



**Stalexport Autostrady
Spółka Akcyjna**

(joint-stock company with its registered office in Mysłowice (41-404) and registered address at ul. Piaskowa 20, entered in the Register of Entrepreneurs of the National Court Register under the number 0000016854) ("Issuer", "Company")

This Prospectus ("Prospectus") has been prepared in connection with applying for admission and introduction to trading on the regulated (main) market operated by Warsaw Stock Exchange of 89,500,000 (in words: eighty nine million five hundred thousand) series G ordinary bearer shares with a nominal value of PLN 0.75 (in words: seventy five grosz) each.

The Prospectus has been prepared in the form of a single document within the meaning of Article 5(3) of Directive 2003/71/EC of the European Parliament and of the Council ("Prospectus Directive") and the Act of 29 July 2005 on Public Offering and Conditions for the Introduction of Financial Instruments to the Organised Trading System, and on Public Companies ("Offering Act"). The Prospectus has been prepared based on Annex I and Annex III to Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements ("809/2004 Regulation") and based on Annex XXII to the Commission Delegated Regulation (EU) No 486/2012 of 30 March 2012 amending Regulation (EC) No 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements and pursuant to other provisions governing the capital market in the territory of the Republic of Poland, in particular with the Offering Act.

Investing in securities covered by this Prospectus is associated with a high degree of risk inherent to equity capital market instruments and risks related to the Issuer's business and to the industry in which the Issuer operates. A detailed description of risk factors can be found in the chapter titled "Risk factors."

The Prospectus and the shares covered thereby have not been subject to registration, approval or notification in any country except the Republic of Poland, in particular pursuant to the provisions of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC or state or federal laws regarding securities offerings applicable in the United States.

The Prospectus has been prepared to the best knowledge and with due diligence and care, and any information contained therein is current as of the date of its approval. There might be changes in the Issuer's position since the date of publication of the Prospectus. In such case, information about any events or circumstances that could significantly affect the assessment of shares shall be made public in an annex or annexes to this Prospectus, as stipulated in Art. 51(5) of the Offering Act.

Pursuant to Art. 49(1) of the Offering Act, the validity period of the Prospectus shall be 12 months from the date of its approval, unless it has not been supplemented with the annex referred to in Art. 51(1) of the Offering Act, if the obligation to supplement the same arises. The validity of a prospectus expires on the date of admission to trading on the regulated market of all securities covered thereby.

The Prospectus has been approved by the PFSA on 19 July 2019.

When approving a prospectus, pursuant to Art. 33(6) of the Public Offering Act and Conditions for the Introduction of Financial Instruments to the Organised Trading System, and on Public Companies, the Authority verifies whether the content and form of information included therein about an issuer and securities being the subject of a public offering or of an application for admission to trading on a regulated market meet the requirements set out in the law. When approving a prospectus, the Authority does not verify or endorse any business model or business and financing methods used by an issuer. In the proceedings for the approval of a prospectus, no assessment is made in relation to truthfulness of information contained therein or to the degree of risk related to business of an issuer and the investment risk associated with the purchase of its securities.

Investment Firm:



**Brokerage House Bank Ochrony
Środowiska Joint Stock Company**
ul. Marszałkowska 78/80
00-517 Warsaw

Legal Adviser:



**Wierzbowski and Partners Legal
Advisors and Advocates**
ul. Mokotowska 15A lok. 17 00-640
Warsaw

Financial Adviser:



Art Capital Sp. z o.o.
ul. Kobierzyńska 211 lok. 4
30-382 Kraków

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CHAPTER I – SUMMARY

The Summary consists of the required disclosures referred to as the “Elements.” Elements have been arranged in Sections from A to E (A1 – E7).

This Summary contains all the Elements required to be mandatorily included in a summary related to this type of securities and of the issuer. As some of the Elements do not have to necessarily apply to the Company, there might be gaps in the numbering of the Elements.

If any of the Elements has to be included in the summary due to the nature of securities or the issuer, it may happen that there is no relevant data for such Element. Then, a short description of the Element with the mention “not applicable” appears in the summary.

Section A – Introduction and warnings

| Element | Disclosure requirement |
|---------|---|
| A.1 | <p>Warning This Summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the securities.</p> |
| A.2 | <p>Consent by the issuer or person responsible for drawing up the Prospectus to the use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries. Indication of the period of validity of the Offering, during which financial intermediaries may make subsequent resale of securities or their final placement and for the time of which consent is granted for the use of the Prospectus. Any other clear and objective conditions attached to the consent which are relevant for the use of the Prospectus. Information for investors that the financial intermediary is required to provide information on the terms of the Offering at the time when this Offering is made by the financial intermediary. Not applicable. Consent is not granted.</p> |

Section B – Issuer and any guarantor

| Element | Disclosure requirement |
|---------|---|
| B.1 | <p>Legal (statutory) and commercial name of the issuer. Statutory and commercial name of the Issuer: Stalexport Autostrady Spółka Akcyjna. The Issuer may use its abbreviated trade name Stalexport Autostrady S.A.</p> |
| B.2 | <p>Domicile and legal form of the issuer, the legislation under which the issuer operates and its country of incorporation. The Issuer has its registered office and address in Mysłowice at ul. Piaskowa 20, 41-404 Mysłowice. The Republic of Poland is its country of incorporation. The Issuer carries out its business operations in the territory of the Republic of Poland. The Issuer operates in the form of a joint-stock company. The Issuer has been established and operates under the laws of Poland, including, in particular, the Commercial Companies Code.</p> |
| B.3 | <p>Description of, and key factors relating to, the nature of the issuer's current operations and its principal activities, stating the main categories of products sold and/or services performed and identification of the principal markets in which the issuer competes.</p> <p>Core business Business activities of the Issuer's Group are currently focused on the operation and maintenance of the A4</p> |

motorway Katowice-Kraków section. Activities in this area are carried out by the following companies: Stalexport Autostrada Małopolska S.A. and VIA4 S.A. In order to comply with the provisions of the Loan Agreement, the Issuer holds a dominant position in both companies through a special purpose holding company Stalexport Autoroute.

The Issuer is a joint owner of an office building in the centre of Katowice, and therefore it carries out activities related to the provision of office and parking space rental services. These activities are carried out by the Issuer and its affiliate Biuro Centrum Sp. z o.o. which is the property manager.

Stalexport Autostrady S.A. (the Issuer)

The Issuer has an overriding role in the Issuer's Group of Companies that concentrates its activities on the modernisation and expansion of the motorway infrastructure. The Company, as the first in the country, was granted a concession for the implementation of a pioneer project for operation, reconstruction and adaptation of the A4 motorway Katowice-Kraków section to the requirements of the toll motorway. In 2004, the concession was transferred to an entity established specifically for purposes of the implementation of the provisions of the Concession Agreement, i.e. Stalexport Autostrada Małopolska S.A. Since mid-2006, the Company has been a part of an Italian capital group, Atlantia. They operate in 16 countries. They are a leader in the field of motorway electronic toll collection systems, they manage a network of approximately 14,000 km of toll motorways, including but not limited to Italy, Brazil, Chile, India and Poland, and they also manage two airports in Italy and three airports in France. The Issuer generates revenues on directly renting office and parking space in its jointly-owned office building in Katowice.

STALEXPORT AUTOROUTE S.à r.l.

Stalexport Autoroute was incorporated on 30 December 2005. For SAM, to establish the entity was one of the key conditions of financial closing, meaning an effective conclusion of the long-term Loan Agreement with the bank consortium. Under the aforementioned Loan Agreement, a loan of up to PLN 380 m was secured. It was necessary to finance the investment programme for the A4 motorway Katowice-Kraków section. The entity, in order to comply with the terms of the Loan Agreement that provides financing for SAM activities, holds shares in SAM and VIA4.

STALEXPORT AUTOSTRADA MAŁOPOLSKA S.A.

SAM was established in order to act as a special purpose company for the A4 motorway Katowice-Kraków section management project. Statutory activities of this entity include management of motorway projects as well as any and all tasks resulting from the applicable Concession Agreement, including construction management, adaptation to the requirements of the toll motorway, and motorway operation. Pursuant to the Concession Agreement, SAM has been authorised to collect rents and tolls for the motorway section under its administration. As per the provisions of the same Concession Agreement, SAM has been obliged to maintain the motorway on a current basis and to perform necessary investment projects. On 28 December 2005, SAM obtained financing for the implementation of the planned investment programme in the amount of up to PLN 380 m under the Loan Agreement entered into with the consortium of banks. SAM finances its current operations with revenues from collected tolls and rents.

VIA4 S.A.

The role of VIA4 in the Issuer's Group is the operation and maintenance of the toll motorway section. This entity provides services to SAM, being its sole client, for which it receives a flat rate remuneration the amount of which depends mainly on the volume of the motorway traffic and on the rate of inflation. The most important tasks carried out by VIA4 include: operation of the toll collection system; motorway traffic management; maintaining the motorway infrastructure in a proper technical condition; ongoing maintenance of the entire motorway lane; winter motorway maintenance; management and consultancy regarding future overhauls and repairs of road surface as well as road standard improvement projects. The tasks of VIA4 in the area of road safety and road traffic are equally important. The entity provides 24-hour motorway patrols which in cooperation with the Motorway Management Centre guarantee quick detection of incidents; servicing the SOS telephone system along the motorway lane; cooperation with the police and other services in order to maintain the motorway throughput in the event of collisions, accidents or other incidents.

BIURO CENTRUM Sp. z o.o.

Core business activities of Biuro Centrum include management of, and technical services for, an office and conference centre in Katowice at ul. Mickiewicza 29 which is jointly owned by Stalexport Autostrady (40.47%) and Węglókoks S.A. (59.53%). Biuro Centrum has modern organisational, technical and office facilities. As part of the complementary activity, it provides catering services in its own- operated "Pod wieżami" restaurant.

Revenues of the Issuer's Group

Consolidated sales revenues of the Issuer's Group in the period of the last full financial years amounted respectively to: PLN 292,853,000 (2016), PLN 318,831,000 (2017) and PLN 336,529,000 (2018).

Within the last 3 years, they increased by 28.2%, i.e. on average 8.6% per annum (CAGR).

A pre-dominant source of revenues for the Issuer's Group is the management and operation of the A4 motorway Katowice-Kraków toll section. This activity is carried out directly by SAM as part of the

implementation of the Concession Agreement which is valid until 2027. The respective revenues were as follows:

Table: Revenues from toll collection in the years 2016-2018 (PLN '000)

| Vehicle type | 2018 | 2017 | 2016 |
|----------------|----------------|----------------|----------------|
| Passenger cars | 222,050 | 211,027 | 199,960 |
| Trucks | 110,327 | 103,749 | 88,435 |
| Total | 332,377 | 314,776 | 288,394 |

Source: Management Report on the operations of the Issuer and the Issuer's Capital Group

Consolidated sales revenues of the Issuer's Group in 1Q 2019 amounted to PLN 79,310,000, as against PLN 75,915,000 in 1Q 2018 which means an increase by 4.5%. A prevailing source of revenues of the Issuer's Group continues to be the collection of tolls on the A4 motorway Katowice-Kraków section. In 1Q 2019, this source accounted for 98.8% of total consolidated sales revenues.

Table: Revenues from toll collection in 1Q 2019 and 1Q 2018 (PLN '000)

| Vehicle type | 1Q 2019 | 1Q 2018 |
|----------------|---------------|---------------|
| Passenger cars | 50,083 | 48,958 |
| Trucks | 28,246 | 25,963 |
| Total | 78,329 | 74,921 |

Source: Interim consolidated financial statements of the Issuer's Group

B.4a Description of the most significant recent trends affecting the issuer and the industries in which it operates.

Until the Prospectus Date, the Issuer's Group did not identify any significant trends in economic factors, in terms of liabilities, and uncertain items that would be different from those existing in 2018.

In 2018, principal factors affecting the Issuer's Group included:

- 5.2% growth in the average daily traffic of vehicles on the A4 motorway section, including the passenger cars, this indicator amounted to +5.4%, and for trucks +3.9%;
- keeping fixed motorway toll rates and the structure of sales revenues which in almost 99% consisted in toll collection revenues;
- continuing favourable conditions on the construction market which contribute to growing prices of construction services (in 2018, overhaul and maintenance costs increased by 41% compared to 2017);
- emergence of a new expense item under the profit and loss account of the Issuer's Group such as payments to the State Treasury in connection with the fulfilment of the conditions of the Concession Agreement;
- interest rates remaining at a stable, low level;
- no extraordinary factors.

B.5 Description of the group and the issuer's position within the group if the issuer is part of a group.

As at the Date of this Prospectus, the Issuer forms a group of companies, which includes the Issuer as the parent company and the following subsidiaries and associates:

- **Stalexport Autoroute S.à r.l. with its registered office in Luxembourg** in which the Issuer holds 2,245,980 shares with a total nominal value of EUR 56,149,500, representing 100% of the company's share capital and 100% of votes at its general meeting;
- **Stalexport Autostrada Małopolska S.A. with its registered office in Mysłowice** in which the Issuer, through Stalexport Autoroute S.à r.l., holds 66,753 shares with a total nominal value of PLN 66,753,000, representing 100% of the company's share capital and 100% of votes at its general meeting;
- **VIA4 S.A. with its registered office in Mysłowice** in which the Issuer, through Stalexport Autoroute S.à r.l., holds 275 shares with a total nominal value of PLN 275,000, representing 55% of the company's share capital and 55% of votes at its general meeting;
- **Biuro Centrum Sp. z o.o. with its registered office in Katowice** in which the Issuer holds 65 shares with a total nominal value of PLN 32,500, representing 40.63% of the company's share capital and 40.63% of votes at its general meeting;
- **Petrostal S.A. in liquidation with its registered office in Warsaw** in which the Issuer holds 1,367 shares with a total nominal value of PLN 2,050,500, representing 100% of the company's share and 100% of votes at its general meeting. Petrostal S.A. in liquidation is not consolidated by the Issuer.

A parent company of the Issuer is **Atlantia S.p.A. with its registered office in Rome (Italy)** which holds 151,323,463 of the Issuer's shares with a total nominal value of PLN 113,492,597.25, representing 61.20% in the Issuer's share capital and 61.20% of votes at the Issuer's General Meeting (to the best knowledge of the Issuer based on notifications received by the Company from shareholders pursuant to Art. 69 and 69a in conjunction with Art. 87 of the Public Offering Act).

