Vice-President of the Management Board, CFO

### 9.3. MANAGEMENT BOARD'S INFORMATION, MADE ON THE BASIS OF THE SUPERVISORY BOARD'S REPRESENTATION CONCERNING THE SELECTION OF THE AUDITING FIRM TO AUDIT THE ANNUAL FINANCIAL STATEMENTS AND THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS, IN ACCORDANCE WITH THE REGULATIONS, INCLUDING THOSE CONCERNING THE SELECTION AND THE PROCEDURE OF AUDITING FIRM SELECTION:

Acting on the basis of §70(1)(7) and §71(1)(7) of the Ordinance of the Minister of Finance of 29 March 2018 on current and periodic information transmitted by issuers of securities and on the conditions of considering as equivalent the information required under provisions of the law of a state other than a Member State, as well as of the representation of the Supervisory Board of Stalexport Autostrady, we hereby inform you that:

- a) the selection of the auditing firm performing the audit of the annual financial statements and of the annual consolidated financial statements was made in accordance with the regulations, including those concerning the selection and the procedure of selecting the auditing firm,
- b) the auditing firm and the members of the team performing the audit complied with the conditions required for the preparation of an impartial and independent report on the audit of the annual financial statements and of an impartial and independent report on the audit of the annual consolidated financial statements in accordance with the regulations in force, the standards of exercising the profession and the principles of professional ethics,
- c) the applicable regulations in force are complied with in the Company with regard to auditing firm and key statutory auditor rotation as well as the obligatory grace periods.
- d) The Issuer has a policy in place with regard to auditing firm selection and a policy with regard to the performance for the issuer by the auditing firm, an entity related to the auditing firm or a member of its network of additional services other than auditing, including services conditionally exempted from the prohibition of performance by the auditing firm.

28 February 2022

*Date*

**Emil Wąsacz**

President of the Management Board, CEO

28 February 2022

*Date*

**Mariusz Serwa**

Vice-President of the Management Board,  
CFO



## ENCLOSURE

**Enclosure no. 1** Selected financial data of Stalexport Autostrady

**Enclosure no. 2** Selected financial data of the Stalexport Autostrady Capital Group

## ENCLOSURE NO. 1

### SELECTED FINANCIAL DATA OF STALEXPORT AUTOSTRADY

Financial data concerning the separate financial statements of Stalexport Autostrady for the period of 12 months ended on 31 December 2021

	'000 PLN		'000 EUR	
	2021	2020	2021	2020
Revenue	<b>3,709</b>	3,463	<b>811</b>	774
Loss on operating activities	<b>(6,620)</b>	(6,662)	<b>(1,447)</b>	(1,489)
Profit before taxation	<b>55,710</b>	158,843	<b>12,175</b>	35,502
Net profit for the period	<b>57,723</b>	157,577	<b>12,615</b>	35,219
Weighted average number of shares as 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>	0.64	<b>0.05</b>	0.14
Diluted earnings per ordinary share (in PLN/EUR)	<b>0.23</b>	0.64	<b>0.05</b>	0.14
Net cash from operating activities	<b>(5,304)</b>	(4,829)	<b>(1,159)</b>	(1,079)
Net cash from investment activities	<b>264,271</b>	(36,376)	<b>57,753</b>	(8,130)
Net cash from financial activities	<b>(158,374)</b>	(12,489)	<b>(34,610)</b>	(2,791)
Total net cash flow	<b>100,593</b>	(53,694)	<b>21,983</b>	(12,001)
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
Total assets	<b>322,388</b>	422,355	<b>70,093</b>	91,522
Non-current assets	<b>80,088</b>	76,870	<b>17,413</b>	16,657
Current assets	<b>242,300</b>	345,485	<b>52,681</b>	74,865
Total payables	<b>8,017</b>	7,519	<b>1,743</b>	1,629
Non-current payables	<b>3,217</b>	5,520	<b>699</b>	1,196
Current payables	<b>4,800</b>	1,999	<b>1,044</b>	433
Total shareholders' equity	<b>314,371</b>	414,836	<b>68,350</b>	89,893

