

This document is a conversion of the Report of the Management Board on the activities of the Company and of the Stalexport Autostrady S.A. Group for the financial year 2023 prepared in the XHTML format. Consequently, it is not the official Report of the Management Board on the activities of the Company and of the Stalexport Autostrady S.A. Group for the financial year 2023.

REPORT

**OF THE MANAGEMENT BOARD
ON THE ACTIVITIES OF THE COMPANY
AND OF THE STALEXPORT AUTOSTRADY S.A.
GROUP IN THE FINANCIAL YEAR 2023**

Mysłowice, 12 March 2024



**STALEXPORT
Autostrady**

TABLE OF CONTENTS

1. LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD OF STALEXPORT AUTOSTRADY	9
2. BASIC INFORMATION ON THE COMPANY AND ON THE STALEXPORT AUTOSTRADY GROUP	12
2.1. STALEXPORT AUTOSTRADY S.A.	12
2.2. STALEXPORT AUTOSTRADY GROUP	13
2.3. ENTITIES COVERED BY THE CONSOLIDATION AND THE METHODS OF THEIR CONSOLIDATION	14
2.4. DESCRIPTION OF OTHER COMPANIES OF THE STALEXPORT AUTOSTRADY GROUP	16
2.4.1. STALEXPORT AUTOSTRADA MAŁOPOLSKA S.A.	16
2.4.2. VIA4 S.A.	17
2.4.3. BIURO CENTRUM SP. Z O.O.	18
3. INFORMATION SIGNIFICANT FOR THE ASSESSMENT OF THE FINANCIAL POSITION (CURRENT AND PREDICTED), ASSETS AND FINANCIAL RESULT OF THE GROUP AND OF THEIR CHANGES, AND INFORMATION SIGNIFICANT FOR THE ASSESSMENT OF THE ISSUER'S AND OF ITS GROUP'S ABILITY TO FULFIL THEIR OBLIGATIONS	19
3.1. STALEXPORT AUTOSTRADY	19
3.1.1. PRESENTATION OF FINANCIAL RESULTS	19
3.1.1.1. AMOUNT AND STRUCTURE OF OPERATING REVENUE	20
3.1.1.2. AMOUNT AND STRUCTURE OF OPERATING EXPENSES.....	21
3.1.1.3. FINANCIAL OPERATIONS.....	22
3.1.2. ASSETS AND FINANCIAL POSITION.....	22
3.1.2.1. ASSETS.....	23
3.1.2.2. LIABILITIES	23
3.2. THE GROUP	23
3.2.1. PRESENTATION OF FINANCIAL RESULTS	23
3.2.1.1. AMOUNT AND STRUCTURE OF OPERATING REVENUE	24
3.2.1.2. AMOUNT AND STRUCTURE OF OPERATING EXPENSES.....	27
3.2.1.3. FINANCIAL OPERATIONS.....	28
3.2.2. ASSETS AND FINANCIAL POSITION.....	28
3.2.2.1. ASSETS.....	28
3.2.2.2. LIABILITIES	29
3.2.2.3. THE COMPANY'S AND THE GROUP'S MAIN DOMESTIC INVESTMENTS, INCLUDING IN PARTICULAR SECURITIES, FINANCIAL INSTRUMENTS, INTANGIBLE FIXED ASSETS AND IMMOVABLE PROPERTY, INCLUDING EQUITY INVESTMENTS MADE OUTSIDE THE GROUP OF ITS RELATED ENTITIES WITH A DESCRIPTION OF THE FINANCING METHODS.....	30
3.2.2.4. NET DEBT	31
3.2.3. DUPONT ANALYSIS	32
4. ANALYSIS OF THE CORE MARKET OF THE COMPANY'S AND OF THE GROUP'S OPERATION	36
5. OTHER INFORMATION ON THE STALEXPORT AUTOSTRADY GROUP	37
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	37
5.2. INFORMATION ON CHANGES IN ORGANISATIONAL OR CAPITAL RELATIONS OF THE GROUP WITH OTHER ENTITIES.....	38
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.....	38

5.4.	INFORMATION REGARDING AGREEMENTS ON CREDITS AND LOANS INCURRED AND TERMINATED IN THE FINANCIAL YEAR	39
5.5.	INFORMATION ON LOANS GRANTED IN THE FINANCIAL YEAR, INCLUDING LOANS GRANTED TO RELATED PARTIES.....	39
5.6.	INFORMATION ON SURETIES AND GUARANTEES GRANTED AND RECEIVED IN THE FINANCIAL YEAR, INCLUDING ONES GRANTED TO RELATED PARTIES.....	39
5.7.	INFORMATION ON ISSUANCE OF SECURITIES INCLUDING DESCRIPTION OF THE USE OF THE PROCEEDS FROM THE ISSUE BY THE COMPANY	39
5.8.	EXPLANATION OF DIFFERENCES BETWEEN THE FINANCIAL RESULTS PRESENTED IN THE ANNUAL REPORT AND PREVIOUSLY PUBLISHED FINANCIAL RESULT FORECASTS FOR THE FINANCIAL YEAR	39
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.....	40
5.10.	INVESTMENT PLANS FEASIBILITY ASSESSMENT	40
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.....	40
5.12.	INFORMATION ON EVENTS SIGNIFICANTLY INFLUENCING THE COMPANY'S AND THE GROUP'S ACTIVITY, OCCURRING IN THE REPORTING PERIOD AND AFTER ITS END.....	40
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	40
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	41
5.15.	CHANGES IN THE COMPOSITION OF MANAGEMENT AND SUPERVISORY BODIES OF THE COMPANY AND OF THE GROUP IN THE REPORTING PERIOD	42
5.16.	REMUNERATION OF THE MANAGING AND SUPERVISING PERSONS OF STALEXPORT AUTOSTRADY.....	44
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	46
5.18.	INFORMATION ON THE COMPANY'S OWN SHARES.....	46
5.19.	INFORMATION ON THE COMPANY'S BRANCH OFFICES	46
5.20.	THE COMPANY'S SHARES AND THE RELATED COMPANIES' SHARES HELD BY PERSONS MANAGING AND SUPERVISING STALEXPORT AUTOSTRADY	46
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	46
5.22.	INFORMATION ON THE CONTROL SYSTEM REGARDING EMPLOYEE SHARE SCHEMES.....	46
5.23.	INFORMATION ON THE CONTRACT WITH THE AUDITING FIRM ON THE AUDIT OR REVIEW OF FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS.....	46
5.24.	INFORMATION ON SIGNIFICANT PROCEEDINGS BEFORE THE COURT, THE AUTHORITY COMPETENT FOR THE ARBITRATION PROCEEDINGS OR A PUBLIC ADMINISTRATION AUTHORITY RELATED TO THE COMPANY'S OR ITS SUBSIDIARIES' PAYABLES OR RECEIVABLES.....	49
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	50

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	50
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	50
7.	REPRESENTATION OF THE MANAGEMENT BOARD OF STALEXPORT AUTOSTRADY ON THE COMPANY'S COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	53
7.1.	INTRODUCTION	53
7.2.	COLLECTION OF CORPORATE GOVERNANCE PRINCIPLES THE COMPANY IS SUBJECT TO AND ITS PUBLIC AVAILABILITY	53
7.3.	COLLECTION OF CORPORATE GOVERNANCE PRINCIPLES THE COMPANY WAS ALLOWED TO DECIDE TO APPLY VOLUNTARILY AND ITS PUBLIC AVAILABILITY	53
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	53
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	54
7.6.	THE GROUP'S EXPENDITURES ALLOCATED TO SOCIAL OBJECTIVES	57
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	59
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	60
7.9.	HOLDERS OF ANY SECURITIES GIVING SPECIAL CONTROL RIGHTS AND A DESCRIPTION OF THESE RIGHTS	60
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	60
7.11.	INFORMATION ON ALL LIMITATIONS REGARDING TRANSFERRING THE OWNERSHIP RIGHTS TO THE COMPANY'S SECURITIES	61
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	61
7.13.	AMENDMENTS TO THE COMPANY'S STATUTES	61
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	61
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	63
8.	CONCLUSION	68
9.	MANAGEMENT BOARD'S REPRESENTATIONS AND INFORMATION	69
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 RISKS	69
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 RISKS	70
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:	71

LIST OF TABLES

TABLE 1	ENTITIES BEING PART OF THE GROUP AS AT 31 DECEMBER 2023 (EXCEPT THE COMPANY)	14
TABLE 2	BASIC FINANCIAL DATA OF SELECTED ENTITIES FROM THE GROUP [FIGURES IN '000 PLN].....	15
TABLE 3	SELECTED ITEMS OF THE STATEMENT OF COMPREHENSIVE INCOME OF STALEXPORT AUTOSTRADY IN 2023 AND 2022 (SEPARATE FIGURES).....	19
TABLE 4	SYNTHETIC REPORT ON THE STATEMENT OF FINANCIAL POSITION OF STALEXPORT AUTOSTRADY AS AT 31 DECEMBER 2023 AND 31 DECEMBER 2022 – SEPARATE FIGURES.....	22
TABLE 5	SELECTED ITEMS OF THE STATEMENT OF COMPREHENSIVE INCOME OF THE STALEXPORT AUTOSTRADY GROUP IN 2023 AND 2022 – CONSOLIDATED	24
TABLE 6	AVERAGE DAILY TRAFFIC (ADT)	25
TABLE 7	TOLL REVENUE	25
TABLE 8	SYNTHETIC REPORT ON STALEXPORT AUTOSTRADY'S STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND 31 DECEMBER 2022 – CONSOLIDATED FIGURES	28
TABLE 9	RETURN ON EQUITY (ROE), INCLUDING DECOMPOSITION OF THE RATIO – CALCULATIONS FOR THE YEARS 2022-2023.....	33
TABLE 10	PROFITABILITY OF THE STALEXPORT AUTOSTRADY GROUP IN THE YEARS 2022–2023 ON THE INDIVIDUAL LEVELS OF THE ACTIVITY PURSUED.....	33
TABLE 11	STALEXPORT AUTOSTRADY GROUP'S PERFORMANCE RATIOS IN THE YEARS 2022–2023	34
TABLE 12	STALEXPORT AUTOSTRADY GROUP'S LIQUIDITY AND DEBT RATIOS IN THE YEARS 2022–2023.....	34
TABLE 13	REMUNERATION PAID IN 2023 TO PERSONS MANAGING THE COMPANY ['000 PLN]	44
TABLE 14	REMUNERATION PAID IN 2023 TO MEMBERS OF THE COMPANY'S SUPERVISORY BOARD ['000 PLN]	45
TABLE 15	PRINCIPLES IN FORCE FROM 1 JULY 2021 FROM WHICH THE COMPANY DEPARTED WITH AN EXPLANATION OF THE REASONS FOR THE DEPARTURE	54
TABLE 16	DONATIONS MADE BY THE GROUP'S COMPANIES IN 2023	57
TABLE 17	GROUP COMPANIES' SPONSORSHIP EXPENDITURES IN 2023	59
TABLE 18	LIST OF STALEXPORT AUTOSTRADY SHAREHOLDERS HOLDING SIGNIFICANT BLOCKS OF THE COMPANY'S SHARES (AS AT 31 DECEMBER 2023 AND AS AT THE DATE OF THE REPORT.....	60

LIST OF FIGURES

FIGURE 1	ENTITIES BEING PART OF THE STALEXPORT AUTOSTRADY GROUP AS AT 31 DECEMBER 2023.....	13
FIGURE 2	STRUCTURE OF OFFICE SPACE UTILISATION IN THE PROPERTY IN KATOWICE AT UL. MICKIEWICZA 29	20
FIGURE 3	STRUCTURE OF COSTS OF THE COMPANY'S OPERATING ACTIVITIES BY TYPE [DATA IN '000 PLN]	21
FIGURE 4	DYNAMICS OF ADT AND OF TOLL REVENUE FOR PASSENGER CARS IN 2023 VS 2022 (QUARTER ON QUARTER OF THE PREVIOUS YEAR).....	26
FIGURE 5	DYNAMICS OF ADT AND OF TOLL REVENUE FOR HEAVY GOODS VEHICLES IN 2023 VS 2022 (QUARTER ON QUARTER OF THE PREVIOUS YEAR))	26
FIGURE 6	NET DEBT OF THE GROUP (CONSOLIDATED FIGURES) – BALANCE AS AT 31 DECEMBER 2022 AND AS AT 31 DECEMBER 2023.....	31
FIGURE 7	DUPONT ANALYSIS DIAGRAM	32
FIGURE 8	ORGANISATIONAL CHART OF STALEXPORT AUTOSTRADY S.A. AS AT 31 DECEMBER 2023.....	41