B.6 In so far as is known to the issuer, the name of any person who, directly or indirectly, has an interest

| | <p>in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest.</p> <p>Whether the issuer's major shareholders have different voting rights, if any.</p> <p>To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control.</p> <p>A major shareholder of the Issuer, and the parent company of the Issuer, is Atlantia S.p.A. with its registered office in Rome (Italy) which holds 151,323,463 of the Issuer's shares with a total nominal value of PLN 113,492,597.25, representing 61.20% of the Issuer's share capital and 61.20% of votes at the Issuer's General Meeting.</p> <p>The major shareholders of Atlantia S.p.A. are Edizione Srl (30.25 %), GIC Pte. (8.14 %), Fondazione Cassa di Risparmio di Torino (5.06 %), Lazard Asset Management (5.02 %).</p> <p>Besides Atlantia S.p.A. with its registered office in Rome (Italy) there is no parent company or entity exercising control over the Issuer.</p> <p>The Issuer's shareholders do not have any voting rights other than those attached to their shares.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| B.7 | <p>Selected historical key financial information regarding the issuer, presented for each financial year of the period covered by the historical financial information, and any subsequent interim financial period accompanied by comparative data from the same period in the prior financial year except that the requirement for comparative balance sheet information is satisfied by presenting the year-end balance sheet information.</p> <p>This should be accompanied by a narrative description of significant change to the issuer's financial condition and operating results during or subsequent to the period covered by the historical key financial information.</p> <p>Selected financial data were compiled based on consolidated financial statements of the Issuer's Group for the years 2016-2018 audited by an independent statutory auditor and based on condensed interim consolidated financial statements of the Group of Companies for the period of 3 months ending 31 March 2019 together with comparative data, which were not audited by a statutory auditor.</p> <p>The Issuer's financial statements for the years 2016-2018 and interim data for 1Q 2019 were prepared in accordance with the requirements of the International Financial Reporting Standards, approved by the European Union ("EU IFRS") and other applicable regulations. EU IFRS contain all International Accounting Standards ("IAS"), International Financial Reporting Standards ("IFRS") and related Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") except for Standards and Interpretations that await approval by the European Union, as well as Standards and Interpretations that have been approved by the European Union but have not yet come into force.</p> <p>Unless indicated otherwise, the data are presented in thousands of PLN and the negative values in brackets.</p> <p>Table: Consolidated financial results of the Issuer's Group in the years 2016 – 2018 (PLN '000)</p> <table><tr><th>Item</th><th>2018</th><th>2017</th><th>2016</th></tr><tr><td>Sales revenues</td><td>336,529</td><td>318,831</td><td>292,853</td></tr><tr><td>Selling expenses</td><td>(52,198)</td><td>(70,507)</td><td>(40,854)</td></tr><tr><td>Gross profit on sales</td><td>284,331</td><td>248,324</td><td>251,999</td></tr><tr><td>General and administrative expenses</td><td>(48,687)</td><td>(35,845)</td><td>(33,843)</td></tr><tr><td>Other operating income</td><td>10,396</td><td>5,926</td><td>4,917</td></tr><tr><td>Other operating costs</td><td>(3,282)</td><td>(2,047)</td><td>(286)</td></tr><tr><td>Reversal of loss / (loss) due to impairment of trade and other receivables</td><td>(57)</td><td>51</td><td>(26)</td></tr><tr><td>Profit (loss) on operating activities (EBIT)</td><td>242,701</td><td>216,409</td><td>222,761</td></tr><tr><td>Financial revenue</td><td>13,661</td><td>12,985</td><td>12,331</td></tr><tr><td>Financial costs</td><td>(21,401)</td><td>(31,181)</td><td>(33,489)</td></tr><tr><td>Share in net profit of associates</td><td>207</td><td>179</td><td>188</td></tr><tr><td>Profit (loss) before tax</td><td>235,168</td><td>198,392</td><td>201,791</td></tr><tr><td>Income tax</td><td>48,740</td><td>(39,612)</td><td>(36,497)</td></tr><tr><td>Net profit (loss)</td><td>186,428</td><td>158,780</td><td>165,294</td></tr><tr><td>Net profit (loss) attributable to shareholders of the parent company</td><td>181,136</td><td>153,382</td><td>159,563</td></tr><tr><td>Weighted average number of ordinary shares</td><td>247,262,023</td><td>247,262,023</td><td>247,262,023</td></tr><tr><td>Earnings per share (PLN)*</td><td>0.73</td><td>0.62</td><td>0.65</td></tr></table> <p>* Earnings per share for each annual period are calculated by dividing the net profit attributable to shareholders of the parent company for a given period by the weighted average number of shares outstanding in such period.</p> <p>Source: Consolidated financial statements of the Issuer's Group</p> <p>Table: Consolidated financial results of the Issuer's Group in 1Q 2019 and 1Q 2018 (PLN '000)</p> <table><tr><th>Item</th><th>1Q 2019 (unaudited)</th><th>1Q 2018 (unaudited)</th></tr><tr><td>Sales revenues</td><td>79,310</td><td>75,915</td></tr><tr><td>Selling expenses</td><td>(23,287)</td><td>(21,829)</td></tr><tr><td>Gross profit on sales</td><td>56,023</td><td>54,086</td></tr><tr><td>General and administrative expenses</td><td>(43,064)</td><td>(7,507)</td></tr><tr><td>Other operating income</td><td>1,077</td><td>3,747</td></tr></table> | Item | 2018 | 2017 | 2016 | Sales revenues | 336,529 | 318,831 | 292,853 | Selling expenses | (52,198) | (70,507) | (40,854) | Gross profit on sales | 284,331 | 248,324 | 251,999 | General and administrative expenses | (48,687) | (35,845) | (33,843) | Other operating income | 10,396 | 5,926 | 4,917 | Other operating costs | (3,282) | (2,047) | (286) | Reversal of loss / (loss) due to impairment of trade and other receivables | (57) | 51 | (26) | Profit (loss) on operating activities (EBIT) | 242,701 | 216,409 | 222,761 | Financial revenue | 13,661 | 12,985 | 12,331 | Financial costs | (21,401) | (31,181) | (33,489) | Share in net profit of associates | 207 | 179 | 188 | Profit (loss) before tax | 235,168 | 198,392 | 201,791 | Income tax | 48,740 | (39,612) | (36,497) | Net profit (loss) | 186,428 | 158,780 | 165,294 | Net profit (loss) attributable to shareholders of the parent company | 181,136 | 153,382 | 159,563 | Weighted average number of ordinary shares | 247,262,023 | 247,262,023 | 247,262,023 | Earnings per share (PLN)* | 0.73 | 0.62 | 0.65 | Item | 1Q 2019 (unaudited) | 1Q 2018 (unaudited) | Sales revenues | 79,310 | 75,915 | Selling expenses | (23,287) | (21,829) | Gross profit on sales | 56,023 | 54,086 | General and administrative expenses | (43,064) | (7,507) | Other operating income | 1,077 | 3,747 |
| Item | 2018 | 2017 | 2016 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales revenues | 336,529 | 318,831 | 292,853 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Selling expenses | (52,198) | (70,507) | (40,854) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gross profit on sales | 284,331 | 248,324 | 251,999 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General and administrative expenses | (48,687) | (35,845) | (33,843) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other operating income | 10,396 | 5,926 | 4,917 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other operating costs | (3,282) | (2,047) | (286) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reversal of loss / (loss) due to impairment of trade and other receivables | (57) | 51 | (26) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit (loss) on operating activities (EBIT) | 242,701 | 216,409 | 222,761 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financial revenue | 13,661 | 12,985 | 12,331 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financial costs | (21,401) | (31,181) | (33,489) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Share in net profit of associates | 207 | 179 | 188 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit (loss) before tax | 235,168 | 198,392 | 201,791 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Income tax | 48,740 | (39,612) | (36,497) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net profit (loss) | 186,428 | 158,780 | 165,294 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net profit (loss) attributable to shareholders of the parent company | 181,136 | 153,382 | 159,563 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Weighted average number of ordinary shares | 247,262,023 | 247,262,023 | 247,262,023 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Earnings per share (PLN)* | 0.73 | 0.62 | 0.65 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Item | 1Q 2019 (unaudited) | 1Q 2018 (unaudited) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales revenues | 79,310 | 75,915 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Selling expenses | (23,287) | (21,829) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gross profit on sales | 56,023 | 54,086 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General and administrative expenses | (43,064) | (7,507) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other operating income | 1,077 | 3,747 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|---|---------------|---------------|
| Other operating costs | (249) | (3,051) |
| Reversal of loss / (loss) due to impairment of trade and other receivables | -- | (13) |
| Profit (loss) on operating activities (EBIT) | 13,787 | 47,262 |
| Financial revenue | 3,009 | 3,296 |
| Financial costs | (4,180) | (7,340) |
| Share in net profit of associates | 65 | 55 |
| Profit (loss) before tax | 12,681 | 43,273 |
| Income tax | (7,650) | (8,251) |
| Net profit (loss) | 5,031 | 35,022 |
| Net profit (loss) attributable to shareholders of the parent company | 3,682 | 33,522 |
| Weighted average number of ordinary shares | 247,262,023 | 247,262,023 |
| Earnings per share (PLN)* | 0.01 | 0.14 |

* Earnings per share for each interim period are calculated by dividing the net profit attributable to shareholders of the parent company for a given period by the weighted average number of shares outstanding in such period.

Source: Interim consolidated financial statements of the Issuer's Group

Table: Consolidated assets of the Issuer's Group (PLN '000)

| Item | 31 December 2018 | 31 December 2017 | 31 December 2016 |
|-----------------------------|------------------|------------------|------------------|
| Fixed assets: | | | |
| Tangible assets | 33,663 | 36,666 | 32,080 |
| Intangible assets | 441,154 | 463,855 | 484,829 |
| Investment real property | 3,765 | 3,870 | 4,401 |
| Investments in associates | 1,070 | 1,034 | 1,021 |
| Other long-term investments | 419,343 | 434,147 | 447,422 |
| Deferred income tax assets | 27,353 | 69,829 | 89,983 |
| Total fixed assets | 926,348 | 1,009,401 | 1,059,736 |
| Current assets | | | |
| Inventory | 2,724 | 2,630 | 2,147 |
| Short-term investments | 1,823 | 1,403 | 1,488 |
| Income tax receivables | 18,908 | 2,560 | - |
| Trade and other receivables | 37,360 | 25,452 | 16,316 |
| Cash and cash equivalents | 333,741 | 396,900 | 366,959 |
| Total current assets | 394,556 | 428,945 | 386,910 |
| Total assets | 1,320,904 | 1,438,346 | 1,446,646 |

Source: Consolidated financial statements of the Issuer's Group

Table: Consolidated equity and liabilities of the Issuer's Group (PLN '000)

| Item | 31 December 2018 | 31 December 2017 | 31 December 2016 |
|--|------------------|------------------|------------------|
| Equity | | | |
| Share capital | 185,447 | 185,447 | 185,447 |
| Equity shares | - | - | (20) |
| Share premium | 7,430 | 7,430 | 7,430 |
| Equity instruments revaluation reserve | 407 | - | - |
| Cash flow hedge | (2,409) | (4,443) | (7,206) |
| Other reserve and supplementary capitals | 429,324 | 281,675 | 231,486 |
| Exchange differences on translation of foreign operations | 132 | 184 | 137 |
| Retained earnings and uncovered losses | 184,975 | 223,186 | 164,555 |
| Equity attributable to shareholders of the parent company | 805,306 | 693,479 | 581,829 |
| Non-controlling interest | 4,602 | 4,694 | 4,999 |
| Total equity | 809,908 | 698,173 | 586,828 |
| Long-term liabilities | | | |
| Credit and loan liabilities | 33,229 | 76,295 | 116,147 |
| Employee benefit liabilities | 2,897 | 4,602 | 3,094 |
| Deferred income | 6,022 | 6,854 | 7,686 |
| Other long-term liabilities | 6,318 | 6,374 | 211,064 |
| Long-term provisions | 297,363 | 362,244 | 344,802 |
| Total long-term liabilities | 345,829 | 456,369 | 682,793 |
| Short-term liabilities | | | |
| Liabilities due to loans and borrowings | 44,176 | 40,943 | 37,215 |
| Derivative financial instruments | 3,749 | 6,456 | 10,014 |
| Income tax liabilities | 204 | 337 | 13,905 |
| Trade and other liabilities | 27,120 | 184,935 | 22,230 |
| Employee benefit liabilities | 4,090 | 381 | 373 |
| Deferred income | 832 | 5,794 | 5,431 |
| Contractual liabilities | 6,102 | - | - |
| Short-term provisions | 78,894 | 44,958 | 87,857 |

| | | | |
|-------------------------------------|------------------|------------------|------------------|
| Total short-term liabilities | 165,167 | 283,804 | 177,025 |
| Total liabilities | 510,996 | 740,173 | 859,818 |
| Total equity and liabilities | 1,320,904 | 1,438,346 | 1,446,646 |

Source: Consolidated financial statements of the Issuer's Group

Table: Consolidated cash flows of the Issuer's Group in the years 2016-2018 (PLN '000)

| Item | 2018 | 2017 | 2016 |
|---|------------------|------------------|-----------------|
| Operating cash flows: | | | |
| Profit (loss) before tax | 235,168 | 198,392 | 201,791 |
| Total adjustments | (4,656) | 1,652 | (1,194) |
| Net cash from operating activities | 230,512 | 200,044 | 200,597 |
| Investing cash flows: | | | |
| Inflows | 27,975 | 26,465 | 71,361 |
| Outflows | (32,879) | (39,369) | (39,093) |
| Net cash from investing activities | (4,904) | (12,904) | 32,268 |
| Financing cash flows: | | | |
| Inflows | - | 38 | - |
| Outflows | (288,767) | (157,237) | (53,913) |
| Net cash from financing activities | (288,767) | (157,199) | (53,913) |
| Total net cash flows | (63,159) | 29,941 | 178,952 |
| Opening balance of cash | 396,900 | 366,959 | 188,007 |
| Closing balance of cash | 333,741 | 396,900 | 366,959 |

Source: Consolidated financial statements of the Issuer's Group

Description of the financial position and factors affecting operating results

2016

In 2016, the Issuer's Group produced net sales revenues in the amount of PLN 292,853,000 and they were by 11.6% higher as compared to 2015. Due to the growth in revenues, the gross profit on sales rose in the same period by 28%, to PLN 251,999,000, and operating profit reached PLN 222,761,000, representing 76.1% of sales revenues.

A key part of the sales revenues were toll collection revenues from motorway users in the amount of PLN 288,394,000 (98.5% of sales revenues) which rose by 11.9% as compared to 2015 due to growing traffic volumes. In 2016, the average daily traffic (ADT) on the concession-based section of the A4 motorway reached 40,680 vehicles.