Source: The Company's own compilation

The selected financial data were converted into EUR in accordance with the following principles:

- the individual items of the consolidated statement of comprehensive income and of the consolidated cash flow statement the years 2021 and 2020 at the rate constituting the arithmetic mean of the average exchange rates published by the National Bank of Poland in force as at the last day of each month in the business period, i.e. respectively 4.5759 PLN/EUR and 4.4742 PLN/EUR;
- the individual items of assets and liabilities: at the average exchange rate published by the National Bank of Poland, as at the balance sheet date, i.e. respectively 4.5994 PLN/EUR as at 31 December 2021 and 4.6148 PLN/EUR as at 31 December 2020..

## ENCLOSURE NO. 2

### SELECTED FINANCIAL DATA OF THE STALEXPORT AUTOSTRADY CAPITAL GROUP

Financial data concerning the consolidated financial statements of Stalexport Autostrady for the period of 12 months ended on 31 December 2021

	'000 PLN		'000 EUR	
	2021	2020	2021	2020
Revenue	<b>360,162</b>	289,545	<b>78,708</b>	64,714
Profit on operating activities	<b>125,333</b>	100,291	<b>27,390</b>	22,415
Profit before taxation	<b>123,630</b>	98,651	<b>27,018</b>	22,049
Net profit for the period	<b>95,415</b>	91,456	<b>20,852</b>	20,441
Net profit attributable to the owners of the Parent Entity	<b>90,555</b>	87,261	<b>19,790</b>	19,503
Weighted average number of shares as at the end of the period (in thousands)	<b>247,262</b>	247,262	<b>247,262</b>	247,262
Earnings per share of the Parent Entity's owners (in PLN/EUR)	<b>0.37</b>	0.35	<b>0.08</b>	0.08
Diluted earnings per share of the Parent Entity's owners (in PLN/EUR)	<b>0.37</b>	0.35	<b>0.08</b>	0.08
Net cash from operating activities	<b>180,536</b>	133,662	<b>39,454</b>	29,874
Net cash from investment activities	<b>78,310</b>	(255,450)	<b>17,114</b>	(57,094)
Net cash from financial activities	<b>(162,526)</b>	(21,217)	<b>(35,518)</b>	(4,742)
Net cash flows, total	<b>96,320</b>	(143,005)	<b>21,049</b>	(31,962)
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
Total assets	<b>1,350,353</b>	1,432,221	<b>293,593</b>	310,354
Non-current assets	<b>998,383</b>	1,003,802	<b>217,068</b>	217,518
Current assets	<b>351,970</b>	428,419	<b>76,525</b>	92,836
Total payables	<b>551,334</b>	566,342	<b>119,871</b>	122,723
Non-current payables	<b>353,754</b>	405,373	<b>76,913</b>	87,842
Current payables	<b>197,580</b>	160,969	<b>42,958</b>	34,881
Total shareholders' equity	<b>799,019</b>	865,879	<b>173,722</b>	187,631
Equity of the owners of the Parent Entity	<b>793,449</b>	861,026	<b>172,511</b>	186,579
Non-controlling shares	<b>5,570</b>	4,853	<b>1,211</b>	1,052
Share capital	<b>185,447</b>	185,447	<b>40,320</b>	40,185

Source: The Company's own compilation

The selected financial data were converted into EUR in accordance with the following principles:

- a) *the individual items of the consolidated statement of comprehensive income and of the consolidated cash flow statement the years 2021 and 2020 at the rate constituting the arithmetic mean of the average exchange rates published by the National Bank of Poland in force as at the last day of each month in the business period, i.e. respectively 4.5759 PLN/EUR and 4.4742 PLN/EUR;*
- b) *the individual items of assets and liabilities: at the average exchange rate published by the National Bank of Poland, as at the balance sheet date, i.e. respectively 4.5994 PLN/EUR as at 31 December 2021 and 4.6148 PLN/EUR as at 31 December 2020..*