DEFINITIONS AND ABBREVIATIONS

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

ADT	Average Daily Traffic
Mundys	Mundys S.p.A. with its registered office in Rome (Italy) – formerly Atlantia S.p.A.
Biuro Centrum	Biuro Centrum Sp. z o.o. with its registered office in Katowice
DPSN 2021	“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 effective as of 1 July 2021.
GDDKiA	General Directorate for National Roads and Motorways
GPW	Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.)
Capital Group, Stalexport Autostrady Group, Group	The Stalexport Autostrady S.A. Capital Group with its registered office in Mysłowice
KSH, Commercial Companies Code	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)
KPMG	KPMG Audyty Spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw, address: Warszawa (00-189), ul. Inflancka 4A, entered on the list of audit firms kept by the Polish Agency for Audit Oversight (PANA) under the number 3546
Pavimental Polska	Pavimental Polska Sp. z o.o. with its registered office in Trzebinia (32-450), at ul. Dworcowa 2
Ordinance on current and periodic information	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).
SAM, Concessionaire	Stalexport Autostrada Małopolska S.A. with its registered office in Mysłowice
Report	Report of the Management Board on the activities of the Company and of the Stalexport Autostrady S.A. Group for the financial year 2023

Stalexport Autostrady, Company, Issuer	Stalexport Autostrady S.A. with its registered office in Myslowice
Concession Agreement	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.
Act on Auditors	Act of 11 May 2017 on statutory auditors, auditing firms and public supervision (Dz.U. of 2017, item 1089)
Act on Offering	Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organised trading, and public companies (Dz.U. of 2005, item 1539)
UOKiK	Office of Competition and Consumer Protection
VIA4	VIA4 Spółka Akcyjna with its registered office in Myslowice
General Meeting	General Meeting of Shareholders

PART 1

LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD OF STALEXPORT AUTOSTRADY

Dear Shareholders,

Dear Sir, Dear Madam,

The year 2023 was a good year for the Stalexport Autostrady Group. We achieved excellent results in terms of revenue – it increased by almost 23% compared to 2022* and amounted to approx. PLN 508.9 million, while net profit increased to approx. PLN 116.2 million, i.e. by over 170%. The Group's EBIDTA amounted to PLN 211.6 million, over 45.5% higher vs 2022. These results are related primarily to our Group's core business, namely the management and operation of the A4 motorway on the Katowice–Kraków section.



In 2023, average daily traffic amounted to 48,150 vehicles, 3% higher than the traffic recorded in 2022, with an increase in passenger car traffic increase by 3.7%, i.e. to 40,085 vehicles per day, and a decrease in heavy goods vehicle traffic by approx. 0.6%, i.e. to 8,066 vehicles per day.

As far as toll revenue is concerned, it amounted to approx. PLN 503.5 million and increased by 23% vs 2022. This disproportion between traffic increase and toll revenue increase is related to the changes in the toll rates introduced on 4 July 2022 and on 3 April 2023.

The need to update the toll rates is related above all to the obligation of the concessionaire of the A4 Katowice–Kraków motorway, Stalexport Autostrada Małopolska S.A. – resulting from the provisions of the Concession Agreement, to hand the motorway right-of-way over to the State Treasury upon termination of the concession in 2027 in an excellent technical condition, i.e. one that will ensure its safe use for many years after the concession period. This requires huge financial expenditures on investment and maintenance works including, among other things, resurfacing of both carriageways of the motorway along the entire concession section, renovation of 22 bridge structures, and further upgrade of the motorway drainage system to ensure surface water protection. Not insignificant for the performance of these works is the fact that the costs of construction services over the last two years have increased by 26%, and bitumen prices by almost 50%.

The resurfacing and bridge structure renovation works started already in 2023 under a contract with a value of approx. PLN 423 million, while the continuation of the drainage upgrade will cost around PLN 80 million.

The Group's total capital expenditure amounted to approximately PLN 80.5 million in 2023 (vs PLN 70 million in 2022), while maintenance costs, including motorway resurfacing, amounted to a total of PLN 113.7 million last year (vs PLN 38.4 million in 2022).

Stalexport Autostrady Group's financial results were also significantly influenced by the 89% increase in general and administrative expenses vs 2022, i.e. to PLN 225.6 million. These costs mainly comprise payments to the State Treasury, i.e. the State Treasury's share in the profits from the A4 Katowice–Kraków project, and motorway renovation and

maintenance services. Payments to the State Treasury amounted to over PLN 126.7 million in 2023 vs PLN 47.4 million in 2022.

Net financial revenue also increased significantly from approx. PLN 3 million in 2022 to approx. PLN 20 million in 2023, mainly due to the increase in revenue from interest on cash and cash equivalents and long-term cash.

The separate financial results of Stalexport Autostrady S.A. also improved. Sales revenue in 2023 amounted to approx. PLN 4.7 million and was approx. 16% higher vs 2022 (PLN 4 million). The source of this revenue is primarily lease of office space and parking spaces in the office building in Katowice. The Company's net profit, in turn, amounted to PLN 111.7 million and increased by 128% vs 2022, mainly due to the significant increase in financial revenue (from PLN 56 million in 2022 to PLN 120.7 million in 2023), including dividends received. These amounted to approx. PLN 108 million in 2023 (vs approx. PLN 48.3 million in 2022).

When discussing the activities of the Stalexport Autostrady Group in the past year, it is also worth mentioning its other aspects. Our Group, as part of the Mundys Group, carries out a substantial number of ESG (environmental, social and governance) activities in accordance with the Mundys mission that involves stimulating the development of increasingly sustainable, safe, innovative and efficient solutions to satisfy people's mobility needs. The aim of these activities, among other things, is to reduce CO₂ emissions by making increasingly extensive use of renewable energy sources, use of various innovative energy saving solutions, replacing the car fleet with low-emission vehicles, and increasing recycling rates in the Group's companies. Other important ESG aspects of Mundys Group activities include supporting local communities and creating safe and friendly workplaces, as well as working together with entities that share the sustainability goals mentioned above.

In the area of environmental protection, SAM and VIA4 achieved excellent results in terms of optimising electricity use and CO₂ reduction. Electricity consumption in 2023 was approx. 30% lower compared to 2022, and thus CO₂ emissions also decreased. This significant reduction in electricity consumption was made possible by the implementation of a number of measures, such as for instance replacement of traditional motorway infrastructure lighting with LED lamps. The Group has been purchasing electricity for another year 100% from ecological sources. In addition, Stalexport Autostrada Małopolska S.A. has been implementing investments for many years to increase the traffic carrying capacity of the toll plazas on the A4 Katowice–Kraków motorway, contributing to lower CO₂ emissions by effectively reducing congestions at these toll plazas. Fast, automatic payment methods were launched: A4Go electronic toll collection based on microwave technology and videotolling (number plate recognition), which are currently used by nearly 45% of drivers on our motorway.

So far, SAM has organised very many social-educational campaigns for the sake of improving road safety. In 2023, the concessionaire carried out a campaign entitled "Jazda bez czytanki" ("Don't Read & Drive"), aimed at raising drivers' awareness of the dangers of using their smartphones while driving. Well-known cartoonists and illustrators were involved in the campaign, and a well-known TV voiceover artist provided her voice for the radio spots. The campaign attracted a great deal of interest and resonated very widely not only in regional media outlets, but also in national ones. In December 2023, it was awarded the Silver Paperclip, a prestigious award from the Association of Public Relations Companies, in the "Motoring and Transport" category.

In addition, companies from the Group have been involved for many years in numerous initiatives supporting the activities of local communities, in particular with regard to helping children, as well as volunteer fire brigades providing assistance in communes along the A4 Katowice–Kraków motorway. You can find more detailed information on this topic in section 7.6 of this Report – "The Group's expenditures allocated to social objectives" on page 57.

I invite you to read the financial statements of Stalexport Autostrady 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 2023.

I would like to thank the shareholders and partners for their interest in Stalexport Autostrady and in its Group, as well as for their response to the information we publish. Many thanks to all employees of the Group for their hard work and commitment. I would finally like to thank members of the Supervisory Boards for their support and good collaboration in the past year.

Enjoy your reading!

Yours faithfully,

Andrzej Kaczmarek

President of the Management Board

* In 2023, changes were made in the manner of presentation of certain financial data, resulting in the restatement of data for the whole year 2022. You can find more information about this in section 5.2 of the consolidated financial statements of the Stalexport Autostrady Group for the year 2023.

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:

Andrzej Kaczmarek –
President of the Management Board

Mariusz Serwa –
Vice-President of the Management
Board, Chief Financial Officer

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

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 group Mundys (formerly Atlantia). As at 31 December 2023 and as at the date of the Report, Mundys held 61.2% of the Company's share capital. For more information about the Mundys group, visit its website at **www.mundys.com**.

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 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.

The chart below presents the organisational structure of Stalexport Autostrady Group broken down into: (i) the core area of activities, i.e. the motorway segment, and (ii) other activities.

FIGURE 1 | ENTITIES BEING PART OF THE STALEXPORT AUTOSTRADY GROUP AS AT 31 DECEMBER 2023



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 2023, except the parent entity, have been described in the following table.

TABLE 1 | ENTITIES BEING PART OF THE GROUP AS AT 31 DECEMBER 2023 (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
Stalexport Autostrada Małopolska S.A.	Mysłowice	Motorway construction and operation	Subsidiary	100%	1998	Full method
VIA4 S.A.	Mysłowice	Motorway operation	Subsidiary	55%	1998	Full method
Biuro Centrum Sp. z o.o.	Katowice	Property administration	Affiliate	40.63%	1994	Equity method
Petrostal S.A. in liquidation	Warsaw	Inactive	Entity not covered by consolidation due to existing limitations regarding control exercise	100%	2005	-

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 2023, 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 2023 and as at 31 December 2022.

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

balance sheet data	Group		Stalexport Autostrady		SAM		VIA4	
	31 Dec 2023	31 Dec 2022 *****	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022 *****	31 Dec 2023	31 Dec 2022
Non-current assets	868,672	957,840	81,604	81,451	847,857	940,969	20,817	16,533
Current assets	674,731	501,489	293,090	230,524	372,962	257,286	21,066	22,705
Total shareholders' equity	757,929	699,287	366,278	303,986	445,107	447,142	13,845	15,800
Non-current payables	393,534	459,030	6,461	5,292	386,806	454,600	12,835	11,159
Current payables	391,940	301,012	1,955	2,697	388,906	296,513	15,203	12,279
Net debt*	-622,910	-565,191	-279,043	-218,817	-335,946	-335,496	18,771	11,620
performance data	2023	2022 *****	2023	2022	2023	2022 *****	2023	2022
Revenues from sales	508,871	413,890	4,660	4,023	503,459	409,206	70,147	61,322
EBITDA**	211,628	145,383	-7,207	-5,905	197,495	131,754	23,055	21,005
EBIT	121,071	60,395	-7,610	-6,592	107,932	47,889	19,602	18,097
Result on financial activities	19,920	2,984	120,517	55,943	8,851	-3,370	-452	-480
Net profit/loss	116,166	42,936	111,732	48,977	96,677	27,736	15,413	14,190
EBIT margin***	24%	15%	-163%	-164%	21%	12%	28%	30%
ROE****	15%	6%	31%	16%	22%	6%	111%	90%

* 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

****ROE = net profit (loss) / total equity

***** Figures restated in relation to the changes described in note 5.2 to the Group's consolidated financial statements as at and for the year ended on 31 December 2023.

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 Mysłówice
tel. +(48) 32 762 75 55

Management Board:
Andrzej Kaczmarek –
President of the Management Board

Mariusz Serwa –
Vice-President of the Management
Board, Chief Financial Officer

Paweł Kocot –
Member of the Management Board

KRS [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

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.

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

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

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

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

2.4.2. VIA4 S.A.

ul. Piaskowa 20
41-404 Mysłówice
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

45% - Egis Road Operation S.A.

(France)

www.via4.pl

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% - WĘGLOKOKS S.A
40.63% - Stalexport Autostrady

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 also include catering services in the “Pod wieżami” bistro and 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 OF 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 2023 and comparative figures for the previous year (2022).