Total core operating expenses of the Issuer's Group in 2016 amounted to PLN 74,697,000. Of those figures, 60% referred to amortisation and depreciation which in the period under analysis amounted to PLN 44,800,000. Its value consisted mainly of amortisation of "concession-based intangible assets" in the amount of PLN 38,321,000. The item of assets under the heading "concession-based intangible assets" represents the right to collect benefits from the motorway, including the right to impose tolls and charges on its users. The remaining balance of amortisation and depreciation related mainly to tangible assets, including machinery and equipment, vehicles as well as buildings and structures. The second largest expense item were employee benefits expenses (PLN 22,513,000) which accounted for approximately 30% of the operating expenses. An important item were also other third-party services at PLN 20,223,000. In 2016, the value of operating expenses was significantly affected by the release of provisions for replacement of the motorway surface as a result of which the said expenses decreased by PLN 22,194,000.

2017

In 2017, the Issuer's Group produced net sales revenues in the amount of PLN 318,831,000 and they were by 8.9% higher as compared to 2016. Nonetheless, the gross profit on sales deteriorated in the same period by 1.5%, to PLN 248,342,000, and operating profit was by 2.9% lower, reaching PLN 216,409,000. In 2017, consolidated operating profit accounted for 67.9% of consolidated sales revenue.

Sales revenues were mostly determined by toll collection revenues from motorway users in the amount of PLN 314,776,000 (98.7% of sales revenues) which rose by 9.3% as compared to 2016 thanks to growing traffic volumes and rises in toll rates. In 2017, the average daily traffic (ADT) on the concession-based section of the A4 motorway reached 43,062 vehicles. The remaining balance of sales revenues equal to PLN 4,055,000 came mainly from renting office space and related services in the amount of PLN 3,236,000.

In 2017, operating expenses in the Issuer's Group reached PLN 106,352,000. Of those figures, 43.9% referred to amortisation and depreciation which in the period under analysis amounted to PLN 46,701,000. Just like in 2016, their value was mainly made up of the amortisation of "concession-based intangible assets" standing at PLN 40,069,000. The remaining balance of amortisation and depreciation related mainly to tangible assets, including machinery and equipment, vehicles as well as buildings and structures. Another largest expense item were employee benefits expenses (PLN 26,800,000) which accounted for approximately 25.2% of the core operating expenses. An important item were also other third-party services standing at PLN 21,240,000, including overhaul and maintenance services (PLN 7,468,000) as well as consultancy services (PLN 3,867,000). In 2017, total operating expenses were by 42.4% higher compared to

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| | <p>the previous year, mainly due to the release of provisions for the replacement of motorway surface in 2016 for the amount of PLN 22,194,000.</p> <p>2018</p> <p>In 2018, the Issuer's Group produced net sales revenues in the amount of PLN 336,529,000 and they were by 5.6% higher as compared to 2017. That was one of the reasons why the gross profit on sales improved in this same period by 14.5%, to PLN 284,331,000, and operating profit was by 12.1% higher, reaching PLN 242,701,000. In 2018, consolidated operating profit accounted for 72.1% of consolidated sales revenue.</p> <p>As it was the case in previous years, the value of the sales revenues included mainly toll collection revenues from motorway users in the amount of PLN 332,377,000 (98.8% of sales revenues) which rose by 5.6% as compared to 2017 due to growing traffic volumes. In 2018, the average daily traffic (ADT) on the concession-based section of the A4 motorway reached 45,298 vehicles. The remaining balance of sales revenues equal to PLN 4,152,000 came mostly from renting office space and related services in the amount of PLN 3,250,000.</p> <p>In 2018, core operating expenses of the Issuer's Group amounted to PLN 100,885,000. Of those figures, 50.7% referred to amortisation and depreciation which amounted to PLN 51,185,000. Similarly to preceding periods, their value was mainly made up of the amortisation of "concession-based intangible assets" standing at PLN 43,021,000. The remaining balance of amortisation and depreciation related mainly to tangible assets, including vehicles, machinery and equipment as well as buildings and structures, licenses and software. Another largest expense item were employee benefits expenses (PLN 29,581,000) which accounted for approximately 29.3% of the core operating expenses. An important item were also other third-party services standing at PLN 25,091,000, including overhaul and maintenance services (PLN 10,503,000) as well as consultancy services (PLN 4,435,000). Additionally, in 2018, the Issuer's Group incurred for the first time expenses related to "Payments to the State Treasury" (PLN 5,912,000 net), made under the Concession Agreement. In 2018, core operating expenses also incorporated revenues from the release of provisions for replacement of the motorway surface as a result of which their value decreased by PLN 23,004,000. Total core operating expenses in 2018 were 5.1% lower than in the previous year, mainly due to the release of provisions for the replacement of motorway surface.</p> <p>1Q 2019</p> <p>In 1Q 2019, the Issuer's Group produced net sales revenues in the amount of PLN 79,310,000 and they were by 4.5% higher as compared to 1Q 2018. Those were the principal growth driver for the gross result on sales which reached PLN 56,023,000 (+3.6%). In turn, operating profit decreased to PLN 13,787,000 (-70.8%), due to a significant increase in general and administrative expenses. As in previous years, sales revenues included mainly toll collection revenues from motorway users (98.8% of sales revenues in 1Q 2019). During this period, the average daily traffic (ADT) on the concession-based section of the A4 motorway reached 41,989 vehicles. The remaining balance of sales revenues equal to PLN 981,000 came mostly from renting office space and related services in the amount of PLN 844,000.</p> <p>In 1Q 2019, core operating expenses in the Issuer's Group amounted to PLN 66,351,000 and rose by 126.2% compared to 1Q 2018, (then they reached PLN 29,336,000). An important item of operating expenses was amortisation and depreciation which equalled PLN 14,035,000 (PLN 12,945,000 in the first quarter of the previous year). Employee benefits expenses in the amount of PLN 7,623,000 also represented a major item in the structure of operating expenses (PLN 7,111,000 in the first quarter of the previous year). Other important expense items included other third-party services standing at PLN 3,604,000 (PLN 3,513,000 in the first quarter of the previous year) and expenses related to creating provisions for the replacement of surface in the amount of PLN 3,578,000 (PLN 3,660,000 in the first quarter of the previous year). But, the largest expense item in 1Q 2019 were Payments to the State Treasury at PLN 34,441,000, made under the Concession Agreement. This item did not exist in 1Q 2018 and its emergence was a principal reason for the increase in the value of general and administrative expenses in 1Q 2019.</p> |
| B.8 | <p>Selected key pro forma financial information, identified as such.</p> <p>The selected key pro forma financial information must clearly state the fact that because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the company's actual financial position or results.</p> <p>Not applicable. The Issuer has not compiled any pro forma information.</p> |
| B.9 | <p>Where a profit forecast or estimate is made, state the figure.</p> <p>Not applicable. The Issuer has not published any forecasts or estimates and decided not to present such information in the prospectus.</p> |
| B.10 | <p>Description of the nature of any qualifications in the audit report on the historical financial information.</p> <p>Not applicable. Audit reports on the consolidated financial statements of the Issuer's Group do not include any qualifications.</p> |

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| B.11 | <p>If the issuer's working capital is not sufficient for the issuer's present requirements an explanation should be included.</p> <p>Not applicable. The Issuer hereby represents that to the best of its knowledge the level of working capital is sufficient to cover the needs related to continuing operations of the Issuer's Group of Companies at least during the next 12 months from the date of approval of the Prospectus. Working capital should be regarded as the ability of the Issuer's Group of Companies to gain access to cash and other available liquid assets in order to timely repay its current liabilities.</p> |
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Section C – Securities

| Element | Disclosure requirement |
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| C.1 | <p>Description of the type and the class of the securities being offered and/or admitted to trading, including any security identification number.</p> <p>Under this Prospectus, the Company intends to apply for admission to trading on the regulated market operated by the WSE of 89,500,000 (in words: eighty nine million five hundred thousand) series G ordinary bearer shares with a nominal value of PLN 0.75 (in words: seventy five grosz) each.</p> <p>The intention of the Issuer is to furnish the Admitted Shares with the same ISIN code as all the Issuer's other shares traded on the regulated market (main market) operated by the WSE, i.e. ISIN code PLSTLEX00019.</p> |
| C.2 | <p>Currency of the securities issue.</p> <p>Securities issued by the Issuer are denominated in zloty (PLN).</p> |
| C.3 | <p>The number of shares issued and fully paid and issued but not fully paid.</p> <p>The nominal value per share, or that the shares have not nominal value.</p> <p>As at the Prospectus Date, the Issuer's share capital amounts to PLN 185,446,517.25 (one hundred eighty five million four hundred forty six thousand five hundred seventeen zloty and twenty five grosz) and is divided into 247,262,023 (two hundred forty seven million two hundred sixty two thousand twenty three) shares with a nominal value of PLN 0.75 (seventy five grosz) each, including:</p> <ol style="list-style-type: none"> 1) 8,341,030 series A ordinary bearer shares, 2) 492,796 series B ordinary bearer shares, 3) 4,000,000 series D ordinary bearer shares, 4) 94,928,197 series E ordinary bearer shares, 5) 50,000,000 series F ordinary bearer shares, 6) 89,500,000 series G ordinary bearer shares. <p>All shares of the Issuer are fully paid up.</p> |
| C.4 | <p>Description of the rights attached to the securities.</p> <p>Property rights attached to the Issuer's shares:</p> <ol style="list-style-type: none"> 1) Right to dividend, that is, a share in the Company's profit, shown in the financial statements, audited by a statutory auditor, appropriated by the General Meeting for distribution to shareholders (Art. 347 of the Commercial Companies Code). 2) Priority right to subscribe for new shares in relation to the number of shares already held (pre-emptive right). 3) Right to participate in the Company's assets remaining after satisfying or securing creditors in the event of its liquidation. 4) Right to transfer shares. 5) Right to establish a pledge or a right to use on any shares held. 6) Right to cancel and redeem shares (Art. 8(1) of the Company's Articles of Association). <p>Corporate rights attached to the Issuer's shares:</p> <ol style="list-style-type: none"> 1) Right to participate in the General Meeting (Art. 412 of the Commercial Companies Code) and right to vote at the General Meeting (Art. 411(1) of the Commercial Companies Code). 2) Right to request the Extraordinary General Meeting to be convened and to request any specific issues to be included in the agenda, granted to shareholders holding at least one-twentieth of the Company's share capital (Art. 400(1) of the CCC). 3) Right to request certain matters be included in the agenda of the next General Meeting, granted to shareholders holding at least one-twentieth of the Company's share capital (Art. 401(1) of the CCC). 4) Right to submit draft resolutions to the Company in writing or using electronic communication means. 5) Right to submit draft resolutions during the General Meeting. 6) Right to appeal against resolutions of the General Meeting on terms and conditions laid down in Art. 422–427 of the CCC. |

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| | <ol style="list-style-type: none"> 7) Right to demand the election of the Supervisory Board in separate groups – in accordance with Art. 385(3) of the CCC at the request of shareholders representing at least one fifth of the share capital. 8) Right to request an expert to examine at the Issuer's expense any specific issue related to the foundation of a public company or to running its business (auditor for special matters). 9) Right to obtain information about the Company to the extent and in the manner specified by law, in particular in accordance with Art. 428 of the CCC, during the General Meeting. 10) Right to a registered deposit certificate issued by an entity keeping a securities account, in accordance with the provisions of the Trading Act (Art. 328(6) of the CCC). 11) Right to request copies of the Management Report on the Company's operations and financial statements along with a copy of the Supervisory Board's report and the auditor's opinion no later than 15 days prior to the General Meeting (Art. 395(4) of the CCC). 12) Right to view the list of shareholders entitled to participate in the General Meeting in the Board's premises and to request a copy of the list against reimbursement of the costs of its preparation (Art. 407(1) of the CCC) or to request the list to be sent free of charge by e-mail (Art. 407(1)¹ of the CCC). 13) Right to request a copy of motions on issues covered by the agenda within one week prior to the General Meeting (Art. 407(2) of the CCC). 14) Right to submit an application for checking the attendance list at the General Meeting by a commission composed of at least three persons elected for this purpose (Art. 410(2) of the CCC). 15) Right to view the book of minutes and to request copies of resolutions certified by the Board (Art. 421(3) of the CCC). 16) Right to bring an action to repair damage caused to the Company on terms and conditions stipulated in Art. 486 and 487 of the CCC if the Company does not bring an action to repair the damage caused to the same within one year from the date of disclosure of the act provoking the damage. 17) Right to review documents and request to be provide free copies of the documents referred to in Art. 505(1) of the CCC (in the case of a combination of companies), in Art. 540(1) of the CCC (in the case of a division of the Company) and in Art. 561(1) of the CCC (in the case of a transformation of the Company). 18) Right to view the share book and to request a copy against reimbursement of costs of its preparation (Art. 341(7) of the CCC). 19) Right to demand that a commercial company which is a shareholder of the Issuer provide information whether it remains in a parent or subsidiary relationship with a certain commercial company or cooperative being a shareholder of the Issuer or whether such parent or subsidiary relationship ceases to exist (Art. 6(4) and 6 of the CCC). 20) Right to convert registered shares into bearer shares. Pursuant to the Issuer's Articles of Association, all the Issuer's shares are bearer shares (Art. 7 of the Company's Articles of Association). Therefore, it is not permissible to convert bearer shares into registered shares. |
| C.5 | <p>Description of any restrictions on the free transferability of the securities.</p> <p>The Issuer's Articles of Association do not contain any provisions regarding restrictions on the transferability of the Issuer's securities.</p> <p>Restrictions resulting from the Public Offering Act, the Trading Act and the MAR Regulation</p> <p>Trading in the securities of the Issuer, as a public company, is subject to the restrictions set out in the Public Offering Act and in the Trading Act as well as in the MAR Regulation which is directly effective in Poland.</p> <p>According to Art. 19 of the Trading Act, unless the Act provides otherwise:</p> <ul style="list-style-type: none"> - securities covered by an approved prospectus may only be traded on the regulated market once they have been admitted to that market, - making a public offering, subscription or sale under this offering, subject to the exceptions provided for in the Public Offering Act, requires the intermediation of an investment firm. <p>Pursuant to the MAR Regulation, persons discharging managerial responsibilities may not make any transactions on their own account or on the account of a third party in the issuer's shares or debt instruments or derivative instruments or any other related financial instruments in a blackout period, i.e. 30 days prior to publishing periodic reports. The Issuer may authorise transactions during the blackout period:</p> <p>(i) on a case-by-case basis due to exceptional circumstances such as serious financial hardship; (ii) because of the characteristics of the transaction in question made as part of employee stock ownership schemes, savings schemes, qualifications or rights to shares, or transactions in which a benefit associated with a given security does not change or the characteristics of related transactions. Pursuant to the MAR Regulation, persons discharging managerial responsibilities, persons closely related to persons discharging managerial responsibilities, are obliged to notify about transactions made on their own account in shares or debt instruments of that issuer or derivative rights or any other related financial instruments admitted to trading on the regulated market as well as in the alternative trading system and organised trading platforms. Covered persons inform the issuer and the PFSA; the issuer gives information about the transaction to the public. Issuers: (i) inform persons discharging managerial responsibilities about their obligations regarding notification of transactions, (ii) they prepare a list of all persons discharging managerial responsibilities and persons closely related to them. Persons discharging managerial responsibilities inform persons closely</p> |