TABLE 3 | SELECTED ITEMS OF THE STATEMENT OF COMPREHENSIVE INCOME OF STALEXPORT AUTOSTRADY IN 2023 AND 2022 (SEPARATE FIGURES)

'000 PLN	2023	2022	Change [%]
Revenues from sales	4,660	4,023	16%
Cost of sales	-5,764	-5,327	8%
Other operating revenue	17	134	-87%
General and administrative expenses	-6,512	-5,397	21%
Other operating expenses	-2	-1	100%
Reversal of loss/(Losses) on impairment of trade receivables and other receivables	-9	-24	-63%
Loss on operating activities (EBIT)	-7,610	-6,592	15%
Financial revenue	120,694	56,060	115%
Financial expenses	-177	-117	51%
Balance on financial activities	120,517	55,943	115%
Profit before taxation	112,907	49,351	129%
Income tax	-1,175	-374	214%
Net profit	111,732	48,977	128%

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

The amount of net profit generated in 2023 was mainly a result of positive financial operations described in more detail in paragraph 3.1.1.3 of the Report.

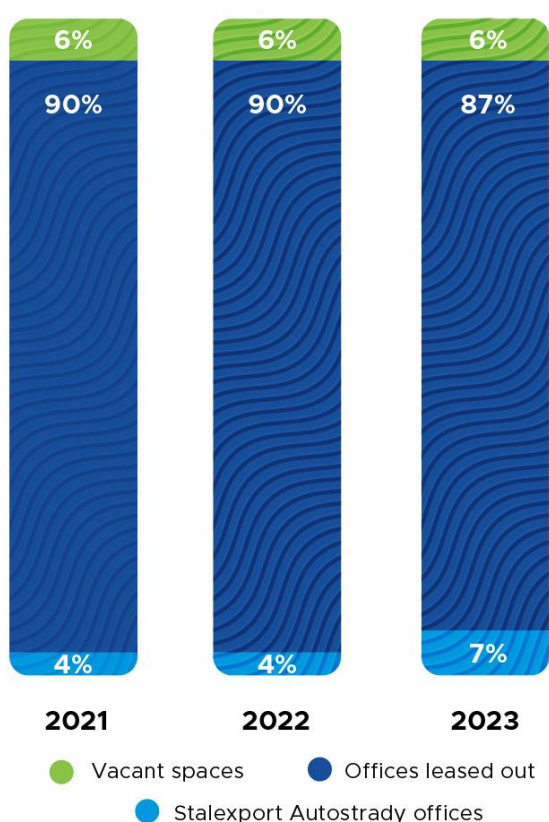
3.1.1.1. AMOUNT AND STRUCTURE OF OPERATING REVENUE

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 2023 from the service involving the lease of investment property amounted to PLN 4,394 thousand vs PLN 3,762 thousand in the previous year.

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 m² (and additionally 212 m² of conference rooms), of which 319 m² as at the end of 2023 was occupied by Stalexport Autostrady for its own needs (increase by 74% vs 2022).

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



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 to maintain the current office space occupancy while preserving the optimum rent rates.

Revenue from contracts with customers, in the amount of PLN 264 thousand, was obtained by the Company mainly by providing IT services to related parties.

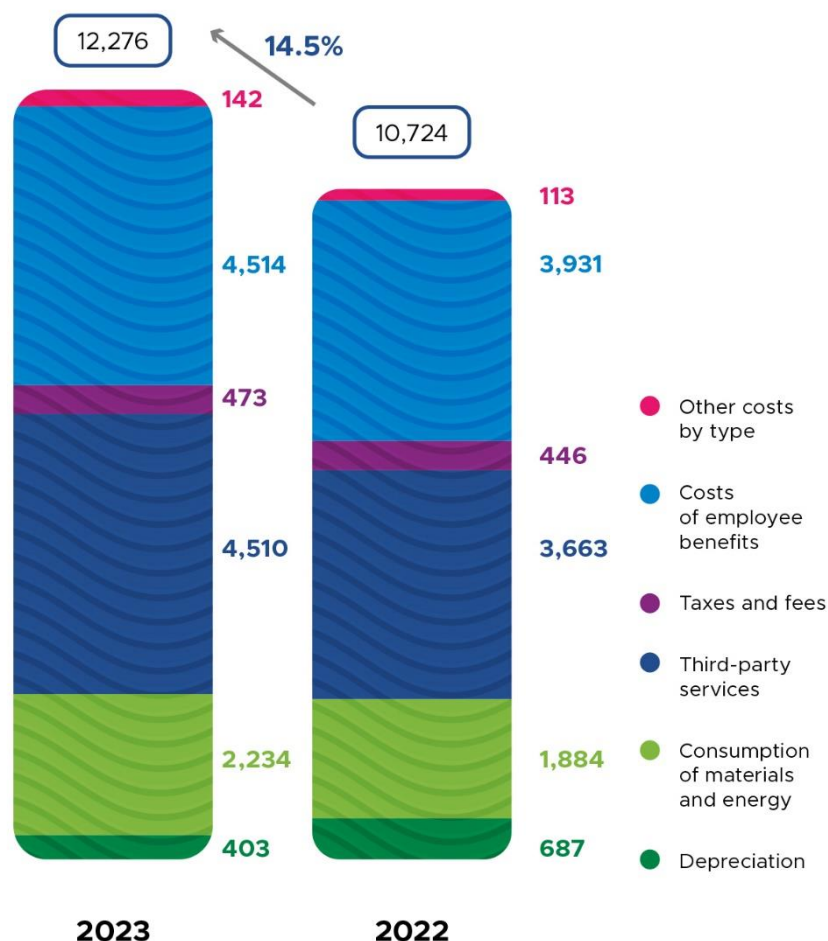
Revenue from other services in 2023 amounted to PLN 2 thousand and was lower than in the previous year (by 50%).

Source: The Company's own compilation

3.1.1.2. AMOUNT AND STRUCTURE OF OPERATING EXPENSES

In 2023, the expenses incurred by Stalexport Autostrady – including the cost of sales as well as general and administrative expenses – increased by 14.5%.

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



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

The largest item of costs by type incurred by Stalexport Autostrady in 2023 was the cost of employee benefits (up by 14.8% vs 2022), including mainly costs of remuneration and movements in employee benefit payables.

The second largest item in the structure of costs by type incurred by Stalexport Autostrady is represented by outsourced services (including, but not limited to property administration, repair, maintenance and cleaning services, property security, rental, lease of office space and consultancy services). These costs increased by 23.1% in 2023 vs 2022.

In 2023, consumption of materials and energy increased by approx. 18.6% vs the previous year. Depreciation in 2023 decreased by 41.3%, while taxes and fees were higher by 6.1%. Other costs by type increased by 25.7%.

In addition, in 2023, other operating expenses amounted to PLN 2 thousand, while losses on impairment of trade receivables and other receivables amounted to PLN 9 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 2023 comprised the following:

- dividend received from subsidiaries (PLN 107,997 thousand);
- interest related to finance lease (PLN 608 thousand);
- interest related to investments consisting in depositing financial resources with banks (PLN 11,948 thousand);
- dividend received from other entities (PLN 141 thousand).

In 2023, total financial revenue amounted to PLN 120,694 thousand and was higher by PLN 64,634 thousand vs the previous year, which resulted from the higher dividend from subsidiaries and higher interest on deposits.

In turn, the amount of financial expenses in 2023 was influenced in a decisive manner by interest on payables measured at depreciated cost, including interest on lease payables, in the amount of PLN 177 thousand.

3.1.2. ASSETS AND FINANCIAL POSITION

The assets and the financial position of Stalexport Autostrady are 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 2023 AND 31 DECEMBER 2022 – SEPARATE FIGURES

in '000 PLN			<i>Dynamics</i>	<i>Structure</i>	
	31 Dec 2023	31 Dec 2022	2023/2022	31 Dec 2023	31 Dec 2022
Non-current assets	81,604	81,451	0%	22%	26%
Current assets	293,090	230,524	27%	78%	74%
Total shareholders' equity	366,278	303,986	20%	98%	97%
Non-current payables	6,461	5,292	22%	2%	2%
Current payables	1,955	2,697	-28%	1%	1%
Balance sheet total	374,694	311,975	20%	100%	100%

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 2023 is concerned, the main item consists in the shares of the subsidiary conducting the motorway business, i.e. SAM (PLN 66,753 thousand). In the analysed period, the value of non-current assets is higher than in the previous year. This results from the increase in finance lease receivables (by PLN 1.595 thousand), intangible assets (by PLN 15 thousand) and other long-term investments (by PLN 12 thousand) and from the decrease in deferred income tax assets (by PLN 1,122 thousand), investment property (by PLN 277 thousand) and property, plant and equipment (by PLN 70 thousand).

The amount of **current assets** as at the end of 2023 is determined by cash and cash equivalents (PLN 287,459 thousand, increase by PLN 60,653 thousand vs 2022). Other items of current assets of Stalexport Autostrady that can be distinguished are short-term finance lease receivables in the amount of PLN 3,645 thousand (increase by PLN 1,631 thousand), short-term investments in the amount of PLN 1,223 thousand (increase by PLN 138 thousand), as well as trade and other receivables in the amount of PLN 763 thousand (increase by PLN 144 thousand).

An aggregate analysis of the components of current assets discussed above shows that their total value as at the end of 2023 is PLN 293,090 thousand vs PLN 230,524 thousand as at the end of the previous year, meaning an increase by PLN 62,566 thousand.

3.1.2.2. LIABILITIES

In 2023, an increase was recorded in the equity structure with regard to the amount of retained earnings, which amounted to PLN 111,620 thousand as at the end of the year (increase by PLN 62,632 thousand vs 2022). The above is mainly a consequence of the net profit generated by the Company for the reporting period in the amount of PLN 111,732 thousand as well as of payment of dividend in the amount of PLN 49,452 thousand (PLN 464 thousand from other reserves and supplementary capitals, PLN 48.988 thousand from retained earnings). Other reserves and supplementary capitals remained at a similar level (PLN 61,838 thousand) as at the end of 2022 (PLN 62,302 thousand).

As at 31 December 2023, the company's total liabilities amounted to PLN 8,416 thousand and increased by PLN 427 thousand vs 31 December 2022, which is mainly a consequence of the increase in the amount of trade payables and other payables (by PLN 428 thousand).

3.2. THE GROUP

3.2.1. PRESENTATION OF FINANCIAL RESULTS

The following table includes basic financial results of the Stalexport Autostrady Group generated in 2023 along with comparative data for the previous year.

TABLE 5 | SELECTED ITEMS OF THE STATEMENT OF COMPREHENSIVE INCOME OF THE STALEXPORT AUTOSTRADY GROUP IN 2023 AND 2022 – CONSOLIDATED

'000 PLN	2023	2022*	Change [%]
Revenues from sales	508,871	413,890	23%
Cost of sales	-170,442	-237,225	-28%
Other operating revenue	8,826	6,368	39%
General and administrative expenses	-225,602	-119,388	89%
Other operating expenses	-573	-3,229	-82%
Reversal of losses/(Losses) on impairment of trade receivables and other receivables	-9	-21	-57%
Profit on operating activities (EBIT)	121,071	60,395	100%
Financial revenue	57,962	35,392	64%
Financial expenses	-38,042	-32,408	17%
Balance on financial activities	19,920	2,984	568%
Share in profit/loss of affiliates	142	81	75%
Profit before taxation	141,133	63,460	122%
Income tax	-24,967	-20,524	22%
Net profit	116,166	42,936	171%

Source: The Company's own compilation

* Figures restated in relation to the changes described in note 5.2 to the Group's consolidated financial statements as at and for the year ended on 31 December 2023.

In 2023, the Group obtained 23% higher sales revenues vs the previous year. On the other hand, own costs of sales were 28% lower vs 2022 (for more information, see section 3.2.1.2).

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 15 March 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 2023, average daily traffic on the concession section of the A4 motorway Katowice–Kraków amounted to 48,150 vehicles and was 3% higher than the traffic level recorded in 2022 (46,770 vehicles). Toll revenue in 2023 amounted to PLN 503,459 thousand, representing an increase by 23% vs the year 2022 (PLN 409,206 thousand).

As far as passenger cars are concerned, average daily traffic increased from 38,652 vehicles in 2022 to 40,085 vehicles in 2023 (a 3.7% increase). Toll revenue from passenger cars in 2023 amounted to PLN 319,358 thousand, i.e. it increased by 25.7% vs 2022 (PLN 254,141 thousand). The difference between the dynamics of change in toll revenue vs the dynamics of change in average daily traffic of passenger vehicles is a result of both the change in the toll rates introduced on 4 July 2022 and 3 April 2023 and the consistently growing share of automatic payments (to which lower preferential rates were applied) in the traffic structure.

As far as heavy goods vehicles are concerned, average daily traffic decreased by approx. 0.6%, i.e. from 8,118 vehicles in 2022 to 8,066 vehicles in 2023. Toll revenue from heavy goods vehicles in 2023 amounted to PLN 184,101 thousand, i.e. it increased by 18.7% vs 2022 (PLN 155,065 thousand). The difference between the dynamics of change in toll revenue vs the dynamics of change in average daily traffic of heavy goods vehicles results from the increase in toll rates, which changed on the same dates as those for passenger cars.



The tables below show Average Daily Traffic (ADT) and toll revenue in 2023 vs 2022, with the relevant dynamics.

TABLE 6 | AVERAGE DAILY TRAFFIC (ADT)

ADT	2023	2022	Change
 Passenger cars	40,085	38,652	3.7%
 Heavy goods vehicles	8,066	8,118	-0.6%
Total	48,150	46,770	3%

Source: The Company's own compilation

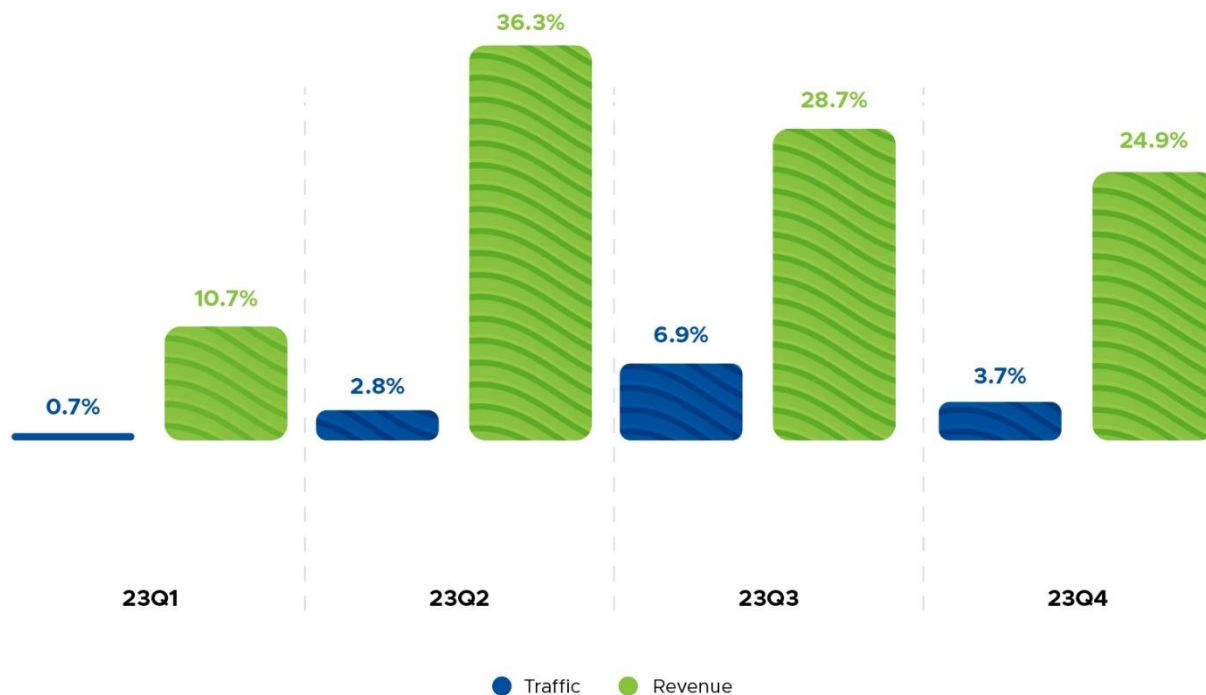
TABLE 7 | TOLL REVENUE

['000 PLN]	2023	2022	Change
 Passenger cars	319,358	254,141	25.7%
 Heavy goods vehicles	184,101	155,065	18.7%
Total	503,459	409,206	23%

Source: The Company's own compilation

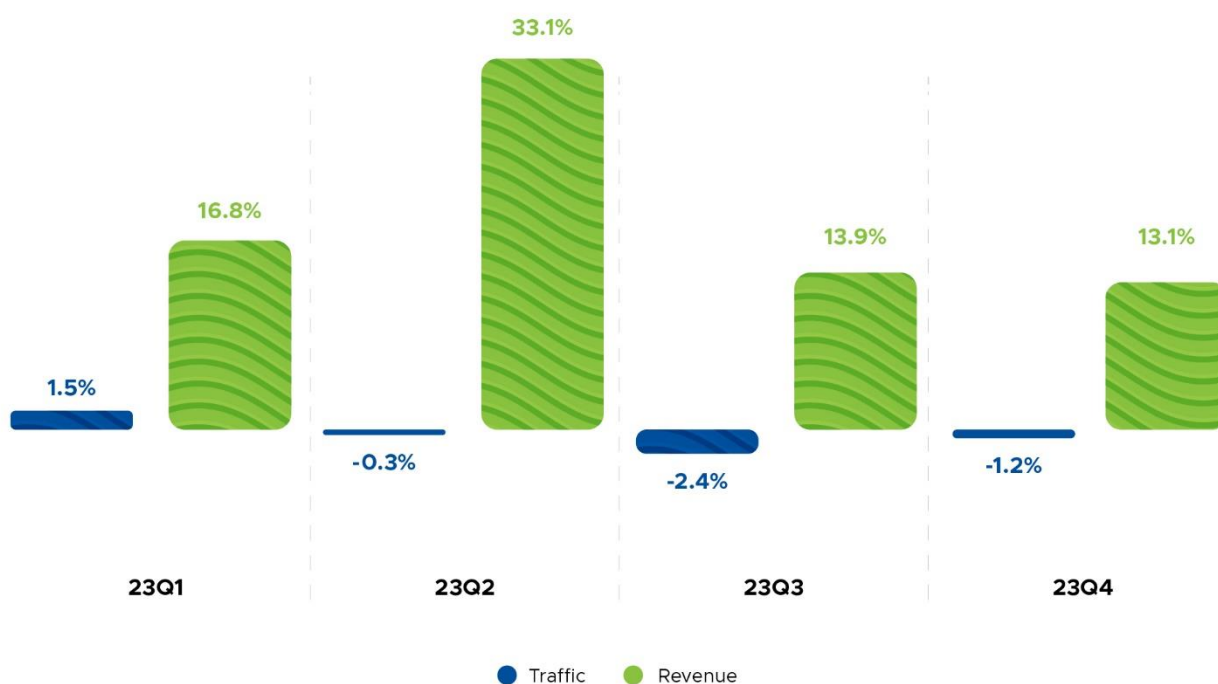
The following figures show the dynamics of Average Daily Traffic (ADT) and of toll revenue in 2023 vs 2022 on a quarterly basis, separately for passenger cars and heavy goods vehicles.

FIGURE 4 | DYNAMICS OF ADT AND OF TOLL REVENUE FOR PASSENGER CARS IN 2023 VS 2022 (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 2023 VS 2022 (QUARTER ON QUARTER OF THE PREVIOUS YEAR)



Source: The Company's own compilation

The difference in both traffic and revenue dynamics between the quarters results from the factors described above. One also needs to bear in mind that in H1 2022, the Group recorded a spot increase in traffic at the start of the armed conflict in Ukraine, triggered by the wave of migration and help to Ukrainian citizens. It is worth noting that from 1 March 2022, after prior agreement with the Ministry of Infrastructure, vehicles with Ukrainian licence plates, as well as vehicles or groups of vehicles, declared by Polish non-governmental organisations and by foreign organisations and individuals as carrying aid to Ukrainian citizens, were exempted from toll. The exemption for vehicles with Ukrainian licence plates was in force until 31 May 2022, and it continued to apply to vehicles declared as carrying humanitarian aid until 31 December 2023.

Apart from toll collection, the Group also obtained revenue from sales related to motorway operation in the amount of PLN 1,009 thousand, consisting of compensation for damaged motorway infrastructure.

Apart from motorway activity, revenue from sales of the Stalexport Autostrady Group in the amount of PLN 4,403 thousand was related to the lease of space in the office building located in Katowice, at ul. Mickiewicza 29 and to provision of other services. Compared to 2022, the amount of revenue unrelated to motorway activities increased by 16.7%.

In 2023, other operating revenue amounted to PLN 8,826 thousand and included revenue from the lease of rest and service areas (PLN 4,657 thousand), reimbursement of costs of protection against the effects of mining damage (PLN 1,465 thousand), obtained compensation/damages, contractual penalties, reimbursement of fees and costs of court proceedings (PLN 676 thousand), interest on receivables (PLN 524 thousand), profit on disposal of property, plant and equipment and intangible assets (PLN 96 thousand) and other (PLN 1,408 thousand).

3.2.1.2. AMOUNT AND STRUCTURE OF OPERATING EXPENSES

In 2023, the operating expenses of the Stalexport Autostrady Capital Group amounted to PLN 396,626 thousand and were 10.2% higher than in the previous year (PLN 359,863 thousand), mainly in relation to “Payments to the State Treasury” in the amount of PLN 126,713 thousand in 2023, vs a payment of PLN 47,372 thousand in 2022.

In relation to the above, in the comparative period SAM updated the costs of the resurfacing works it is obligated to complete by the end of the concession period. These measures resulted in a greater deposit compared to the previous years into the reserve account for resurfacing, which in turn led to a reduction in the amount of cash constituting the basis for calculation of the “Payments to the State Treasury”.

In 2023, the costs of operating activities consisted of the following:

- cost of sales in the amount of PLN 170,442 thousand. The amount corresponding to this cost group was approx. 28.2% lower vs the previous year (PLN 237,225 thousand), mainly as a result of the lower costs of establishing provisions for resurfacing recognised in own costs of sales;
- general and administrative expenses in the amount of PLN 225,602 thousand, whose value increased by PLN 106,214 thousand (89%) vs the previous year, mainly as a result of the payment to the State Treasury described above and the increase in motorway renovation and maintenance services;
- other operating expenses in the amount of PLN 573 thousand, influenced by claims handling costs (PLN 169 thousand), donations granted (PLN 153 thousand), write-downs made on inventories (PLN 137 thousand), penalties, damages, fees (PLN 79 thousand), non-deductible input VAT (PLN 22 thousand), and other (PLN 13 thousand);
- losses on impairment of trade receivables and other receivables in the amount of PLN 9 thousand.

3.2.1.3. FINANCIAL OPERATIONS

In 2023, the Group recorded a positive balance on financial operations in the amount of PLN 19,920 thousand, i.e. the financial revenues generated (PLN 57,962 thousand) were higher than the financial expenses incurred (PLN 38,042 thousand). The financial revenue was influenced to the largest extent by interest on cash and deposits, amounting respectively to PLN 18,859 thousand and PLN 38,567 thousand. The financial expenses, in turn, were influenced decisively by the discounting of provisions in the amount of PLN 35,114 thousand and by the discounting of the payable related to Concession Fees in the amount of PLN 2,736 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 balance on financial operations achieved in 2023 (PLN 19,920 thousand) was higher by PLN 16,936 thousand compared to the balance recorded in 2022 (PLN 2,984 thousand).

3.2.2. ASSETS AND FINANCIAL POSITION

The following table contains the synthetic statement of financial position of the Group and its structure as at 31 December 2023. For the sake of comparison, the figures reflecting particular items and their structure as at the end of 2022 have also been included.

TABLE 8 | SYNTHETIC REPORT ON STALEXPORT AUTOSTRADY'S STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND 31 DECEMBER 2022 – CONSOLIDATED FIGURES

in '000 PLN	Dynamics			Structure	
	31 Dec 2023	31 Dec 2022*	2023/2022	31 Dec 2023	31 Dec 2022
Non-current assets	868,672	957,840	-9%	56%	66%
Current assets	674,731	501,489	35%	44%	34%
Shareholders' equity	757,929	699,287	8%	49%	48%
Non-current payables	393,534	459,030	-14%	25%	31%
Current payables	391,940	301,012	30%	25%	21%
Balance sheet total	1,543, 403	1,459, 329	6%	100%	100%

Source: The Company's own compilation

* Figures restated in relation to the changes described in note 5.2 to the Group's consolidated financial statements as at and for the year ended on 31 December 2023.

3.2.2.1. ASSETS

The largest item in **non-current assets** were long-term cash and cash equivalents, whose value had decreased as at the end of 2023 to the amount of PLN 415,799 thousand vs PLN 490,550 thousand as at the end of 2022. This resulted mainly from the decrease 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 scheme being implemented and resurfacing).