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| | <p>related to them about their obligations regarding notification of transactions. The MAR Regulation does not define amounts of administrative fines imposed for breach of obligations, but defines common requirements for EU Member States by indicating the upper limits of sanctions which are significantly higher than those currently applicable in Polish law (individuals – EUR 500,000, legal entities – EUR 1 m).</p> <p>Pursuant to Art. 69 of the Public Offering Act:</p> <ul style="list-style-type: none"> - who has reached or exceeded 5%, 10%, 15%, 20%, 25%, 33%, 33⅓%, 50%, 75% or 90% of the total number of votes in a public company, or - who held at least 5%, 10%, 15%, 20%, 25%, 33%, 33⅓%, 50%, 75% or 90% of the total number of votes in such company, and as a result of a decrease in this share, has reached respectively 5%, 10%, 15%, 20%, 25%, 33%, 33⅓%, 50%, 75% or 90% or less of the total number of votes, or - who has been affected by a change in the already held share of over 10% of the total number of votes by at least 2% of the total number of votes in a public company whose shares are admitted to trading on the official listing market, or - who has been affected by a change in the already held share of over 33% of the total number of votes by at least 1% of the total number of votes, <p>is obliged to notify the Authority and the company, no later than within 4 business days of the date of becoming aware of the change in the total number of votes or of the date when, exercising due diligence, he/she could have become aware of the same, and in the event of a change resulting from the acquisition of shares of the public company in a transaction concluded on the regulated market – no later than within 6 trading days of the date of the transaction provided that trading days are considered to be trading days as established by the company operating the regulated market in applicable rules in accordance with the provisions of the Trading Act and as announced by the PFSA through publication on its website. The Act lists the circumstances under which the above-mentioned responsibilities do not arise.</p> <p>Exceeding 33% of the total number of votes in a public company may take place, subject to par. 2, exclusively as a result of the announcement of a call to sell or exchange shares in this company in the number ensuring to reach 66% of the total number of votes, except when exceeding 33% of the total number of votes takes place as a result of the call referred to in Art. 74 of the Public Offering Act (Art. 73(1) of the Public Offering Act). In the event that the threshold of 33% of the total number of votes has been exceeded as a result of an indirect purchase of shares, subscription for a new issue shares, acquisition of shares as a result of a public offering or as a non-cash contribution to the company, combination or division of the company, as a result of amendments the company's articles of association, expiration of the preference attached to shares or the occurrence of a legal event other than a legal transaction, the shareholder or entity that has indirectly acquired shares is obliged, within 3 months of exceeding 33% of the total number of votes, to:</p> <ul style="list-style-type: none"> - announce a call to subscribe for the sale or exchange of shares in this company in a number allowing to reach 66% of the total number of votes, or - transfer shares in a number allowing to reach no more than 33% of the total number of votes, <p>unless the share of a shareholder or entity that has indirectly acquired shares in the total number of votes decreases to no more than 33% of the total number of votes, respectively as a result of the share capital increase, amendments to the company's articles of association or expiration of preference attached to their shares (Art. 73(2) of the Public Offering Act).</p> <p>The obligation referred to in Art. 73(2) of the Public Offering Act also applies if the threshold of 33% of the total number of votes in a public company has been exceeded as a result of inheritance after which the share in the total number of votes has increased further provided that a period to comply with this obligation counts from the date of an event resulting in the increase in the share in the total number of votes (Art. 73(3) of the Public Offering Act). Exceeding 66% of the total number of votes in a public company may take place only, subject to par. 2, as a result of the announcement of a call to subscribe for sale or exchange of all the remaining shares of this company (Art. 74(1) of the Public Offering Act). In the event that exceeding 66% of the total number of votes has resulted from an indirect purchase of shares, subscription for a new issue shares, acquisition of shares in a public offering or as part of a non-cash contribution of shares to the company, combination or division of the company, as a result of amendments to the articles of association of the company, expiration of preference attached to shares or occurrence of a legal event other than a legal transaction, the shareholder or entity that has indirectly purchased the shares is obliged, within 3 months of the date of exceeding 66% of the total number of votes, to announce a call to subscribe for sale or exchange of all the remaining shares of the company, unless within that period the share of the shareholder or entity which has indirectly acquired the shares in the total number of votes is reduced to no more than 66% of the total number of votes, respectively as a result of the share capital increase, amendments to the company's articles of association or expiration of preference attached to the shares.</p> <p>A shareholder who, within 6 months after the call announced in accordance with Art. 74(1) or (2) of the Public Offering Act, has acquired at a price higher than the price specified in the call, subsequent shares of this company, otherwise than as part of calls or in performance of the obligation referred to in Art. 83 of the Public Offering Act, is obliged, within one month of the purchase, to pay a price difference to all the persons who have sold shares under the call, excluding persons from whom shares have been purchased at a reduced price in the case referred to in Art. 79(4) of the Public Offering Act (Art. 74(3) of the Public Offering Act). Provisions of Art. 74(3) of the Public Offering Act apply accordingly to an entity which has indirectly acquired shares in a public company. The obligation referred to in Art. 74(2) of the Public Offering Act also applies if the threshold of 66% of the total number of votes in a public company has been exceeded as a</p> |
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result of inheritance after which the share in the total number of votes has increased further provided that a period to comply with this obligation counts from the date of an event resulting in the increase in the share in the total number of votes (Art. 74(5) of the Public Offering Act). The Act lists the circumstances under which the above-mentioned responsibilities do not arise.

According to Art. 75(4) of the Public Offering Act, no shares encumbered with a pledge may be traded, until expiration of the pledge, except when the purchase of these shares takes place in the performance of an agreement on establishing a financial collateral within the meaning of the Act of 2 April 2004 on Certain Financial Collaterals.

Obligations under the Protection of Competition and Consumers Act

The Protection of Competition and Consumers Act imposes an obligation on an entrepreneur to notify the intention of concentration to the President of the Office of Competition and Consumer Protection if the total global turnover of entrepreneurs participating in the concentration in the financial year preceding the notification year exceeds the equivalent of EUR 1,000,000,000 or the total turnover of entrepreneurs participating in the concentration in the territory of the Republic of Poland in the financial year preceding the notification year exceeds the equivalent of EUR 50,000,000. When examining turnovers, the turnover of both entrepreneurs directly participating in the concentration as well as other entrepreneurs from groups of companies to which the entrepreneurs directly participating in the concentration belong (Art. 16 of the Protection of Competition and Consumers Act) is taken into account. Figures expressed in EUR are converted into PLN at the average exchange rate of the National Bank of Poland on the last day of the calendar year preceding the year of notification of the intention to concentrate or imposition of a fine (Art. 5 of the Protection of Competition and Consumers Act). The notification obligation refers to, among others, the intention: to acquire – including by acquisition or subscription of shares – a direct or indirect control over one or more entrepreneurs by one or more entrepreneurs. According to Art. 15 of the Protection of Competition and Consumers Act, concentration by a dependent entrepreneur is considered to be performed by the dominant entrepreneur.

The intention of concentration is not subject to the notification:

1) if the turnover of the entrepreneur over which control is expected to be acquired, has not exceeded in the territory of the Republic of Poland in either of the two financial years preceding the notification the equivalent of EUR 10,000,000; 2) in the case of a temporary acquisition or subscription by a financial institution of shares with a view to their resale if the subject of business activity of this institution includes investing in shares of other entrepreneurs at its own or someone else's account provided that resale is made before the end of the year from the date of purchase or subscription, and that: a) this institution does not exercise the rights from such shares, with the exception of the right to a dividend, or b) exercises those rights solely for the purpose of preparation of resale of all or part of the undertaking, its assets or shares. At the request of a financial institution, the President of the Office of Competition and Consumer Protection may extend the deadline by way of a decision if the financial institution proves that the resale of shares has not been practically possible or economically justified within one year from the date of their acquisition. 3) in the case of a temporary acquisition or subscription by an entrepreneur of shares in order to secure claims provided that the entrepreneur does not exercise rights from these shares, excluding the right to sell them, 4) if the concentration takes place in the course of bankruptcy proceedings, excluding cases when the entity intending to take control is a competitor or belongs to the capital group to which competitors of the acquired undertaking belong or whose part of the assets is purchased, 5) if the concentration is made by entrepreneurs belonging to the same group of companies.

Notifications of the intention of concentration are made: jointly by merging entrepreneurs, by the entrepreneur taking over control, jointly by all entrepreneurs participating in establishing a joint entrepreneur or the entrepreneur purchasing a part of another entrepreneur's assets. Antitrust proceedings in the concentration cases should be completed no later than within 2 months of the date of their initiation. Until the decision of the President of the Office of Competition and Consumer Protection is made or until the expiration of the period in which the decision is to be issued, entrepreneurs whose intention to concentrate is subject to notification are obliged to refrain from proceeding with the concentration. The President of the Office of Competition and Consumer Protection, by way of a decision, grants consent to the concentration or prohibits the concentration. By granting the consent, the President of the Office for Competition and Consumer Protection may, in the decision, oblige the entrepreneur or entrepreneurs intending to carry out the concentration to meet certain conditions. Decisions of the President of the Office of Competition and Consumer Protection expire if within 2 years of the date of the consent for the concentration, the concentration is not actually made.

Obligations and restrictions resulting from Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings.

The requirements for the control of concentrations also stem from the provisions of Council Regulation (EC) No. 139/2004 of 20 January 2004 on concentration. The above regulation regulates the so-called concentrations with a Community dimension, that is, for undertakings and related entities that exceed certain thresholds for trading in goods and services. Council Regulation on Concentration only covers such concentrations as a result of which there is a permanent change in the ownership structure in the undertaking. Community concentrations are subject to notification to the European Commission before their final completion, and after: (i) entering into a relevant agreement, (ii) announcing a public offer, or (iii) taking

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| | over a majority stake. The notification of the European Commission may also take place when undertakings have an initial intention to proceed with a concentration with a Community dimension. The notification of the Commission is required to obtain consent for such a concentration. |
| C.6 | <p>Indication as to whether the securities offered are or will be the object of an application for admission to trading on a regulated market and the identity of all the regulated markets where the securities are or are to be traded.</p> <p>The Prospectus has not been prepared in connection with a public offering of securities, and Series G Shares of the Issuer are not offered securities.</p> <p>The Issuer intends to introduce 89,500,000 Series G Shares to trading on the main market as soon as the prospectus is approved. To this end, the Issuer will submit an application to NDS for registration of Series G Shares under the existing code PLSTLEX00019 of already listed shares and will submit an application for listing Series G Shares covered by the Prospectus on a single listing with the existing shares of the Company.</p> |
| C.7 | <p>Description of dividend policy.</p> <p>Dividend per share for each financial year of the period covered by the historical financial information</p> <p>On 13 April 2017, the Ordinary General Meeting of the Company decided to distribute the net profit of Stalexport Autostrady S.A. for the financial year 2016 in the amount of PLN 180,747,149.87 as follows:</p> <ul style="list-style-type: none"> a) PLN 136,239,985.73 to be appropriated to supplementary capital; b) PLN 44,507,164.14 to be appropriated for the payment of dividends to the Company's shareholders which meant that the dividend per share equalled PLN 0.18. <p>On April 4, 2018, the Ordinary general meeting in the Company decided to distribute net profit of Stalexport Autostrady S.A. for the financial year 2017 in the amount of PLN 73,208,489.51 in the following way:</p> <ul style="list-style-type: none"> a) PLN 1,502,502.84 to be appropriated to supplementary capital; b) PLN 71,705,986.67 to be appropriated for the payment of dividends to the Company's shareholders which meant that the dividend per share equalled PLN 0.29. <p>On 3 April 2019, the Ordinary General Meeting of the Company made a distribution of the net profit of Stalexport Autostrady S.A. for the financial year 2018 in the amount of PLN 4,431,996.31, by appropriating the same in whole to supplementary capital and decided to pay dividend to the shareholders of the Company from funds accumulated in the Company's supplementary capital in the amount of PLN 91,486,948.51 which means that the dividend per share is PLN 0.37.</p> <p>The Company has not published any information regarding the dividend payment policy. The payment of high dividends by the Issuer requires the Issuer's profit to be in an appropriate amount which is in fact mainly driven by a positive result produced by the Company on its financial activities.</p> <p>Such positive result on the Issuer's financial activities is, first and foremost, dependent on the level of dividends received by the Issuer from its subsidiaries (through Stalexport Autoroute), mainly SAM and VIA4.</p> <p>The provisions of the Concession Agreement and the Loan Agreement condition the possibility of dividend payments to SAM shareholder(s), among others, on the completion of a particular stage of construction works, on reaching minimum values of debt service indicators and on ensuring coverage of reserve accounts in the required amount.</p> |

Section D – Risks

| Element | Disclosure requirement |
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| D.1 | <p>Key information on the key risks that are specific to the issuer or its industry.</p> <p><u>Revenue concentration risk</u></p> <p>The Issuer's Group generates 99% of revenues on the activity consisting in the management and operation of the toll section of the A4 Katowice-Kraków motorway. It is not possible to exclude the occurrence of Acts of God, administrative decisions or errors in the management and operation of the motorway which would significantly reduce the possibility or legitimacy of collecting tolls from its users. The occurrence of such factors would limit the fundamental source of revenues of the Issuer's Group which may adversely affect its financial position.</p> <p>In addition, the Concession Agreement is valid until 2027 and there is no guarantee that it would be extended. Therefore, this puts into question the subject of activity of the Issuer's Group after this year. Consequently, there is a risk that the decisions taken by the Issuer's Board or its main shareholders</p> |

regarding the business model after 2027 would not coincide with the interests of other investors which may significantly affect the Issuer's valuation on the stock market.

Risk of conditions prevailing in the construction market

A longer period of favourable conditions in the construction market usually contributes to growing prices of construction services and to a reduced effectiveness of the A4 Katowice-Kraków project. The Company is trying to limit the risk in this area through active management, within the extent of its rights granted under the Concession Agreement, of the schedule of planned and implemented construction works. However, there is a risk that the long-term boost in the construction market would increase the costs of construction services and, as a result, would have a large negative impact on the financial position and results of the Issuer's Group.