Intangible fixed assets constituted the second largest item, amounting to PLN 311,286 thousand as at the end of 2023. They consisted virtually entirely of concession intangible assets. Their value decreased by PLN 36,155 thousand vs the end of 2022. This decrease results from (i) the depreciation of concession and other intangible assets (PLN 82,364 thousand), (ii) the increase in concession intangible assets as a result of revaluation (PLN 45,606 thousand), (iii) acquisition (PLN 662 thousand), and (iv) sales/liquidation (PLN 59 thousand).

Other significant items of non-current assets are represented by deferred income tax assets (PLN 96,720 thousand, up by PLN 18,572 thousand), and by property, plant and equipment (PLN 37,442 thousand, up by PLN 3,536 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 (PLN 638,245 thousand) whose value showed an increase by PLN 161,358 thousand as at the end of 2023 vs the balance as at the end of 2022. Trade receivables and other receivables constituted another significant item of current assets (PLN 31,683 thousand), with an increase by PLN 11,733 thousand, mainly as a result of the increase in receivables from taxes, customs duties, social security and other benefits (increase by PLN 7,755 thousand), as well as trade receivables from other entities (increase by PLN 4,965 thousand). Apart from the above, inventories (PLN 3,489 thousand) increased vs the end of 2022 by PLN 45 thousand, current investments in the amount of PLN 1,223 thousand increased by PLN 138 thousand vs the end of 2022, and finance lease receivables (PLN 91 thousand) decreased by PLN 32 thousand.

3.2.2.2. LIABILITIES

As at 31 December 2023, the Group's total payables and provisions amounted to PLN 785,474 thousand, of which 50.1% were non-current items. The main items of payables and provisions included the following:

- PLN 354,340 thousand: provision for capital expenditures within Phase II of the investments being implemented on the managed section of the A4 motorway;
- PLN 234,678 thousand: provision established for planned motorway resurfacing;
- PLN 144,421 thousand: trade and other payables (including Payments to the State Treasury in the amount of PLN 75,572 thousand);
- PLN 16,759 thousand: other non-current payables, including PLN 7,987 thousand of payables under the Concession Fees;
- PLN 10,216 thousand: income tax payables;
- PLN 9,692 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 7,710 thousand: payables related to employee benefits;
- PLN 4,963 thousand: lease payables;
- PLN 2,695 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).

3.2.2.3. THE COMPANY'S AND THE GROUP'S MAIN DOMESTIC INVESTMENTS, INCLUDING IN PARTICULAR SECURITIES, FINANCIAL INSTRUMENTS, INTANGIBLE FIXED ASSETS AND IMMOVABLE PROPERTY, 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 2023 amounted to PLN 80,559 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 supervision and design costs.

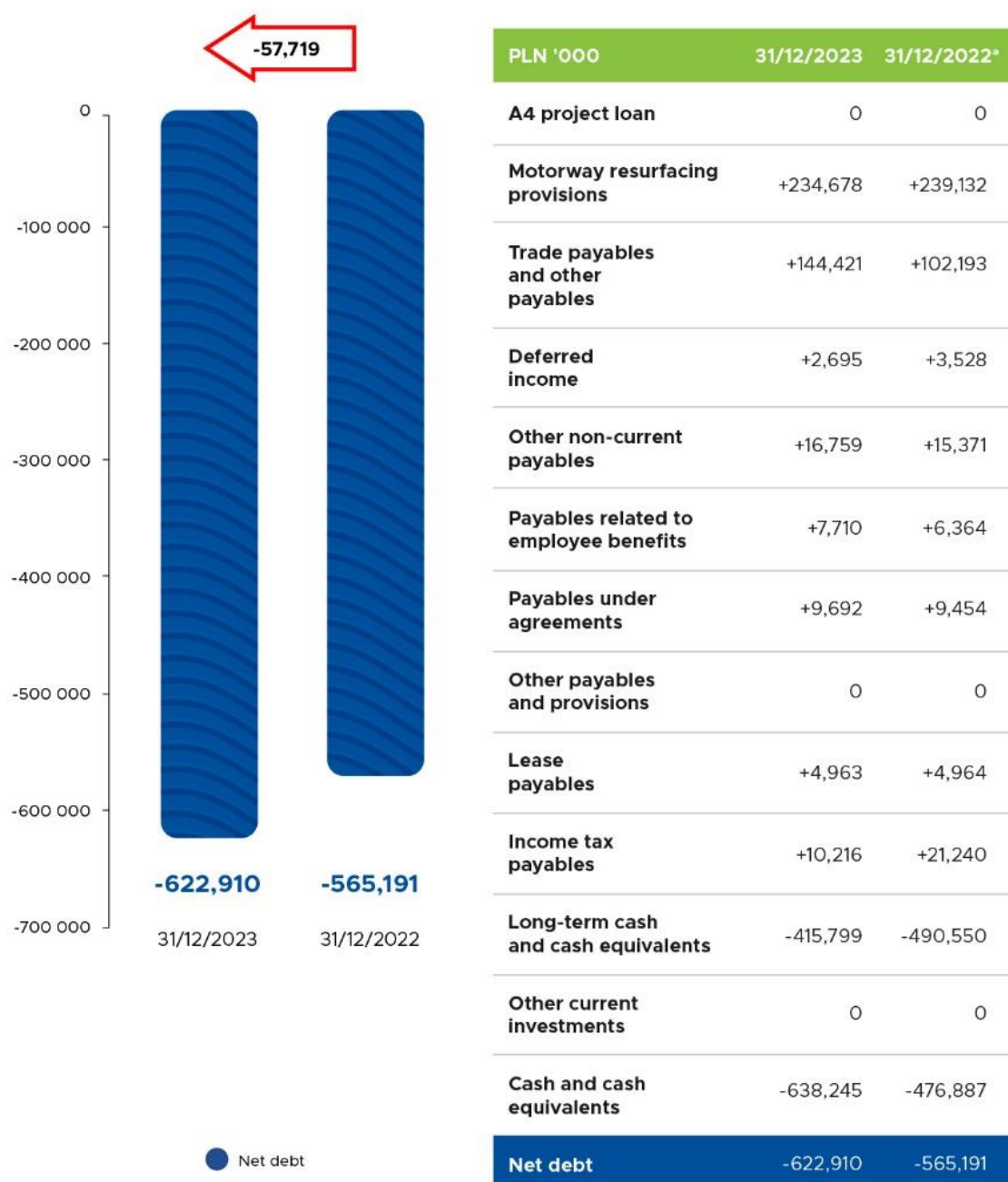
All the above-mentioned investment activities of the Group were allowed for in the capital expenditure budget for 2023 and had been approved earlier by the Supervisory Board of Stalexport Autostrady. At this point, it is worth emphasising that financing of the investment tasks resulting from the Concession 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 2023 changed by the amount of PLN -57,719 thousand. The Group's net debt is influenced mainly by long-term cash and cash equivalents as well as by short-term cash.

The detailed method of calculation of this ratio and its value in the years 2022–2023 are presented below.

FIGURE 6 | NET DEBT OF THE GROUP (CONSOLIDATED FIGURES) – BALANCE AS AT 31 DECEMBER 2022 AND AS AT 31 DECEMBER 2023



* Figures restated in relation to the changes described in note 5.2 to the Group's consolidated financial statements as at and for the year ended on 31 December 2023.

Source: The Company's own compilation

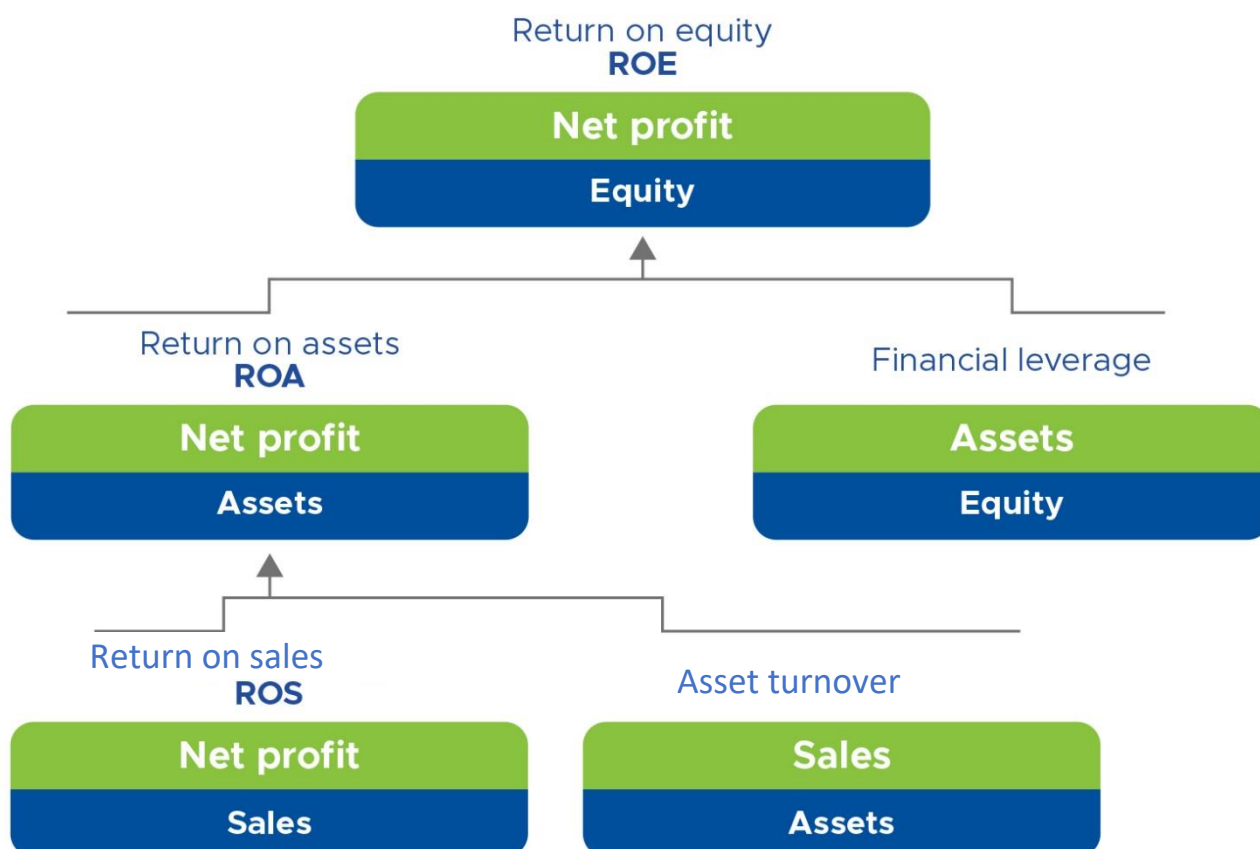
3.2.3. DUPONT ANALYSIS

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 ratios for 2022 indicated below were calculated on the basis of the figures restated in relation to the changes described in note 5.2 to the Group's consolidated financial statements as at and for the year ended on 31 December 2023.

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 2022-2023

Ratio	2023	2022
Return on equity (ROE)	15.3%	6.1%
Return on assets (ROA)	7.5%	2.9%
Return on net sales (ROS)	22.8%	10.4%
Asset Turnover	0.33	0.28
Financial Leverage	2.04	2.09

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 22.8% in the analysed period. The increase in the above-mentioned ratio vs 2022 is mainly due to the lower cost of establishing resurfacing provisions.

ROE is also influenced by the level of applied Financial Leverage, which allows the company to hold assets significantly exceeding its equity. In the Group's case, financial leverage for the last 2 years was on a similar level, i.e. 2.09 and 2.04.

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 EBITDA margin ratios of over 40% (41.6% in 2023) as well as EBIT of over 20% (23.8% in 2023).

TABLE 10 | PROFITABILITY OF THE STALEXPORT AUTOSTRADY GROUP IN THE YEARS 2022–2023 ON THE INDIVIDUAL LEVELS OF THE ACTIVITY PURSUED

Ratio	2023	2022
EBITDA margin	41.6%	35.1%
EBIT margin	23.8%	14.6%

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 2022–2023

Ratio	2023	2022
Asset Turnover	0.33	0.28
Working Capital Turnover	1.80	2.06
Receivables Turnover	16.06	20.75
Liabilities Turnover	0.65	0.54

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, the turnover ratios for assets and liabilities increased compared to the year 2022, which results mainly from the increase in revenue. In turn, working capital and receivables turnover ratios decreased vs 2022, which resulted from the increase in receivables, among other things.