Interest rate risk

The exposure of the Issuer's Group to changes in interest rates relates mainly to cash, cash equivalents as well as bank loans and other liabilities with variable or floating interest rates based on WIBOR + margin. The Group uses derivative financial instruments to hedge its exposure to volatility of cash flows related to the risk of changes in interest rates. Actions aimed at mitigating the interest rate risk include an ongoing monitoring of the situation on the money market. In addition, some investments are made in instruments independent of changes in the WIBOR rate. Changes in interest rates may have a material adverse effect on the results and financial position of the Issuer's Group.

Risk related to the Maintenance and Operation Agreement

The activity consisting in the management and operation of the toll section of the A4 Katowice-Kraków motorway is carried out by the subsidiary SAM under the Concession Agreement signed by the latter, which remains in force until 2027. A part of SAM obligations under the Concession Agreement regarding the maintenance and operation of the toll section of the A4 motorway is carried out by VIA4 for the benefit of SAM under the Maintenance and Operation Agreement entered into with SAM (for the duration of the Concession Agreement) the subject of which are strictly defined works related to the A4 concession project, including but not limited to toll collection and ongoing maintenance and operation of the motorway (including winter maintenance). Pursuant to the Concession Agreement, SAM is liable towards the public party for any actions and omissions of VIA4 as for its own actions and omissions. Therefore, directly SAM, and indirectly the Issuer, bears the risk of non-performance or improper performance of obligations under the Maintenance and Operation Agreement by VIA4 which may result in a breach of the Concession Agreement by SAM.

The Maintenance and Operation Agreement provides for a flat-rate remuneration the amount of which also depends on the volume of the motorway traffic and on the rate of inflation which protects SAM against periodic price fluctuations of this type of services on the market. Due to the specificity and scope of the agreement described above, as well as a very limited market for this type of services, it is difficult when referring to the terms and conditions of the Maintenance and Operation Agreement to compare them to conditions that can be obtained on the so-called free market. Therefore, the risk can not be excluded that SAM would be obliged to pay costs of maintenance and operation of the concession-based section of the A4 Katowice-Kraków motorway that would be higher than those from time to time prevailing on the market and, consequently, to incur higher operating expenses which may have an impact on SAM financial result.

Risk of delays in investment processes

The Issuer's Group carries out investment projects related to the operation and maintenance of the A4 Katowice-Kraków motorway. The necessity to modernise the surface and bridge structures results from the fact that the motorway infrastructure are subject to normal wear and tear during their operation and from obligations arising out of the Concession Agreement. There is a risk of delays in the implementation of plans to modernise the motorway infrastructure. It can not be ruled out that some of investment plans would be further postponed in time. The above factors may result in claims being brought against SAM under the Concession Agreement.

In 2008, SAM was served a decision of the OCCP in which, among others, the Concessionaire's practice including, as argued by the OCCP, "imposing unfair prices for travelling on the toll motorway section in the amount specified in the price list during overhauls of this section of the motorway causing significant difficulties in vehicle traffic" was considered to be restrictive of competition and was ordered to be discontinued. When carrying out overhauls, causing significant difficulties in the traffic of vehicles, the Issuer's Group should take into account the text of the decision while implementing the policy for determining toll rates. The Company addressed this risk by putting in place and for use the following documents: "Rules for conducting works on the motorway causing difficulties in the vehicle traffic" and "Rules for the application of discounts to toll rates in the case of construction/overhaul works between toll plazas resulting in failure to comply with the motorway standards."

The said factors may have a significant negative impact on revenues and results of the Issuer's Group.

Risk related to counterparties' failure to discharge their contractual obligations

The Issuer's Group deposits significant cash surpluses in financial institutions. Besides, it also trades with the use of derivatives. In the event that counterparties to financial instruments fail to discharge their contractual obligations, the Group suffers the risk of significant financial losses, including loss of significant cash, despite the fact that the Issuer's Group works with renowned institutions only. The risk is mainly related to the

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| | <p>Issuer's Group's receivables from financial institutions but also, to a much lesser extent, from commercial counterparties.</p> <p><u>Risks related to operations of the Issuer's Group</u> The Issuer forms a group of companies so, as the parent company, it is required to have appropriate documentation of transactions with related entities. It can not be ruled out that tax authorities may question the completeness, reliability or any other characteristics of the transfer pricing documentation drafted for purposes of transactions with related entities. The risk of tax authorities making their own assessment of the Issuer's and its subsidiaries' income can not be excluded either. The above factors can significantly increase tax liabilities of the Issuer's Group and have a significant adverse impact on its results and financial position.</p> <p><u>Risk related to the estimation of future expenses and provisions</u> SAM is obliged to replace the surface of the motorway lane, as part of its obligations under the Concession Agreement regarding the operation and maintenance of the motorway lane. Therefore, SAM creates a provision which is estimated based on anticipated costs of replacing the surface pro rata to the period of its wear and tear. The estimated value is then discounted as at the balance sheet date. There is a risk of underestimating future expenses for renovation works in relation to the value of the previously created provision which may bring an additional large burden on the financial result of the Issuer's Group. The Concession Agreement which SAM is a party to meets the conditions for application of the intangible asset model. The Group has recognised intangible assets as remuneration for adapting the motorway to the requirements of the toll motorway (Stage I) and for construction works (modernisation) which, according to the Concession Agreement, are to be performed later (Stage II). The initial value of intangible assets recognised in relation to the costs of Stage I has been determined at the level of actual investment expenses incurred (including borrowing costs), and the initial value of intangible assets recognised in relation to the projected investment expenditures of Stage II has been determined as the present value of such future expenses as at the date of the first recognition (excluding borrowing costs). Intangible assets related to the obligations to incur the expenses for Stage II have been disclosed with reference to a provision created for this purpose. The present value of expenditures has been determined by discounting their projected nominal value using a long-term risk-free rate which the Group has determined based on the historical and current profitability of long-term treasury bonds. Any changes in the estimated value of the provision resulting from: (1) changes in interest rates, (2) changes in the schedule of construction works, (3) changes in projected investment expenses, are reflected in the valuation of intangible assets. Their impact on the consolidated statement of comprehensive income is recognised prospectively by recognition in the period in which the change has occurred and in future periods if this change also applies to these periods. In turn, a reversal of the discount of the provision is recognised as financial expenses of the period. There is a risk of underestimating the Stage II expenditures in relation to the value of the created provision which may cause a further burden on the financial result of the Issuer's Group.</p> |
| D.3 | <p>Key information on the key risks that are specific to the securities.</p> <p><u>Risk associated with the non-admission of securities to trading on the regulated market</u> occurs in the event of failure to meet the legal requirements laid down in the Official Listing Market Regulation and the WSE Rules related to the admission and introduction of shares to trading on the regulated market (main market) operated by the WSE. In the event of a possible refusal to admit Series G Shares to stock exchange trading, the lack of liquidity of Series G Shares should be expected.</p> <p><u>Risk of suspension of securities listing on the regulated market by the WSE or the PFSA</u> exists when: i) the Issuer is in breach of the WSE Rules, ii) the WSE Board considers that the interests and security of trading participants requires that, iii) trading in the Issuer's shares is carried out in circumstances that could threaten the correct functioning of the regulated market or the security of trading on this market, or violate investors' interests, iv) Issuer's shares cease to meet the conditions applicable on the regulated market.</p> <p><u>Risk of excluding shares from trading on the regulated market</u> occurs: i) in the cases specified in Art. 31(1) and (2) of the Stock Exchange Rules, ii) based on the PFSA decision if their trading would seriously threaten the correct functioning of the regulated market or the security of trading on this market, or would violate investors' interests, iii) if it is acknowledged that the Issuer fails to perform or improperly perform obligations under Art. 96(1) of the Offering Act.</p> <p><u>Risk of not satisfying or breaching certain obligations provided for in the legal regulations applicable to the regulated market, including disclosure requirements</u> which may result in: i) the PFSA issuing a decision on the exclusion of the Company's securities from trading on the regulated market; or (ii) the PFSA imposing a fine; or (iii) the PFSA applying both of these sanctions together.</p> <p><u>Risk of significantly higher penalties for breach of disclosure requirements in connection with the entry into force of the MAR and MAD regulations</u> – in the event of a breach of the provisions of the Offering Act or the MAR Regulation, the PFSA is entitled to impose severe penalties on the Company and on the person who</p> |

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| | during the period of breach has acted as a member of the Company's Board. |
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Section E – Offer

| Element | Disclosure requirement |
|----------------|---|
| E.1. | The total net proceeds and an estimate of the total expenses of the issue/offer, including estimated expenses charged to the investor by the issuer or the offeror. Not applicable. Prospectus has not been prepared in connection with the issue/offer of securities. |
| E.2a. | Reasons for the offer, use of proceeds, estimated net amount of the proceeds. Not applicable. Prospectus has not been prepared in connection with the issue/offer of securities. |
| E.3. | Description of the terms and conditions of the offer. Not applicable. Prospectus has not been prepared in connection with the issue/offer of securities. |
| E.4 | Description of any interest that is material to the issue/offer including conflicting interests. Not applicable. Prospectus has not been prepared in connection with the issue/offer of securities. |
| E.5 | Name of the person or entity offering to sell the security. Lock-up agreements: the parties involved; and indication of the period of the lock up. Not applicable. Prospectus has not been prepared in connection with the issue/offer of securities. As at the Prospectus Date, the Issuer is not a party to any lock-up agreements. To the best of the Issuer's knowledge, the Issuer's shareholders are not a party to lock-up agreements prohibiting share sales. |
| E.6 | Amount and percentage of immediate dilution resulting from the offer. In the case of a subscription offer to existing equity holders, the amount and percentage of immediate dilution if they do not subscribe to the new offer. Not applicable. Prospectus has not been prepared in connection with the issue/offer of securities. |
| E.7 | Estimated expenses charged to the investor by the issuer or the offeror. Not applicable. Prospectus has not been prepared in connection with the issue/offer of securities. |

CHAPTER II – RISK FACTORS RELATED TO THE ISSUER AND SECURITIES COVERED BY THE ADMISSION

1. Risk factors related to the Issuer and its environment

1.1 Risk of conditions prevailing in the construction market

A longer period of favourable conditions in the construction market usually contributes to growing prices of construction services and to a reduced effectiveness of the A4 Katowice-Kraków project. The Company is trying to limit the risk in this area through active management, to the extent of its rights granted under the Concession Agreement, of the schedule of planned and implemented construction works. However, there is a risk that the long-term boost in the construction market would increase the costs of construction services and, as a result, would have a large negative impact on the financial position and results of the Issuer's Group.

1.2 Interest rate risk

The exposure of the Issuer's Group to changes in interest rates relates mainly to cash, cash equivalents as well as bank loans and other liabilities with variable or floating interest rates based on WIBOR + margin. The Group uses derivative financial instruments to hedge its exposure to volatility of cash flows related to the risk of changes in interest rates. Actions aimed at mitigating the interest rate risk include an ongoing monitoring of the situation on the money market. In addition, some investments are made in instruments independent of changes in the WIBOR rate. Changes in interest rates may have a material adverse effect on the results and financial position of the Issuer's Group.

1.3 Air traffic disaster risk

Toll plazas in Balice are located in close proximity to the international airport. In addition, the motorway carriageway and the toll plaza square are located close to the airport runway. Therefore, there is a risk of Acts of God such as a disaster in air or land-air traffic that could have a significant adverse impact on the functioning of the A4 Katowice-Kraków motorway. Any occurrence of such an event may have a significant negative impact on the financial position of the Issuer's Group.

1.4. Risk related to institutional and legal instability

The infrastructure sector in Poland is characterised by institutional and legal instability. The category of these risks includes, among others, potential actions to change existing laws which may affect the level of revenues and expenses under the A4 Katowice-Kraków project. Polish regulations are superimposed by European Union regulations resulting from Poland's membership in the EU. The Concession Agreement contains provisions authorising to seek damages from the State Treasury if the public party carries out activities that have a negative impact on the profitability of the A4 Katowice-Kraków project. Nevertheless, the adoption by tax authorities of an interpretation of tax regulations that is different than the one assumed by the Issuer's Group may have a material adverse effect on the financial position and results of the Issuer's Group.

1.5 Risk of tax settlements

Regulations regarding taxes on goods and services, corporate income taxes and social security burdens are subject to frequent changes. These frequent changes result in the lack of relevant benchmarks, incoherent interpretations and few established precedents which could be applied. Existing regulations also contain uncertainties which cause differences in opinions as to the legal interpretation of tax regulations between state authorities as well as between state authorities and businesses.

Tax settlements and other areas of activity may be subject to control by authorities that are entitled to impose high penalties and fines, and any additional tax liabilities resulting from controls must be paid together with high interest. These conditions contribute to the tax risk in Poland being relatively high. As a consequence, the amounts shown and disclosed in financial statements can be changed in the future as a result of final decisions by tax control authorities.

On 15 July 2016, amendments were introduced to the Tax Code in order to reflect the provisions of the General Anti-Abuse Regulation (GAAR). GAAR is designed to prevent the creation and use of artificial legal structures established to avoid paying taxes in Poland. The GAAR defines tax evasion as an activity conducted mainly with the aim to obtain a tax

benefit, contradictory under given circumstances to the subject matter and purpose of the tax law regulations. The new regulations require much greater judgement when assessing tax consequences of individual transactions.

1.6 Risks related to general macroeconomic conditions

Activities in the Issuer's industry, including the level of revenues and profitability, depend on the macroeconomic position of Poland and its business environment. The volume of vehicle traffic on the concession-based section of the A4 motorway, especially in the truck segment, largely depends on the intensity of trade exchange conducted by businesses located in southern Poland, i.e. on the development of the region's economy measured by gross domestic product. Other macroeconomic factors having a direct or indirect impact on the Group's financial results include, in particular, the volume and growth rate of industrial production, the global economic climate, the level of interest rates, the availability of financing and the exchange rate of the Polish currency. The Issuer has no influence on the above factors, and their deterioration or unfavourable changes may have a significant impact on the revenues and financial results of the Issuer's Group.

The said factors may have a significant adverse effect on financial position and results of the Issuer's Group.

2. Risk factors associated with activities of the Issuer's Group

2.1 Revenue concentration risk

The Issuer's Group generates 99% of revenues on the activity consisting in the management and operation of the toll section of the A4 Katowice-Kraków motorway. It is not possible to exclude the occurrence of Acts of God, administrative decisions or errors in the management and operation of the motorway (ultimately, possibly leading to withdrawal of the Concession) which would significantly reduce the possibility or legitimacy of collecting tolls from its users. The occurrence of such factors would limit the fundamental source of revenues of the Issuer's Group which may adversely affect its financial position.

In addition, the Concession Agreement is valid until 2027 and there is no guarantee that it would be extended. Therefore, this puts into question the nature of activities of the Issuer's Group after this year. Consequently, there is a risk that the decisions taken by the Issuer's Board or its main shareholders regarding the business model after 2027 would not coincide with the interests of other investors which may significantly affect the Issuer's valuation on the stock market.

2.2 Risk related to the Maintenance and Operation Agreement

The activity consisting in the management and operation of the toll section of the A4 Katowice-Kraków motorway is carried out by the subsidiary SAM under the Concession Agreement, which remains in force until 2027. A part of SAM obligations under the Concession Agreement regarding the maintenance and operation of the toll section of the A4 motorway is carried out by VIA4 for the benefit of SAM under the Maintenance and Operation Agreement entered into with SAM (for the duration of the Concession Agreement) the subject of which are strictly defined works related to the A4 concession project, including but not limited to toll collection and ongoing maintenance and operation of the motorway (including winter maintenance). Pursuant to the Concession Agreement, SAM is liable towards the public party for any actions and omissions of VIA4 as for its own actions and omissions. Therefore, directly SAM, and indirectly the Issuer, bears the risk of non-performance or improper performance of obligations under the Maintenance and Operation Agreement by VIA4 which may result in a breach of the Concession Agreement by SAM.

The Maintenance and Operation Agreement provides for a flat-rate remuneration the amount of which also depends on the volume of the motorway traffic and on the rate of inflation which protects SAM against periodic price fluctuations of this type of services on the market. Due to the specificity and scope of the agreement described above, as well as a very limited market for this type of services, it is difficult when referring to the terms and conditions of the Maintenance and Operation Agreement to compare them to conditions that can be obtained on the so-called free market. Therefore, the risk can not be excluded that SAM would be obliged to pay costs of maintenance and operation of the concession-based section of the A4 Katowice-Kraków motorway that would be higher than those from time to time prevailing on the market and, consequently, to incur higher operating expenses, which may have an impact on SAM financial result.

2.3 Risk of delays in investment processes

The Issuer's Group carries out investment projects related to the operation and maintenance of the A4 Katowice-Kraków motorway. The necessity to modernise the surface and bridge structures results from the fact that the motorway infrastructure is subject to normal wear and tear during their operation and from obligations arising out of the Concession Agreement. There is a risk of delays in the implementation of plans to modernise the motorway infrastructure. The above factors may result in claims being brought against SAM under the Concession Agreement.

In 2008, SAM was served a decision of the OCCP in which, among others, the Concessionaire's practice including, as argued by the OCCP, "imposing unfair prices for travelling on the toll motorway section in the amount specified in the price list during overhauls of this section of the motorway causing significant difficulties in vehicle traffic" was considered to be restrictive of competition and was ordered to be discontinued. When carrying out overhauls, causing significant difficulties in the traffic of vehicles, the Issuer's Group should take into account the text of the decision while implementing the policy for determining toll rates. The Company addressed this risk by putting in place and for use the following documents: "Rules for conducting works on the motorway causing difficulties in the vehicle traffic" and "Rules for the application of discounts to toll rates in the case of construction/overhaul works between toll plazas resulting in failure to comply with the motorway standards."

The said factors may have a significant negative impact on revenues and results of the Issuer's Group.

2.4 Risk related to counterparties' failure to discharge their contractual obligations

The Issuer's Group deposits significant cash surpluses in financial institutions. Besides, it also trades with the use of derivatives. In the event that counterparties to financial instruments fail to discharge their contractual obligations, the Group suffers the risk of significant financial losses, including loss of significant cash, despite the fact that the Issuer's Group works with renowned institutions only. The risk is mainly related to the Issuer's Group's receivables from financial institutions but also, to a much lesser extent, from commercial counterparties.

2.5 Risk related to the estimation of future expenses and provisions

SAM is obliged to replace the surface of the motorway lane, as part of its obligations under the Concession Agreement regarding the operation and maintenance of the motorway lane. Therefore, SAM creates a provision which is estimated based on anticipated costs of replacing the surface pro rata to the period of its wear and tear. The estimated value is then discounted as at the balance sheet date.

There is a risk of underestimating future expenses for renovation works in relation to the value of the previously created provision which may bring an additional large burden on the financial result of the Issuer's Group.

The Concession Agreement which SAM is a party to meets the conditions for application of the intangible asset model. The Group has recognised intangible assets as remuneration for adapting the motorway to the requirements of the toll motorway (Stage I) and for construction works (modernisation) which, according to the Concession Agreement, are to be performed later (Stage II). The initial value of intangible assets recognised in relation to the costs of Stage I has been determined at the level of actual investment expenses incurred (including borrowing costs), and the initial value of intangible assets recognised in relation to the projected investment expenditures of Stage II has been determined as the present value of such future expenses as at the date of the first recognition (excluding borrowing costs).

Intangible assets related to the obligations to incur the expenses for Stage II have been disclosed with reference to a provision created for this purpose. The present value of expenditures has been determined by discounting their projected nominal value using a long-term risk-free rate which the Group has determined based on the historical and current profitability of long-term treasury bonds. Any changes in the estimated value of the provision resulting from: (1) changes in interest rates, (2) changes in the schedule of construction works, (3) changes in projected investment expenses, are reflected in the valuation of intangible assets. Their impact on the consolidated statement of comprehensive income is recognised prospectively by recognition in the period in which the change has occurred and in future periods if this change also applies to these periods. In turn, a reversal of the discount of the provision is recognised as financial expenses of the period.

There is a risk of underestimating the Stage II expenditures in relation to the value of the created provision which may cause a further burden on the financial result of the Issuer's Group.

2.6 Risk related to transactions with related entities

The Issuer forms a group of companies so, as the parent company, it is required to have appropriate documentation of transactions with related entities. It cannot be ruled out that tax authorities may question the completeness, reliability or any other characteristics of the transfer pricing documentation drafted for purposes of transactions with related entities. The risk of tax authorities making their own assessment of the Issuer's and its subsidiaries' income cannot be excluded either. The above factors can significantly increase tax liabilities of the Issuer's Group and have a significant adverse impact on its results and financial position.

2.7 Risk related to the settlement of Payments to the State Treasury

In 2018, as per the provisions of the Concession Agreement, the Issuer's Group made the first Payment to the State Treasury. Considering that Payments to the State Treasury are not made for the right to goods or services other than concession-based services or for the right to use assets other than infrastructure as stipulated in IFRIC 12 that represent a lease, as well as the fact that the Concession Agreement meets the prerequisites for application of the intangible asset

model according to IFRIC 12, the Group recognises the above-mentioned payments in accordance with IAS 38 “Intangible assets”, treating them as variable remuneration for the acquisition of intangible assets.

The issue of recognition of variable remuneration for the acquisition of intangible assets is currently unambiguously/not specifically regulated by IFRS, and consequently the Group, in accordance with IAS 8 “Accounting principles (policy), changes in estimates and errors”, determined the accounting principle in this respect using similarities to other standards, i.e. IAS 17/IFRS 16. As variable payments for the acquisition of intangible assets are in their nature similar to conditional rents and variable lease payments (not dependent on any index or rate) defined respectively in IAS 17, and in IFRS 16 replacing the former effective from 1 January 2019, according to the Issuer’s Group, it is reasonable to apply a uniform accounting principle stipulated in these standards for the above-mentioned category of payments also for purposes of the treatment of payments to the State Treasury.

As a result, the Issuer’s Group recognises Payments to the State Treasury through profit or loss of the period in which the criteria for making such payment are satisfied, in accordance with the provisions of the Concession Agreement and the Syndicated Loan Agreement, under the general and administrative expenses in the statement of comprehensive income. The point in time when the criteria are satisfied which brings the obligation to pay (recognition of the liability) falls on the so-called calculation date which is the day on which the assessment of the satisfaction of the above-mentioned criteria is made and the amount available for withdrawal in the period to the next day of calculation is determined. The calculation date is, respectively, 31 March and 30 September.

It is not possible to exclude adjustments in the above described method which would have a significant impact on the value of the data disclosed in the financial statements of the Issuer’s Group for past or future periods.

2.8 Credit risk

The Issuer’s Group bears a permanent credit risk in relation to assets held and contracts performed. Therefore, it periodically makes estimates of expected credit losses which are weighted by the probability of occurrence (i.e. the present value of all cash shortfalls) throughout the expected life of the financial instrument. A cash shortfall is the difference between cash flows that are due to the entity under a contract and cash flows that the entity expects to receive. Expected credit losses include the amount and terms of payment, hence the credit loss arises even when the Issuer’s Group expects to receive the entire payment, but it is made later than stipulated in the contract.

The Issuer’s Group recognises allowances for expected credit losses with regard to: (i) financial assets measured at amortised cost, (2) debt instruments carried at fair value through other comprehensive income, (3) asset components under contracts (IFRS 15). The Group recognises allowances for expected losses in the amount equal to: (i) expected credit losses over the entire lifetime if the credit risk related to a given financial instrument has increased significantly since the initial recognition, or (ii) a 12-month expected credit loss if the credit risk related to the financial instrument has not increased significantly as at the reporting date since the initial recognition.

With respect to trade receivables and contractual assets, the Group measures allowances for expected credit losses in the amount equal to expected credit losses over the entire lifetime.

When determining whether the credit risk has significantly increased since the initial recognition, as well as for the purpose of estimating the expected credit losses, the Issuer’s Group takes into account adequate and documentable information that is available without excessive costs or efforts. This includes both quantitative and qualitative information based both on the experience of the Issuer’s Group and on the credit risk assessment that takes into account future information. The Issuer’s Group assumes that the credit risk related to financial assets has significantly increased since the initial recognition when the contractual payments are overdue by more than 30 days.

When determining whether the credit risk related to a given financial instrument has increased significantly, the Issuer’s Group has taken into account the change in default risk that has occurred since the initial recognition. According to the Group, default occurs when: (i) the debtor is no longer expected to repay its liabilities towards the Group in full, without referring to the collateral held by the Group (if any), or (ii) financial assets are overdue by 90 days. The maximum period that is taken into account in the valuation of expected credit losses is the maximum term of the contract (including the possibility of its extension) during which the Issuer’s Group is exposed to credit risk. Expected credit losses are discounted as at the reporting date, and not as at the date of expected default or any other date, using the effective interest rate determined at initial recognition or an approximation thereof.

For trade receivables, as at the last balance sheet date (31 December 2018), the Group estimated the expected credit losses based on a provision matrix, defined based on historical data on credit losses.

The amount of expected credit losses (or the amount of reversals of losses) that is required to adjust allowances for expected credit losses as at the end of the reporting period to the amount resulting from the adopted rules is recognised by the Group in the financial result as an impairment gain or loss under a separate item in the consolidated statement of comprehensive income.

As at the end of each reporting period, the Group determines whether financial assets measured at amortised cost are impaired due to credit risk. Financial assets are impaired due to credit risk, if there is one or more events, having a negative effect on the estimated future cash flows related to those financial assets.

With respect to financial assets that are impaired as at the reporting date due to credit risk but which are not acquired or created financial assets impaired because of credit risk, the Group measures expected credit losses as the difference between the gross carrying amount of the assets and the present value of estimated future cash flows, discounted at the original effective interest rate applicable to the financial assets. Any adjustments to expected credit losses are recognised in profit or loss as an impairment gain or loss.

The factors described above may have a significant adverse impact on results and financial position of the Issuer's Group.

2.9 Risk of accidents at work

The Issuer's Group is responsible for preparing and keeping the A4 motorway area in a condition ensuring safety of its users, subcontractors and employees remaining within its premises. The risk of an accident involving an employee of the Issuer's Group or a third party cannot be excluded. The risk of compensation claims from injured parties as well as material damage resulting from an accident cannot be ruled out either. The risk cannot be excluded that costs incurred would be higher than compensations available from any insurance contracts in place. The foregoing factors may have a significant adverse impact on results and financial position of the Issuer's Group.

2.10 Risk of liquidity loss

Liquidity management in the Issuer's Group focuses on detailed analyses, planning and taking appropriate actions in areas covering working capital and net financial debt. Currently, there are no threats associated with the risk of the lack of liquidity. Available free cash held by Stalexport Autostrady fully covers all the outstanding liabilities and can be used to finance new motorway projects. Available free cash is held on short-term bank deposits which generate additional financial revenues. However, it cannot be ruled out that due to unforeseen circumstances, the Issuer's Group would temporarily or permanently lose its financial liquidity which may have a material adverse effect on its financial position and the Issuer's valuation on the capital market.

2.11 Risk of a potential conflict of interest in the Issuer's management and supervisory bodies

The President of the Issuer's Board of Directors - Emil Wąsacz, Vice President of the Issuer's Board of Directors - Mariusz Serwa, Member of the Issuer's Supervisory Board - Flavio Ferrari and Member of the Issuer's Supervisory Board - Marco Pace, in addition to functions in the Issuer's governing bodies, are members of governing bodies in other companies belonging to the Issuer's Group or in other entities with which the Issuer or its subsidiaries have business relations.

Therefore, there is a risk of a potential conflict of interest detailed sources of which are described in Art. 14(2)(1) of the Registration Document. Moreover, Emil Wąsacz and Mariusz Serwa also receive benefits from the Issuer's subsidiaries (see Art. 15(1)(1) of the Registration Document).

In connection with the above relations, there is a risk of a potential conflict of interest between the obligation of members of the Issuer's governing bodies to act in the interest of the Issuer and the obligations of the above-mentioned persons to act in the interest of other companies belonging to the Issuer's Group or other entities as well as personal interests of these persons.

The Issuer emphasises that it identifies only a potential and not a real conflict of interest in the Company's management and supervisory bodies. In view of the existence of effective mechanisms to avoid conflicts of interest, the Issuer believes that there is no real risk in this respect. Mechanisms to prevent a real conflict of interest are laid down in Art. 14(2)(1) of the Registration Document.

3. Risk factors of material importance for the Admitted Shares

3.1 Risk related to the non-admission of securities to trading on the regulated market

The Board intends to apply for the introduction of Series G Shares to stock exchange trading on the regulated market operated by the WSE. The admission and introduction of the Shares to trading on the WSE regulated market depends on the consent of the WSE Board and acceptance of the Shares in the securities depository by the NDS. Such consent may be granted if the Company meets all legal requirements set out in applicable laws, in particular in the relevant provisions of the WSE and NDS regulations, and in connection with applying for admission to the main market – also in the Official Listing Market Regulation.