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 IN THE YEARS 2022–2023

Ratio	2023	2022
Current liquidity	1.72	1.67
Quick liquidity	1.71	1.65
Debt to assets	0.51	0.52
Debt to equity	1.04	1.09
Long-term debt	0.52	0.66

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 and the quick ratio increased compared to the previous year. Both ratios were 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 developed, and the Council of Ministers adopted, in December 2022, the draft "Programme for Construction of National Roads until 2030 (with a perspective until 2033)", hereinafter referred to as the Programme. In October 2023, the Council of Ministers adopted a resolution, which among other things increased the overall financial limit for expenditures on the implementation of 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 302.1 billion will be allocated to the implementation of the investments included in the new Programme. The Programme assumes implementation of road investments along national roads, expressways and motorways with a total length of over 6.1 thousand km. The new investments will include tasks covering a total of 2.6 thousand km, while the continuing tasks, commenced under the already existing road programme, cover a length of over 3.5 thousand km.

The basic source of financing for the investments included in the Programme is the National Road Fund, whose sources in turn include European Union funds. However, the programme still provides for the possibility of implementing investments on the basis of multi-annual contracts in accordance with the Act of 27 October 1994 on toll motorways and the National Road Fund. Entities entrusted with the implementation of tasks under this procedure will obtain potential funding on market conditions, as well as from other instruments and sources available for projects of this type. This opens up the possibility of financing motorways under 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 7 March 2023, SAM issued a letter of approval for Pavimental Polska tantamount to SAM's acceptance of the tender submitted by Pavimental Polska in the procedure for the performance of the lump sum contract "F2b-14-2022 – Alteration of A4 motorway drainage – Part VI" (hereinafter: the "Contract").

The net value of the Contract is PLN 79,480,632.81 (hereinafter: the Approved Net Contractual Amount).

Under the Contract, a 7.89 km section of the A4 Katowice-Kraków motorway drainage system will be altered.

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

The General Conditions for the above-mentioned Contract are provided by the "Conditions of Contract for Construction for Building and Engineering Works Designed by the Employer", 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 are 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 for Pavimental Polska:

- penalties for delay – pursuant to clause 8.7 of the Conditions of Contract, the limit of contractual penalties equals 10% of the Approved Net Contractual Amount,
- penalties for failure to remove defects or malfunctions in works within the applicable time limit – pursuant to clause 11.4 of the Conditions of Contract, the limit of contractual penalties equals 10% of the Approved Net Contractual Amount,
- penalties for unjustified disturbances to traffic – pursuant to clause 8.13 of the Conditions of Contract, the limit of contractual penalties equals 2% of the Approved Net Contractual Amount.

On 5 June 2023, SAM issued a letter of approval for Pavimental Polska tantamount to SAM's acceptance of the tender submitted by Pavimental Polska in the procedure for the performance of the contract HM-6-2022 "Road pavement renovation with accompanying works on the A4 Katowice-Kraków motorway" (hereinafter: the "Contract").

The net value of the Contract is PLN 422,939,999.16 (hereinafter: "Approved Net Contractual Amount").

The following works will be performed under the Contract:

- road pavement renovation on both carriageways of the A4 Katowice-Kraków motorway, together with accompanying works from km 341+640 to km 401+100, divided into sections,
- renovation of bridge structures: M02, M07, M08, M11, M12, M15, M18, M21, M23, M30, M31, M35, M37, M38, M40, M45, M48, M49, M52, M53, M54, and M55.

Along with the Letter of Approval issued by SAM, the agreement was handed over to be signed by Pavimental Polska, signed by SAM on 5 June 2023 (and ultimately also signed by Pavimental Polska) concerning the performance of the Contract, whose provisions are consistent with the form presented in the tender procedure documents.

The General Conditions for the above-mentioned Contract are provided by the “Conditions of Contract for Construction for Building and Engineering Works Designed by the Employer”, 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 are 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 envisages the following contractual penalties for Pavimental Polska:

- penalties for delay – pursuant to clause 8.7 of the Conditions of Contract, the limit of contractual penalties equals 10% of the Approved Net Contractual Amount,
- penalties for failure to remove defects or malfunctions in works within the applicable time limit – pursuant to clause 11.4 of the Conditions of Contract, the limit of contractual penalties equals 10% of the Approved Net Contractual Amount,
- penalties for unjustified disturbances to traffic – pursuant to clause 8.13 of the Conditions of Contract, the limit of contractual penalties equals 2% of the Approved Net Contractual Amount.

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 2023, the value of the transactions between SAM and VIA4 under the above-mentioned Agreement amounted to PLN 68,898 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. Mickiewicza 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 2023 attributable to the Company was PLN 5,226 thousand.

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

In 2023, the Company, just like the other entities from the Capital 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 2023, 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 2023, the Company did not grant or receive any sureties or guarantees. As at the end of 2023, the Company did not have any contingent liabilities.

In 2023, 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 2023, 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 2023.

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. 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 36 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 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

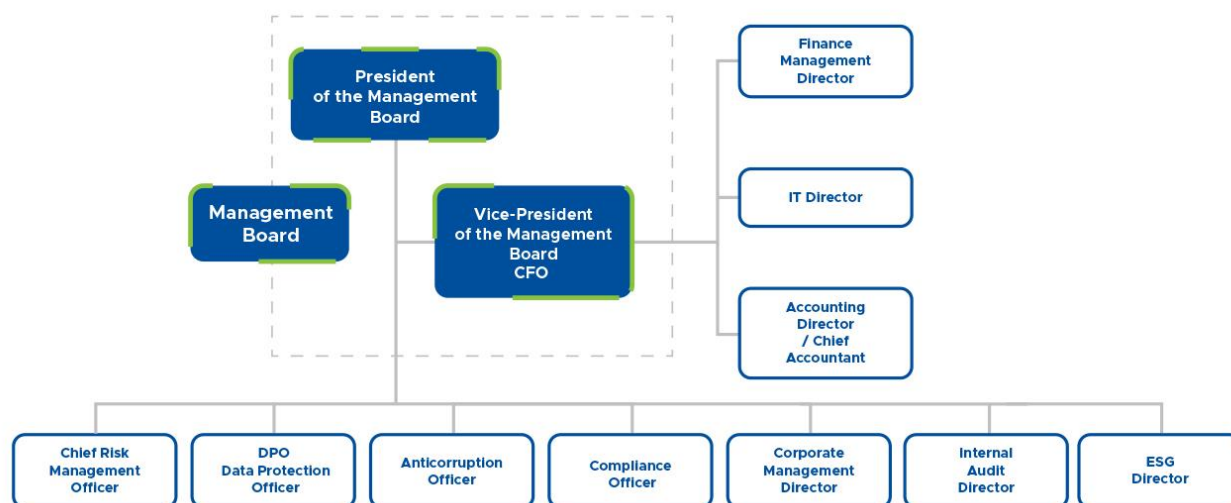
Neither in the reporting year nor after its end were any events recorded having a significant influence on the activities of the Company or of the Group.

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

In 2023, the Company's organisational structure changed compared to the 2022 structure – the position of ESG Officer was created. The Company's organisational chart as at 31 December 2023 is shown in the figure below.

FIGURE 8 | ORGANISATIONAL CHART OF STALEXPORT AUTOSTRADY S.A. AS AT 31 DECEMBER 2023



Source: The Company’s own compilation

Headcount at the Company as at 31 December 2023 was 27 persons (7.5 FTE), changing by 1 person (0.375 FTE) vs 31 December 2022.

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 2023, the Stalexport Autostrady Group had 338 employees, including 5 executive officers (members of management boards) and 25 middle management employees (directors and managers). For the sake of comparison, as at 31 December 2022, the Stalexport Autostrady Group had 329 employees, including 5 executive officers (members of management boards) and 23 middle management employees (directors and managers).

The increase in the Group’s headcount recorded as at 31 December 2023 vs 31 December 2022 (in terms of the number of persons), amounting to approx. 2.5%, is due to the increase in employment in the white-collar employee group (SAM) as well as in the toll collection staff and road worker 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

In the case of Mr Andrzej Kaczmarek, current President of the Company’s Management Board, dismissal of the President from the Management Board and/or termination of his contract by the Company prior to the expiry of the term of the Management Board to which the President was appointed, will make him entitled to a one-off cash severance payment equal to six times his last monthly base salary.

The President shall not be entitled to this payment if he were to be dismissed from the Management Board for reasons justifying termination of the contract of employment without notice due to the employee’s fault under the provisions of the labour law.

In turn, the previous President of the Management Board, Mr Emil Wąsacz (performing his function until 28 February 2023), in relation to his resignation from the position of President of the Management Board of Stalexport Autostrady handed in on 28 November 2022, entered into an agreement with the Company as of 28 February 2023, providing for

the payment of (1) severance pay equal to 6 months' base remuneration and (2) additional voluntary severance pay in the amount of PLN 52,350.00 (incl. tax) plus 3 months' base remuneration.

In the case of Mr Mariusz Serwa (Vice President of the Management Board), the agreement concluded with him provides for payment of an additional benefit corresponding to 6 months' remuneration if the contract is terminated by the Company, except termination for reasons attributable to Mr Serwa.

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 management and supervisory bodies of the Company are described in paragraph 7.15.

SAM

(i) Management Board:

During the reporting period and until the date of preparation of the Report, there were changes in the composition of the Management Board, which consisted of the following members:

From 1 January 2023 until 28 February 2023:

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

From 1 March 2023 until the date of preparation of the Report

- Andrzej Kaczmarek – President of the Management Board,
- Mariusz Serwa – Vice-President of the Management Board,
- Paweł Kocot – Member of the Management Board.

On 15 January 2024, Mr Paweł Kocot terminated his employment contract with SAM, with a three-month notice period, which will expire on 30 April 2024.

(ii) Supervisory Board:

No changes occurred in the composition of the Supervisory Board of SAM in the reporting period and until the date of preparation of the Report. It continues to be composed of the following:

- 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:

No changes occurred in the composition of the Management Board of VIA4 in the reporting period and until the date of preparation hereof. It continued to be composed of the following persons:

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

(ii) Supervisory Board

No changes occurred in the composition of the Supervisory Board of VIA4 S.A. in the reporting period and until the date of preparation of the Report. It was composed of the following persons in the periods listed below:

From 1 January 2023 until 3 April 2023:

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

Ms Emmanuelle Freneat handed in her resignation from the Supervisory Board of VIA4 as of 3 April 2023, and consequently the Supervisory Board was composed of five members from 4 April to 18 June 2023. With effect as of 19 June 2023, Egis Road Operation appointed Mr Patrick Viellard as member of the Supervisory Board and appointed Mr Carlo Ciattoni as Deputy Chairman.

From 19 June 2023 until the date of preparation of the Report, the composition of the VIA4 Supervisory Board was as follows:

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

BIURO CENTRUM

No changes occurred in the composition of the Management Board of Biuro Centrum in the reporting period and until the date of preparation hereof. It was composed of the following persons:

(i) Management Board

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

(ii) Supervisory Board

No changes occurred in the composition of the Supervisory Board in the reporting period and until the date of preparation of the Report. It was composed of the following persons:

- Krzysztof Rewers – Chairman of the Supervisory Board,
- Katarzyna Bijak – Deputy Chairman of the Supervisory Board,
- Aleksandra Biela – 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 2023, amounted to PLN 2,332.45 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 1,664.29 thousand. Detailed information regarding the amount of remuneration of the Company's managing persons in 2023 is presented in the table below.

TABLE 13 | REMUNERATION PAID IN 2023 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	1,682.69	513.94	2,196.63
2.	Andrzej Kaczmarek**	President of the Management Board	433.17	363.91	797.08
3.	Mariusz Serwa	Vice-President of the Management Board Chief Financial Officer	216.59	786.44	1,003.03
TOTAL			2,332.45	1,664.29	3,996.74

Source: The Company's own compilation

* was performing his function until 28 February 2023.

** has been performing his function since 1 March 2023

The remuneration amounts presented in the table above include payment of the amount of PLN 205.36 thousand on account of the annual reward paid in 2023 and concerning the year 2022, covered by a provision charged to 2022, and payment of PLN 949.90 thousand related to the long-term incentive plan, covered by a provision charged to the period from 2022 to February 2023 (concerns only Mr Emil Wąsacz).

The provision for the Management Board's annual reward for 2023 in the amount of PLN 251.79 thousand and additionally the provision for payment related to the long-term incentive plan in the part concerning 2023 in the amount of PLN 1,139.27 thousand were, in turn, charged to 2023.

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

In 2023, the total remuneration paid to the members of the Company's Supervisory Board amounted to PLN 297.54 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 2023 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	154.83
3	Marco Stocchi Grava	Secretary	did not receive remuneration
4.	Stefano Bonomolo	Member	did not receive remuneration
5.	Nicola Bruno	Member	did not receive remuneration
6.	Andrzej Kaczmarek*	Member	18.11
7.	Enrica Marra	Member	did not receive remuneration
8.	Beata Stelmach**	Member	124.60
TOTAL			297.54

Source: The Company's own compilation

* remuneration in the period from 1 January 2023 until 28 February 2023

** remuneration in the period from 4 April 2023 until 31 December 2023

There are no incentive or bonus programmes based on the Company's capital, including programmes based on senior bonds, convertible bonds, warrants (in cash, in kind or any other form), paid, due or potentially due to the Company's managing and supervising persons.

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

According to the representations of the persons managing and supervising the Company, as at 31 December 2023 and as at the date of handing over of the Report, none of the said persons held shares of the Company or shares of the Company's related entities.

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 2023 to KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k., entered on the list of auditing firms under the number 3546.

With effect as of 10 January 2023, the Company entered into a contract with KPMG on the audit and review of the financial statements in the years 2023–2024.

The total remuneration of KPMG for the audit and review of the financial statements for 2023 was set at the net amount of PLN 194.5 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 2023: PLN 51.5 thousand;
- audit of the annual separate and consolidated financial statements of the Company for 2023: PLN 143 thousand.

On 12 January 2024, the Company entered into a contract with KPMG on the performance of assurance services concerning the annual reports on remuneration of the Management Board and Supervisory Board for the years 2023 and 2024.

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 2023 was set at the amount of PLN 22.9 thousand.

The limit for additional costs subject to reimbursement in relation to the above services was set at 5% (excluding the oversight fee).

In turn, 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 the year 2022 to Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k., entered on the list of auditing firms under the number 130 (hereinafter: Ernst & Young).

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 2022 was set at the net amount of PLN 75.2 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 2022: PLN 26.8 thousand;
- audit of the annual separate and consolidated financial statements of the Company for 2022: PLN 48.4 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 2022 was set at the amount of PLN 10 thousand.

The limit for additional costs subject to reimbursement was set at 10% and the actual additional costs amounted to PLN 2 thousand.

(ii) SAM

In accordance with the powers stipulated in the Statutes of SAM, the company's Supervisory Board entrusted audit of the financial statements of SAM for 2023 to KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

With effect as of 16 March 2023, SAM entered into a contract with KPMG on the following:

- audit of the condensed financial statements for the periods of 6 months ending on 30 June 2023 and 30 June 2024;
- audit of the financial statements for the periods of 12 months ending on 31 December 2023 and 31 December 2024;

The total remuneration of KPMG for the audit of the financial statements for 2023 was set at the net amount of PLN 137.3 thousand, including remuneration for the following:

- audit of the condensed financial statements made for the period of 6 months ended on 30 June 2023: PLN 45.8 thousand;
- audit of the financial statements for the period of 12 months ended on 31 December 2023: PLN 91.5 thousand.

The limit for additional costs subject to reimbursement in relation to the above services was set at 5% (excluding the oversight fee).

In turn, in accordance with the powers stipulated in the Statutes of SAM, the company's Supervisory Board entrusted audit of the financial statements of SAM for 2022 to Ernst & Young.

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 2022 amounted to PLN 75.2 thousand (net), including remuneration for the following:

- audit of the condensed financial statements made for the period of 6 months ended on 30 June 2022: PLN 32.2 thousand;
- audit of the financial statements for the period of 12 months ended on 31 December 2022: PLN 43 thousand.

The limit for additional costs subject to reimbursement was set at 10% and the actual additional costs amounted to PLN 2 thousand.

(i) VIA4

In accordance with the powers stipulated in the Statutes of VIA4, audit of the financial statements of VIA4 for 2023 was entrusted by the Supervisory Board (by way of resolution no. 16/2022 of 30 May 2022) to KPMG Audyt Sp. z o.o. sp.k. (hereinafter: KPMG). On 23 March 2023, VIA4 signed a contract with KPMG on the audit of the financial statements in the years 2023–2024.

The total remuneration of KPMG for the audit of the financial statements for 2023 amounted to PLN 102.9 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 2023: PLN 38.61 thousand;
- audit of the annual financial statements for 2023: PLN 64.29 thousand.

The limit for additional costs subject to reimbursement was set at 5% and the actual additional costs amounted to PLN 1.65 thousand.

The total remuneration of Ernst & Young Audyt Polska Sp. z o.o. sp.k. for the audit of the financial statements for 2022 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 2022: PLN 26.9 thousand;
- audit of the annual financial statements for 2022: PLN 43 thousand.

The limit for additional costs subject to reimbursement was set at 10%, not more than PLN 6.99 thousand. The actual additional costs amounted to PLN 2.59 thousand. In addition, in 2023, VIA4 incurred additional costs related to the fee of Ernst & Young Audyt Polska Sp. z o.o. sp.k., which amounted to PLN 900.

(ii) 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 2023 to Audytorzy i Doradcy Sp. z o.o. with its registered office in Katowice (hereinafter: Audytorzy i Doradcy), entered on the list of auditing firms under no. 3.130 and entered in the register of entrepreneurs kept by the District Court in Katowice, Commercial Division of the National Court Register, under KRS no.: 0000260564.

The contract on the audit of the separate financial statements of Biuro Centrum was signed on 10 November 2022.

The remuneration for the audit of the 2023 statements to be received by the Auditors and Consultants will amount to PLN 12.5 thousand (net), while the remuneration related to the year 2022 amounted to PLN 13.5 thousand (net).

5.24. INFORMATION ON SIGNIFICANT PROCEEDINGS BEFORE THE COURT, THE AUTHORITY COMPETENT FOR THE ARBITRATION PROCEEDINGS OR A PUBLIC ADMINISTRATION AUTHORITY RELATED TO THE COMPANY'S OR ITS SUBSIDIARIES' PAYABLES OR RECEIVABLES

Neither the Company nor its subsidiaries 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

Within the framework of its internal development strategy, 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 European Union directives) under the commercial name of "A4Go", making it possible to drive through the toll plazas operated 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 Mundys capital group 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 app, and in 2020 and a newer and more user-friendly online store was launched for "A4Go" (www.a4go.pl). Subsequently, the videotolling function was also made available through apps such as SkyCash (in July 2020), IKO PKO BP (in February 2021), and mPay (in January 2022), as well as to users of fleet cards from Orlen (in May 2021), Shell (in April 2022) and DKV (in March 2023).

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 vehicles covered by the national electronic 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 feature is subject to appropriate arrangements with the Public Authority 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, including the increase in the prices of such works, as well as risks 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 risks** 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.

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

Additional risks are also related to the decision of the Polish Office of Competition and Consumer Protection 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 renovation 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/renovation works are being performed between the toll plazas leading to the failure to meet the motorway standard.

On 10 February 2023, the Company was informed that the Concessionaire had received on the same day, from the Director of the Branch of the Office of Competition and Consumer Protection, acting under the authority of the President of the Office of Competition and Consumer Protection, a notice of call for submission of information and documents in relation to the explanatory proceedings conducted by the Office aimed at determining on a preliminary basis whether an infringement may have occurred of the provisions of the Act on Competition and Consumer Protection in connection with the rules of determining and charging toll on the A4 motorway Katowice-Kraków, justifying the initiation of antimonopoly proceedings. Until the date of publication of this Report, the Concessionaire has provided a certain

amount of information and a number of documents as requested by the Office in the aforementioned notice, as well as subsequent ones, thus fulfilling its obligation at this stage of the explanatory proceedings.

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

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

In this area, 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 **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 operations for many years, a new **risk** emerged in 2022, **related to the armed conflict in Ukraine**, whose course and whose impact on the overall economic situation are currently difficult to predict. As at the time of preparation of this report, no threat to business continuity has been found. However, the Group will systematically monitor the impact of the political and economic situation in Ukraine on the Group's activities, including its future financial position and financial results.

The proper identification of risks in all the above-mentioned areas of the Company's, the Group's and their owners' activities, as well as the determination of the acceptable level of risk are the responsibility of the Management Board, supported with regard to the above by the Chief Risk Management Officer, appointed both at the level of Stalexport Autostrada and at the level of the 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 rules specified in the DPSN 2021 collection in the period from 1 January 2023 until 31 December 2023.

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 corporate governance rules the Company was subject to in 2023, i.e. the DPSN 2021, are publicly available on the following websites:

- of the Warsaw Stock Exchange (www.corp-gov.gpw.pl);
- of the Polish Association of Stock Exchange Issuers (www.seg.org.pl);
- of the Company (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 Mundys S.p.A Capital Group:

- Code of Ethics,
- Compliance Program,
- Anti-Bribery Policy,
- Whistleblowing Procedure.

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 website (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 (currently Mundys), 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 are 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”. The Whistleblowing Procedure was updated three times in the years 2021–2023 (most recently on 26 August 2022).

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

Pursuant to §29(3) of the Rules of Giełda Papierów Wartościowych w Warszawie S.A. [Warsaw Stock Exchange], on 30 July 2021, the Company submitted, via the Electronic Information Database (EBI), information on the status of application by Stalexport Autostrady of the principles included in the collection entitled “Best Practice of GPW Listed Companies 2021” adopted by resolution No. 13/1834/2021 of the Supervisory Board of the Warsaw Stock Exchange of 29 March 2021, which entered into force on 1 July 2021. Currently, following updates to the above information reported on 3 March 2022, 24 February 2023 and 6 April 2023, the Company does not apply 12 principles of DPSN 2021, i.e. principles with 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., 6.2. and 6.4.

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

TABLE 15 | 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.	Companies integrate ESG factors in their business strategy, including in particular: environmental factors, including measures and risks relating to climate change and sustainable development;	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 mid-2024.
1.3.2.	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.	Explanation why this principle is not applied: same as for item 1.3.1.
1.4.	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	Explanation why this principle is not applied: same as for item 1.3.1.

	<p>financial and non-financial. ESG information concerning the strategy should among others:</p>
<p>1.4.1.</p> <p>explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;</p>	<p>Explanation why this principle is not applied: same as for item 1.3.1.</p>
<p>1.4.2.</p> <p>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.</p>	<p>Explanation why this principle is not applied: same as for item 1.3.1.</p>
<p>1.6.</p> <p>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, 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 holds a meeting for investors once a year, after publication of the statements for the previous year.</p> <p>The Company sees no need to increase the frequency of meetings with investors because:</p> <ul style="list-style-type: none"> • the Company’s activity is characterised by high predictability of revenues and expenses: <ul style="list-style-type: none"> – the dominant share of revenues and expenses is generated by the multi-annual motorway concession project with a history of over 20 years of vehicle traffic, toll rates and revenues; – in addition, quarterly reports include information on the development of traffic and revenues in the respective quarters; • 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.
<p>2.1.</p> <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</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>

<p>minority group in each body should be at least 30%.</p>	
<p>2.2. 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>
<p>2.4. 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>
<p>3.2. Companies' organisation includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to the size of the company or the type of its activity.</p>	<p>Separate organisational units are included in the organisational structure of Stalexport Autostrady S.A. responsible for the performance of tasks in individual systems or functions:</p> <ul style="list-style-type: none"> • compliance supervision, for which a Compliance Officer was appointed in the Company. • risk management, for which a Chief Risk Management Officer was appointed. • internal audit, for which an Internal Audit Director was appointed. <p>In turn, the Management Board of Stalexport Autostrady S.A. is responsible for the system of internal control and its effectiveness.</p>
<p>6.2. 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.</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>
<p>6.4. As the supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account additional workload on the committee.</p>	<p>Departure from this principle results from the decisions of the Company's shareholders, expressed in the resolutions adopted by the Ordinary General Meeting on 4 April 2023, as a result of which remuneration of supervisory board members would no longer be differentiated depending on their membership</p>

of committees. The company continues to not make the remuneration of supervisory board members depend on the number of meetings held. In fact, therefore, non-compliance with the principle is therefore only partial.