Pursuant to the provisions of Art. 19 of the WSE Rules, shares of an issuer whose shares of the same type are listed on the stock exchange are admitted to stock exchange trading in the event of an application for their introduction to stock exchange trading if:

- 1) a relevant information document that is approved by the competent regulatory authority or whose equivalence within the meaning of these provisions is acknowledged by the competent regulatory authority has been published or made available in accordance with applicable laws unless publication, provision, approval or confirmation of the equivalence of the information document is not required;
- 2) their transferability is not restricted;
- 3) they have been issued in accordance with the principles of the public nature of stock exchange trading, as referred to in Art. 35 of the WSE Rules.

Pursuant to Art. 1 of the Official Listing Market Regulation, shares may be admitted to trading on the official listing market if:

- 1) they have been admitted to trading on the regulated market;
- 2) their transferability is not restricted;
- 3) all the issued shares of a given type have been covered by the application for admission to trading on the official listing market to the competent authority of the WSE;
- 4) the product of the number and forecasted market price of shares covered by the application, and in the case when it is not possible to determine this price - the issuer's equity is at least the zloty equivalent of EUR 1,000,000;
- 5) as at date of submitting the application, there is a dispersion of the shares covered by the application ensuring liquidity of trading in these shares.

Such dispersion represents the conditions under which in the possession of shareholders each of whom holds no more than 5% of the total number of votes at the general meeting, there are:

- 1) at least 25% of the company's shares covered by the application for admission to trading on the official listing market; or
- 2) at least 500,000 shares of the company with a total value in zloty being equivalent to EUR 17 m, according to the latest issue price or share sale price, and in particularly justified cases – according to the forecasted market price.

Pursuant to Art. 1(5) of the Official Listing Market Regulation, the condition specified in Art. 1(1)(5) does not have to be satisfied if a) at least 25% of the shares of the same issuer, covered by the application and shares traded on this market, are held by shareholders each of whom holds no more than 5% of the total number of votes at the general meeting, or b) the number of shares covered by the application and shares traded, as well as the manner of conducting their subscription or sale allows to conclude that trading in these shares on the WSE main market would obtain a liquidity-providing volume or c) the dispersion of shares has been achieved in one or more Member States in which those shares are already listed on the official quotation market.

Pursuant to Art. 3a of the WSE Rules, when admitting given financial instruments to trading on the stock exchange, the WSE Board additionally examines whether the trading in these instruments would be conducted in a reliable, correct and effective manner, and in the case of securities whether their free transferability would be secured.

Pursuant to Art. 3(6) of the WSE Rules shares may be admitted to trading on the stock exchange provided that they are in the possession of such a number of shareholders which creates an underlying basis for securing a liquid trading.

The Stock Exchange Board may refuse admission of financial instruments to trading on the stock exchange provided that such decision is issued with an appropriate justification. Within five trading days of the date of delivery of a resolution refusing admission of financial instruments to trading on the stock exchange, the Company may appeal against such decision to the Stock Exchange Council. The Stock Exchange Council is obliged to examine the appeal within one month of the date of its filing. Another application for admission of the same financial instruments to trading on the stock exchange may be filed no earlier than after 6 months from the date of being served the decision refusing admission of the securities to stock exchange trading and, in the case of an appeal, from the date of being served a subsequent refusal decision.

As at the Prospectus Date, in the Issuer's opinion, all conditions necessary to introduce Series G Shares to trading on the regulated (main) market are duly satisfied.

3.2 Risk of withholding admission to trading on the stock exchange or commencement of listing on the regulated market

Pursuant to Art. 20(1) of the Trading in Financial Instruments Act, in the event that the security of trading on the regulated market require so or investors' interest is threatened, the WSE, at the request of the PFSA, suspends the admission to trading on this market or commencement of listing of the Issuer's Shares for a period of no longer than 10 days.

3.3 Risk of delay in introducing, or refusal to introduce, securities to trading on the stock exchange

The introduction of Series G Shares to trading on the WSE will be possible after the WSE Board adopts a relevant resolution. Therefore, despite the Company's declarations and best efforts in order to secure commencement of trading of Series G Shares on the WSE as soon as practically possible, the risk of delay in introducing shares to trading on the stock exchange in relation to the listing start dates assumed by the Company cannot be ruled out.

3.4. Risk of suspension of securities listing on the regulated market

Pursuant to Art. 30(1) of the WSE Rules, at the request of the Issuer or if the WSE Board considers that the interests and security of the trading participants requires so, or if the issuer violates regulations applicable on the WSE, the WSE Board may suspend trading in the issuer's shares. When suspending trading in financial instruments, the WSE Board may specify the date until which the trading suspension is effective. This date may be postponed, as appropriate, at the request of the issuer or if in the opinion of the WSE Board there are justified concerns that on the date of expiration of the suspension the conditions specified in Art. 30(1) point 2 or 3 apply.

According to Art. 20(2) and Art. 20(2a) of the Trading in Financial Instruments Act, in the event that the Issuer's shares are traded under circumstances indicating a threat for correct functioning of the regulated market or the security of trading on this market or violation of the interests of investors, the PFSA may request the WSE to suspend trading in these shares. In the request, the PFSA may indicate the date until which the suspension of trading

is effective. Such date may be postponed if there are justified concerns that on that date the a/m conditions apply. The PFSA may request the WSE to suspend or exclude derivative instruments related to securities or financial instruments other than securities, if it is necessary to reach the objectives of the suspension or exclusion from trading of securities or financial instruments other than securities that are underlying instruments of these derivatives (Art. 20(3a) of the Trading in Financial Instruments Act).

According to Art. 20(4b) of the Trading in Financial Instruments Act, the WSE may decide to suspend or exclude the Issuer's shares from trading if these shares no longer meet the conditions applicable on the regulated market provided that this will not significantly harm investors' interests or threaten the correct functioning of the market. The WSE promptly informs the PFSA about the decision, if any, to suspend or exclude financial instruments from trading.

The Issuer cannot guarantee that none of the situations described above will arise in the future.

3.5 Risk of exclusion of shares from trading on the regulated market

Pursuant to Art. 31(1) of the Stock Exchange Rules, the Stock Exchange Board excludes shares from trading on the stock exchange:

- if their transferability has become limited;
- at the request of the PFSA submitted pursuant to provisions of the Trading in Financial Instruments Act;
- in the event that their non-certificated form is discontinued;
- in the event that they are excluded from trading on the regulated market by competent regulatory authorities.

Pursuant to Art. 31(2) of the Stock Exchange Rules, the Stock Exchange Board may exclude shares from trading on the stock exchange:

- if these shares no longer meet the conditions for admission to stock exchange trading, except for the restricted transferability condition;
- if the issuer persistently violates the regulations applicable on the Stock Exchange;
- if so requested by the issuer;
- as a result of the declaration of bankruptcy of the issuer or in the event that the court dismisses a bankruptcy petition because the issuer's assets are insufficient or sufficient only to cover the costs of the proceedings or in the event that the court discontinues bankruptcy proceedings because the issuer's assets are insufficient or sufficient only to satisfy the costs of the proceedings;
- if it considers that the interest and security of trading participants requires so;
- as a result of the decision on merger of the issuer with another entity or on its division or transformation;
- if no stock exchange transactions have been made on the issuer's shares in the last 3 months;
- due to the issuer taking up activities prohibited by applicable laws;
- after opening the issuer's liquidation proceedings.

According to Art. 20(3) of the Trading in Financial Instruments Act, the WSE, at the request of the PFSA, excludes from trading the issuer's shares indicated by the PFSA if their trading materially threatens the correct functioning of the regulated market or the security of trading on that market or violates investors' interests. The Authority may request the

WSE to suspend or exclude derivative instruments related to securities or financial instruments other than securities from trading, if it is necessary to reach the objectives of the suspension or exclusion from trading of securities or financial instruments other than securities that are underlying instruments of these derivatives (Art. 20(3a) of the Trading in Financial Instruments Act).

According to Art. 96(1) of the Public Offering Act, the PFSA also has the right to exclude shares from trading on the regulated market if it finds that the issuer fails to perform or improperly performs a number of the obligations referred to in Art. 96(1) of the Public Offering Act.

3.6. Risk resulting from a possible threat to the correct functioning of the regulated market or the security of trading on this market or violation of investors' interests

Pursuant to Art. 20 of the Trading Act, in the event that the security of trading on the regulated market require so or investors' interest is threatened, the WSE, at the request of the PFSA, suspends the admission to trading on this market or commencement of listing of the Issuer's Shares for a period of no longer than 10 days. In the event that the Issuer's Shares are traded under circumstances that threaten the correct functioning of the regulated market or the security of trading on this market or violate investors' interests, the WSE, at the request of PFSA, may request the suspension of trading in these securities for a period of no longer than a month.

According to Art. 20(4a) of the Trading Act, the company operating the regulated market, at the request of the issuer, may suspend trading in securities or related derivatives in order to provide investors with universal and equal access to information.

The company operating the regulated market may decide to suspend or exclude securities or financial instruments other than securities from trading if these instruments cease to meet the conditions applicable on that market provided that this does not significantly harm investors' interests or does not pose a threat to the correct functioning of the market (Art. 20(4b) of the Trading Act).

In addition, if the trading in the Issuer's Shares significantly jeopardises the correct functioning of the regulated market or the security of trading on this market or provokes a violation of investors' interests, the WSE, at the request of the PFSA, excludes them from trading.

3.7 Risk of investing in the capital market

Investing in the capital market carries the risk of losses. Not all forms of investing may be appropriate for every investor. The investment objective, the level of personal experience and the sensitivity to risk should be considered and analysed prior to making any investment decision. Due to the investment risk associated with investments, it is possible to lose a certain part or, in the case of particularly unsafe investments, the entire amount invested.

The investor purchasing the Shares should be aware of the risk associated with future changes of share prices on the secondary market. Prices of shares listed on the WSE depend on the mutual relationship between the forces of supply and demand. These figures are the resultant of many factors, including the Issuer's financial position, significant events occurring in the Issuer's business and its environment, as well as many other factors directly and indirectly related to the Issuer, including the investors' difficult-to-predict behaviours.

It should also be noted that investments made directly in shares traded on the stock exchange generally have a higher risk than investments in other financial instruments (e.g. bonds or treasury bills). In addition, in the case of the Polish capital market, this risk is relatively higher than in other developed markets which is related, among others, to a shorter history of its operation.

3.8 Investment risk related to the investment in the Shares

Investors considering the purchase of the Shares should take into account in their decisions the risks accompanying such investments. This is due to the fact that prices of securities listed on stock exchanges are unpredictable both in the short and long term. The level of price volatility of securities, and therefore the investment risk, is usually higher than the level of price volatility of other financial instruments available on the capital market such as treasury securities, units in open-end investment funds, investment certificates of selected closed-end investment funds or secured debt securities. Stock prices of the Shares admitted to trading may be subject to considerable fluctuations, caused by numerous factors, including: changes in the Issuer's operating results, market size and liquidity, changes in exchange rates and inflation rates, conditions prevailing on the Warsaw Stock Exchange, actual or forecasted change of the political and economic situation in the world, in the region or in Poland, as well as conditions on the global stock exchanges.

Investing in the Shares should take into account the risk of exchange rate fluctuations and the liquidity constraints associated with these instruments. The date of introduction of the Shares to trading on the WSE is not as at the Prospectus Date possible to be precisely specified which is a source of risk of a prolonged period of temporary limitation of investment liquidity.

3.9. Risk related to low prices of the Issuer's Shares

There is a risk that in the future as a result of unfavourable conditions in the capital market prices of the Issuer's Shares would significantly decrease. The decrease in the Share price may also be related to factors directly or indirectly dependent on the Issuer, including but not limited to periodic changes in the Issuer's financial results, number and liquidity of listed Shares, fluctuations in currency exchange rates, inflation, changes in global, regional or national economic and political factors as well as conditions on other stock exchanges in the world, and hardly predictable behaviours of investors.

3.10. Risk related to future share prices and the liquidity of trading

The risk of investing directly in shares in the capital market is much higher than investments in treasury securities or units in investment funds which is connected with the unpredictability of changes in share prices, both in the short and in the long run. For the Polish capital market, this risk is relatively higher than in developed markets which is associated with the earlier phase of its development, and hence – higher price fluctuations and a relatively low liquidity.

Share prices and liquidity of trading in shares of companies listed on the WSE depend on buy and sell orders made by stock exchange investors and on conditions prevailing on the stock exchange market. Market prices of shares may be subject to significant fluctuations as a result of the impact of many factors beyond control of the Company. Such factors include, among others, estimates published by stock market analysts, changes in the economic conditions (including conditions in the industry), general conditions in the securities market, laws and government policy as well as general economic and market trends. Market prices of shares may also change as a result of issuing new shares by the Company, sale of shares by the main shareholders of the Company, changes in trading liquidity, share capital decrease, redemption of its own shares by the Company and changes in the perception of the Company by investors. In addition, due to the specifics of the Company's shareholding structure, secondary trading in the Company's shares may be characterised by a limited liquidity. Due to the possibility of occurrence of the above or other factors, it can not be guaranteed that the investor purchasing the shares will be able to sell them at any time and at a satisfying price.

3.11. Risk related to violation or suspected violation of the law in connection with applying for admission of shares to trading on the regulated market

According to Art. 17(1) of the Public Offering Act, in the case of violation or justified suspicion of violation of the law in connection with applying for admission or introduction of securities to trading on the regulated market in the territory of the Republic of Poland by the issuer or entities acting on behalf of the issuer or justified suspicion that such violation may occur, the PFSA may:

- 1) order suspension of the application for admission or introduction of securities to trading on the regulated market, for a period of no longer than 10 business days;
- 2) prohibit the application for admission or introduction of securities to trading on the regulated market;
- 3) publish, at the issuer's expense, a statement on illegal actions in connection with applying for admission or introduction of securities to trading on the regulated market.

According to Art. 18(1) of the Public Offering Act, the PFSA may apply the measures referred to above also in the case where: (i) public offering, subscription or sale of securities, made based on this offer or their admission or introduction to trading on the regulated market could significantly harm the interests of the investors, (ii) there are indications that in the light of the provisions of the law can lead to the cessation of the legal existence of the issuer, (iii) the activities of the issuer were or have been carried out with a blatant breach of the provisions of the law which breach can have a significant impact on the assessment of the securities of the issuer or also in the light of the provisions of the law can lead to the cessation of the legal existence or bankruptcy of the issuer, or (iv) the legal status of securities is not consistent with the law and in the light of these provisions, there is a risk of recognition of these securities as non-existent or legally defective to the extent affecting their assessment.