Source: The Company's own compilation

7.6. THE GROUP'S EXPENDITURES ALLOCATED TO SOCIAL OBJECTIVES

TABLE 16 | DONATIONS MADE BY THE GROUP'S COMPANIES IN 2023

No.	Denee name	Donor name	Public benefit organisation	Amount	Objective
1.	The Great Orchestra of Christmas Charity Foundation	SAM	yes	PLN 5,000	31 st Finale of the Great Orchestra of Christmas Charity
2.	"House of Guardian Angels" Association for Children and Youth]	SAM	yes	PLN 10,000	Helping children from underprivileged backgrounds
3.	"Cordis" Hospice Civic Association	SAM	yes	PLN 12,804.59	Covering the costs of purchase of medicines
4.	"Eye to Eye with Cancer" Foundation	SAM	yes	PLN 8,000	Cancer prevention activities
5.	Janusz Kurtyka Foundation	SAM	yes	PLN 10,000	Aid to victims of the war in Ukraine
6.	Primary School No. 6 in Mystowice	SAM	no	PLN 5,000	Purchase of teaching aids
7.	Volunteer Fire Brigade in Alwernia	SAM	no	PLN 10,000	Purchase of rescue equipment
8.	"Hope" Care and Education Centre	SAM	no	PLN 20,000	Construction of a sports field for children
9.	"Cordis" Hospice Civic Association	SAM	yes	PLN 10,937.08	Covering the costs of medicines and medical supplies purchased
10.	Iskierka Foundation	SAM	yes	PLN 13,000	Helping children with cancer

11.	“House of Guardian Angels” Association for Children and Youth	SAM	yes	PLN 10,000	Helping children from underprivileged backgrounds
12.	Volunteer Fire Brigade in Grojec	VIA4	no	PLN 5,500	Purchase of special uniforms
13.	“Cordis” Hospice Civic Association	VIA4	yes	PLN 5,161	Covering the costs of purchase of medical preparations
14.	Great Orchestra of Christmas Charity Foundation	VIA4	yes	PLN 5,000	31 st Finale of the Great Orchestra of Christmas Charity
15.	Volunteer Fire Brigade in Balice	VIA4	no	PLN 4,800	Purchase of warning lights for a vehicle
16.	Primary School in Siemianowice Śląskie	VIA4	no	PLN 2,233,68	Supporting the facility with regard to road safety – in-kind donation – vests
17.	Police Headquarters for the City of Mysłowice	VIA4	no	PLN 2,899	Purchase of office equipment
18.	Volunteer Fire Brigade in Alwernia	VIA4	no	PLN 5,000	Co-financing of the purchase of a fire and rescue vehicle
19.	Grodno Region Children’s Aid Foundation]	Biuro Centrum	yes	PLN 700	Activities provided for in the company’s statutes
20.	Volunteer Fire Brigade in Dąbrówka Mała	Biuro Centrum	no	PLN 1,100	Activities provided for in the company’s statutes
21.	Avalon Foundation	Biuro Centrum	yes	PLN 700	Activities provided for in the company’s statutes
TOTAL				PLN 147,835.35	

Source: The Company’s own compilation

TABLE 17 | GROUP COMPANIES' SPONSORSHIP EXPENDITURES IN 2023

No.	Sponsored entity	Sponsor	Amount	Objective
1.	National Road Safety Centre	SAM	PLN 5,000	"I Want to Live Safely" Programme
2.	"House of Guardian Angels" Association for Children and Youth	SAM	PLN 15,000	"Legendary Space Match with the Angels" in Katowice
3.	"House of Guardian Angels" Association for Children and Youth	SAM	PLN 20,000	Social campaign during the European Economic Congress in Katowice
4.	Józef Dietl Award Foundation	SAM	PLN 7,000	Józef Dietl Award Gala in Krakow
5.	Iskierka Foundation	SAM	PLN 16,500	Concert of the Children's Oncology Orchestra at the National Polish Radio Symphony Orchestra concert hall in Katowice
4.	Modern Sport Foundation for Sport Development	SAM	PLN 7,000	Volleyball match as part of the Polish Women's Volleyball Cup
TOTAL			PLN 70,500	

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 – Chief Financial Officer 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 2023 and as at the date of this Report are listed in the table below.

TABLE 18 | LIST OF STALEXPORT AUTOSTRADY SHAREHOLDERS HOLDING SIGNIFICANT BLOCKS OF THE COMPANY'S SHARES (AS AT 31 DECEMBER 2023 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 [%]
Mundys	151,323,463	61.20%	151,323,463	61.20%
TFI PZU	12,406,475	5.02%	12,406,475	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, conditions governing the introduction of financial instruments to organised trading, and 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 as far as the transfer of the ownership right is concerned.

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 Company's Management Board is composed of 1 to 3 persons. The President of the Management Board is appointed by the Supervisory Board, while the 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 website of Stalexport Autostrady (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 General Meeting, may attend the General Meeting. 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 website of Stalexport Autostrady (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. 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 website 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-General Meeting 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 website of Stalexport Autostrady.

Pursuant to §24 of the Company's Statutes, resolutions of the General Meeting 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 establishment of 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 members of the Management Board 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.

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

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

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



Mariusz Serwa Vice-President of the Management Board Andrzej Kaczmarek – President of the Management Board

The Management Board 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. These Regulations are available on the corporate website of Stalexport Autostrady (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 2023 to 28 February 2023, 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. Marco Stocchi Grava – Secretary of the Supervisory Board,
4. Stefano Bonomolo,
5. Nicola Bruno,
6. Andrzej Kaczmarek,
7. Enrica Marra.

On 28 February 2023, Mr Andrzej Kaczmarek resigned as member of the Supervisory Board.

On 4 April 2023, the Ordinary General Meeting of Stalexport Autostrady appointed Ms Beata Stelmach as member of the Supervisory Board. From that date until the date of preparation of the Report, 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. Marco Stocchi Grava – Secretary of the Supervisory Board,
4. Stefano Bonomolo,
5. Nicola Bruno,
6. Enrica Marra,
7. Beata Stelmach.

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 website of Stalexport Autostrady (www.stalexport-autostrady.pl). 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 website of Stalexport Autostrady (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:

a) from 1 January 2023 until 28 February 2023:

Remuneration Committee:

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

Audit Committee:

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

From 1 March 2023 to 10 May 2023, the Remuneration and Audit Committees, in relation to the resignation from the Supervisory Board handed in by Mr Andrzej Kaczmarek on 28 February 2023, operated with two members each.

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

Remuneration Committee:

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

Audit Committee:

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

Mr Tomasz Dobrowolski and Ms Beata Stelmach meet the 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 2021. The above criteria were also met by Mr Andrzej Kaczmarek during his term as member of both of the above committees.

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 website of the Company (www.stalexport-autostrady.pl).

- **Information on 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 16 May 2023, the Audit Committee assessed the independence of the auditing firm (KPMG) and consented to the performance, for Stalexport Autostrady by KPMG, of the following permitted services other than auditing:

- a) performing reviews of the condensed separate interim financial statements of Stalexport Autostrady for the periods of 6 months ending on 30 June 2023 and 30 June 2024, drawn up in accordance with the IFRS/IAS;
 - b) performing reviews of the condensed consolidated interim financial statements of the Stalexport Autostrady Group for the periods of 6 months ending on 30 June 2023 and 30 June 2024, drawn up in accordance with the IFRS/IAS;
 - c) performing reviews of the interim consolidated group packages of the Stalexport Autostrady Group drawn up as at 30 June 2023 and 30 June 2024, in accordance with the accounting policy of the Mundys S.p.A. Group;
 - d) performing reviews of the annual consolidated group packages of the Stalexport Autostrady Group drawn up as at 31 December 2023 and 31 December 2024, in accordance with the accounting policy of the Mundys S.p.A. Group;
 - e) evaluation of the report on remuneration of Management Board and Supervisory Board Members for 2023 and for 2024 with regard to the inclusion therein of the information required pursuant to Article 90g, paragraphs 1–5 and 8 of the Act on public offering, conditions governing the introduction of financial instruments to organised trading, and 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 website of Stalexport Autostrady (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 on 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 4 March 2022, the Company's Supervisory Board adopted a resolution on the selection of KPMG to audit the financial statements of Stalexport Autostrady S.A. for the years 2023–2024. 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 6 minuted meetings and adopted 8 resolutions in the financial year 2023.

(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.

12 March 2024

Date

Andrzej Kaczmarek

President of the Management Board

*Signed with a qualified
electronic signature*

12 March 2024

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 RISKS

Representation

We hereby represent that, according to our best knowledge, the annual financial statements of the Company for the year 2023 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 assets and financial position of Stalexport Autostrady 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 2023 gives a true presentation of the Company's development, achievements and position, including a description of the major risks and threats.

12 March 2024

Date

Andrzej Kaczmarek

President of the Management Board

12 March 2024

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 RISKS

Representation

We hereby represent that, according to our best knowledge, the annual consolidated financial statements of the Company for 2023 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 assets and financial position of the Stalexport Autostrady Group 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 2023 gives a true presentation of the Capital Group's development, achievements and position, including a description of the major risks and threats.

12 March 2024

Date

Andrzej Kaczmarek

President of the Management Board

12 March 2024

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.

12 March 2024

Date

Andrzej Kaczmarek

President of the Management Board

12 March 2024

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 2023

	'000 PLN		'000 EUR	
	2023	2022*	2023	2022*
Revenue	4,660	4,023	1,029	858
Loss on operating activities	(7,610)	(6,592)	(1,681)	(1,406)
Profit before taxation	112,907	49,351	24,933	10,526
Net profit for the period	111,732	48,977	24,674	10,447
Weighted average number of shares as at the end of the period (in thousands)	247,262	247,262	247,262	247,262
Earnings per ordinary share (in PLN/EUR)	0.45	0.20	0.1	0.04
Diluted earnings per ordinary share (in PLN/EUR)	0.45	0.20	0.1	0.04
Net cash from operating activities	(9,408)	(5,024)	(2,078)	(1,072)
Net cash from investment activities	119,691	55,201	26,431	11,774
Net cash from financial activities	(49,630)	(59,470)	(10,960)	(12,685)
Total net cash flow	60,653	(9,293)	13,394	(1,982)
	31 Dec 2023	31 Dec 2022*	31 Dec 2023	31 Dec 2022*
Total assets	374,694	311,975	86,176	66,521
Non-current assets	81,604	81,451	18,768	17,367
Current assets	293,090	230,524	67,408	49,153
Total payables	8,416	7,989	1,936	1,703
Non-current payables	6,461	5,292	1,486	1,128
Current payables	1,955	2,697	450	575
Total shareholders' equity	366,278	303,986	84,241	64,817

Source: The Company's own compilation

* Figures restated in relation to the changes described in note 5.2 to the Group's consolidated financial statements as at and for the year ended on 31 December 2023.

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 2023 and 2022 at the exchange 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 4.5284 PLN/EUR and 4.6883 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 4.348 PLN/EUR as at 31 December 2023 and 4.6899 PLN/EUR as at 31 December 2022.

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 2023

	'000 PLN		'000 EUR	
	2023	2022*	2023	2022*
Revenue	508,871	413,890	112,373	88,281
Profit on operating activities	121,071	60,395	26,736	12,882
Profit before taxation	141,133	63,460	31,166	13,536
Net profit for the period	116,166	42,936	25,653	9,158
Net profit attributable to the owners of the Parent Entity	109,230	36,551	24,121	7,796
Weighted average number of shares as at the end of the period (in thousands)	247,262	247,262	247,262	247,262
Earnings per share of the Parent Entity's owners (in PLN/EUR)	0.44	0.15	0.10	0.03
Diluted earnings per share of the Parent Entity's owners (in PLN/EUR)	0.44	0.15	0.10	0.03
Net cash from operating activities	151,320	232,142	33,416	49,515
Net cash from investment activities	(2,404)	(24,933)	(531)	(5,318)
Net cash from financial activities	(62,309)	(68,589)	(13,760)	(14,630)
Net cash flows, total	86,607	138,620	19,125	29,567
	31 Dec 2023	31 Dec 2022*	31 Dec 2023	31 Dec 2022*
Total assets	1,543, 403	1,459, 329	354,968	311,164
Non-current assets	868,672	957,840	199,787	204,235
Current assets	674,731	501,489	155,182	106,930
Total payables	785,474	760,042	180,652	162,059
Non-current payables	393,534	459,030	90,509	97,876
Current payables	391,940	301,012	90,143	64,183
Total shareholders' equity	757,929	699,287	174,317	149,105
Equity of the owners of the Parent Entity	751,699	692,177	172,884	147,589
Non-controlling shares	6,230	7,110	1,433	1,516
Share capital	185,447	185,447	42,651	39,542

Source: The Company's own compilation

* Figures restated in relation to the changes described in note 5.2 to the Group's consolidated financial statements as at and for the year ended on 31 December 2023.

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 2023 and 2022 at the exchange 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 4.5284 PLN/EUR and 4.6883 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 4.348 PLN/EUR as at 31 December 2023 and 4.6899 PLN/EUR as at 31 December 2022.*