Pursuant to Art. 20(1) of the Trading in Financial Instruments Act, in the event when the security of trading on the regulated market requires so or when investors' interests are under threat, the WSE, at the request of the PFSA, withholds admission to trading on that market or the first listing of securities and other financial instruments indicated by the PFSA for a period of no longer than 10 days.

The occurrence of the above-mentioned factors may have a significant adverse impact on the implementation of the admission of Series G Shares to trading on the regulated market operated by the WSE.

3.12. Risk related to the possibility of failure to comply or of a breach of specific obligations laid down in the legal regulations of the regulated market – KNF prerogatives

According to Art. 96 of the Public Offering Act, if the issuer or seller of securities does not meet certain legal requirements, including disclosure requirements, the PFSA may: (i) issue a decision to exclude, for a definite or indefinite period, its securities from trading on the regulated market, or (ii) impose a fine of up to PLN 1 m, or (iii) apply both

sanctions together. In addition, if the issuer does not perform or improperly performs the obligations referred to in Art. 56-56c of the Public Offering Act in the field of periodic information, Art. 59 of Public Offering Act in the field of periodic information, Art. 63 and Art. 70(1) of the Public Offering Act, the PFSA may: (a) issue a decision on the exclusion of securities from trading on the regulated market; or (b) impose a fine of up to PLN 5 m or an equivalent of 5% of total annual revenues reported in the last audited financial statements for the financial year if it exceeds PLN 5 m, or (c) apply both sanctions together. In the event that it is possible to determine the amount of benefit achieved or loss avoided by the issuer as a result of violation of the obligations referred to in the previous sentence, instead of the sanction referred to in points (a), (b) and (c) above, the PFSA may impose a fine of up to twice the amount of benefit produced or loss avoided. When imposing the sanction for the violations referred to above, the PFSA takes into account in particular: 1) the gravity of the violation and its duration; 2) reasons for the violation; 3) financial position of the entity on which the sanction is imposed; 4) the scale of benefits obtained or losses avoided by the infringer, or the entity in whose name or interest the infringer has acted, if it can be determined; 5) losses incurred by third parties in connection with the violation if these losses can be determined; 6) readiness of the entity committing the violation to cooperate with the PFSA while explaining the circumstances of the violation; 7) previous violations of the provisions of this Act, as well as directly applicable acts of the European Union law, regulating the functioning of the capital market, committed by the entity on which the sanction is imposed.

In addition, pursuant to Art. 96(6) and (6a) of the Public Offering Act, in the event of flagrant breach of the obligations referred to above, the PFSA may impose on a person who during that period served as a member of the board or supervisory board of a public company, external ASI manager or the EU manager within the meaning of the Investment Fund Act or an investment fund company being a body of a closed-end investment fund, a fine of up to PLN 1 m (board member) and PLN 100,000 (supervisory board member). In addition, pursuant to Art. 176 of the Trading in Financial Instruments Act, where the issuer does not perform or improperly performs the obligations referred to in Art. 18(1-6) of the MAR Regulation, the Authority may, by way of a decision, impose a fine of up to PLN 4,145,600 or up to the equivalent of 2% of total annual revenues shown in the last audited financial statements for the financial year if it exceeds PLN 4,145,600. In the case of violation of the obligations referred to in Art. 18(1-6) of the MAR Regulation, the Authority may impose on the person who during that period served as a member of the Board of the issuer, external ASI manager or the EU manager within the meaning of the Investment Fund Act or investment fund company being a closed-end investment fund, a fine of up to PLN 2,072,800. The Company cannot guarantee that in future the PFSA will not impose such sanctions on the Company. The imposition of sanctions on the Company, and even only the initiation by the PFSA of proceedings for imposing sanctions on the Company may adversely affect its reputation and its perception by current and potential contractors and investors, as well as affect the liquidity and market price of the Shares.

3.13 Risk related to significantly higher penalties for breaching disclosure requirements in connection with the entry into force of the MAR and MAD regulations

Due to the entry into force of the MAR and MAD regulations, among others, sanctions for a failure to perform or an improper performance of the obligations regarding confidential information set out in the MAR Regulation have become more severe. Under the new provisions, in such a case, the PFSA may: (a) issue a decision on the exclusion of securities from trading on the regulated market; or (b) impose a fine of up to PLN 10,364,000 or an equivalent of 2% of total annual revenues reported in the last audited financial statements for the financial year if it exceeds PLN 10,364,000, or (c) apply both sanctions together. If it is possible to determine the amount of benefit achieved or loss avoided by the issuer as a result of a breach of confidential information obligations, the PFSA may impose a fine of up to three times the benefit produced or loss avoided instead of the sanctions referred to above. In addition, the Amendment to the Trading Act introduced the PFSA's prerogatives to impose on the person who in that period served as a member of the Board of a public company a fine of up to PLN 4,145,600 for non-performance or improper performance of the obligations regarding confidential information set out in the MAR Regulation. In addition, if a breach of the obligations regarding confidential information set out in the MAR Regulation is found, the PFSA may order the infringer to cease any further breaches, and oblige the same to undertake within the indicated time actions to prevent breaches of these rules in the future (this measure can be applied regardless of the application of other sanctions). If a legal entity is found guilty of a violation of the provisions of the MAR Regulation concerning confidential information, the PFSA may also prohibit an individual whose duties include ensuring that the legal entity complies with the MAR Regulation regarding confidential information, from entering, on its own account or for the account of a third party, into transactions involving financial instruments admitted to trading on the regulated market or introduced to trading in the alternative trading system for a specified period, not exceeding 5 years (this measure may be applied regardless of the application of other sanctions).

The Amendment to the Trading in Financial Instruments Act also increased financial sanctions for violations of the obligations listed in Art. 97 of the Public Offering Act (concerning, in particular, announcements of calls and forced buyouts) up to PLN 10,000,000. If it is possible to determine the amount of the benefit achieved or loss avoided as a result of the breach of these obligations, instead of the above-mentioned sanction, the PFSA may impose a fine up to three times the amount of the benefit produced or loss avoided.

The Company is not able to predict whether in the future there will be a breach of the provisions of the Public Offering Act or the MAR Regulation by the Company which could form the basis for PFSA to impose severe sanctions on the Company. The mere initiation by the PFSA of proceedings to impose sanctions on the Company may adversely affect its perception by contractors and investors. The commencement of such proceedings and, in consequence, any possible

imposition of sanctions by the PFSA may have a significant negative impact on the liquidity and market price of the Admitted Shares.

3.14 Risk that holders of the Shares in certain jurisdictions may be subject to restrictions on the exercise of pre-emptive rights under future issues

In the event that the Issuer's share capital is increased, shareholders of the Issuer have the right to subscribe for new issue shares, in accordance with the provisions of the Commercial Companies Code, unless the resolution of the General Meeting deprives the existing shareholders of pre-emptive rights in their entirety. To the extent that the pre-emptive right of the Issuer's shareholders in the United States of America might be exercised, such shareholders may not be able to exercise their pre-emptive right unless a registration declaration has been made under the US Securities Act or such registration is not required under one of the exceptions from the registration requirement. The Issuer's shareholders in other jurisdictions may also be subject to restrictions in exercising their pre-emptive rights. The Issuer cannot ensure that in the future it will register any Shares or other securities under the US Securities Act or in accordance with the provisions of any other jurisdiction outside Poland. In the event of an increase in the Issuer's share capital, shareholders of the Issuer who are not be able to exercise their pre-emptive rights under the law of their domicile must accept a dilution of their stake in the Issuer's share capital. In addition, although in some jurisdictions shareholders who are deprived of the ability to exercise or dispose of pre-emptive rights are entitled to compensation corresponding to the value of these rights, there is no such entitlement in Poland which means that holders of the Shares must reckon with the fact that they will not receive any compensation due to the lack of the possibility of selling or exercising pre-emptive rights.

3.15 Risk related to the publication of reports regarding the Issuer or changes of analysts' recommendations to negative ones

Reports on the Issuer published by stock market analysts influence prices and liquidity of the Shares. If no stock exchange analyst covers the Issuer and publishes a report about the same, quoted prices and the liquidity of the Shares may be significantly reduced. In addition, if one or more stock market analysts cease to cover the Issuer or to regularly publish reports regarding the Issuer, the Issuer may become less known in the capital market which in turn may cause the quoted prices and liquidity of the Shares to fall. If one or more stock analysts change their recommendations to negative, the Share price may significantly drop.

Investors should carefully consider whether the investment in the Issuer's shares is appropriate for them in the light of the risk factors described above and the information contained in this document, their personal situation and financial resources available.

3.16 Risk of growing supply of the Shares

The Issuer's shares are not subject to any restrictions on transferability. The Company does not plan to contractually reduce the transferability of these shares in the future and to the best knowledge of the Company, no major shareholder has intention of making a contractual limitation of the transferability of the Issuer's shares in the future. Due to the possibility of unlimited transferability of shares by shareholders of the Company, there is a potential risk of a large supply of shares traded on the regulated market which may cause fluctuations and a significant decrease in the price of the Issuer's shares.

3.17. Risk that the Issuer's offerings of debt or equity securities in the future may have a negative impact on the market price of the Shares and lead to the dilution of the stakes of the shareholders of the Issuer.

In order to finance investment plans, the Issuer may raise additional capital by offering debt or equity securities, in particular bonds convertible into shares, bonds with pre-emptive or subordinated rights and ordinary shares. Issues of shares or debt convertible securities may result in the dilution of economic rights and voting rights held by shareholders if they are carried out without granting pre-emptive rights or other subscription rights, or result in a reduction in the Issuer's share price. It is also possible that both these effects occur simultaneously. Exercising conversion rights or options rights by holders of convertible bonds or bonds with warrants that the Issuer may issue in the future may also dilute the stakes of the Issuer's shareholders. Holders of ordinary shares of the Issuer are entitled to a statutory pre-emptive right authorising them to acquire a certain percentage of each issue of ordinary shares of the Issuer which right, under the conditions set out in Art. 433(2) of the CCC, may be withdrawn. If the General Meeting deprives investors of pre-emptive rights or if investors do not exercise their pre-emptive right, their stake in the share capital would be reduced. Each decision of the Issuer on issuing additional securities depends on market conditions and on other factors beyond the Issuer's control, so the Issuer is not able to predict or estimate the amount, time or nature of such future issues. Thus, investors bear the risk of decreasing market prices of the Shares and of a dilution as a result of future issues being carried out by the Issuer.

3.18. Risk of preparing an annex to the Prospectus in such a way that the annex does not comply, in terms of form or contents, with the requirements set out in the law

According to Art. 51(1) of the Public Offering Act, the Issuer is obliged to provide the Authority without delay, however no later than within 2 business days of the date of an event or of becoming aware of the same, in the form of an annex to the Prospectus, together with the application for its approval, any information about significant errors or inaccuracies in the contents of the Prospectus or significant factors that may affect the valuation of the security, taking place in the period since the date of approval of the Prospectus or of which the Issuer becomes aware after its approval until the validity date of the Prospectus.

If there is a need to prepare an annex to the Prospectus and apply for its approval, the Polish Financial Supervision Authority may, pursuant to Art. 51(4) of the Offering Act, refuse to approve the annex if it does not comply, in terms of form or contents, with the requirements set out in the law. When refusing to approve the annex, the Polish Financial Supervision Authority respectively applies the measures referred to in Art. 16 or Art. 17 of this Act which means that in particular the PFSA may: (i) order the suspension of the application for admission or introduction of securities to trading on the regulated market for a period of no longer than 10 business days; (ii) prohibit the application for admission or introduction of securities to trading on the regulated market, (iii) publish, at the expense of the Issuer, information about illegal activities in connection with the application for admission or introduction of securities to trading on the regulated market.

CHAPTER III – REGISTRATION DOCUMENT

1. Responsible persons

1.1. the Issuer

Name, registered office and address of the Issuer:

Name: Stalexport Autostrady Spółka Akcyjna
Abbreviated name: Stalexport Autostrady S.A.
Registered office: Mysłowice
Address: ul. Piaskowa 20, 41-404 Mysłowice
Telephone and fax numbers: Telephone: +48 32 76 27 545
Fax: +48 32 76 27 556
E-mail: info@stalexport-autostrady.pl
Website: www.stalexport-autostrady.pl

Individuals acting on behalf of the Issuer:

Emil Wąsacz – President of the Board of Directors
Mariusz Serwa – Vice-President of the Board of Directors

The Issuer is responsible for all the information included in the Prospectus

Statement on the liability of persons acting on behalf of the Issuer

We declare that to the best of our knowledge and with due diligence and care in order to ensure such best knowledge, the information contained in the Prospectus is true, accurate and consistent with the facts and that nothing in the Prospectus that could affect its meaning and importance has been omitted.

Emil Wąsacz

President of the Board of Directors

Mariusz Serwa

Vice-President of the Board of Directors

1.2. Legal Adviser

Name, registered office and address of the Legal Adviser:

Name: Wierzbowski and Partners Legal Advisors and Advocates
Registered office: Warsaw (00-640 Warsaw)
Address: ul. Mokotowska 15A lok. 17
Telephone and fax numbers: Telephone: +48 22 312 41 10
Fax: +48 22 312 41 12
E-mail: office@wierzbowski.com
Website: www.wierzbowski.com

Individuals acting on behalf of the Legal Adviser:

Sławomir Jakszuk – Legal Counsel, Partner

Liability of the Legal Adviser is limited to the following parts of the Prospectus:

Wierzbowski and Partners Legal Advisors and Advocates are responsible for preparation of the following parts of the Prospectus in accordance with the requirements of Regulation 809/2004:

- (i) Registration Document - Articles: 1.2, 4 (Risk factors of material importance for the Admitted Shares), 5.1, 6.4, 7, 8, 11, 14, 15, 16, 17, 18, 19, 20.7, 20.8, 21, 22, 23, 24 and 25 of Annex I to the Regulation;
- (ii) Securities Note - Articles: 1, 3.1, 3.2, 3.3, 4, 7, 10.1 of Annex III to the Regulation.

Statement on the liability of persons acting on behalf of the Legal Advisor

We declare that to the best of our knowledge and with due diligence and care in order to ensure such best knowledge, the information contained in the parts of the Prospectus for which the Legal Adviser is responsible is true, accurate and consistent with the facts and that nothing in those parts of the Prospectus that could affect their meaning and importance has been omitted.

Sławomir Jakszuk
Partner

1.3. Investment Firm

Name: Brokerage House Bank Ochrony Środowiska Joint Stock Company
Registered office: Warsaw
Address: ul. Marszałkowska 78/80, 00-517 Warsaw
Telephone and fax numbers: Telephone: +48 (22) 504 30 00
Fax: +48 (22) 504 30 00
E-mail: pierwotny@bossa.pl
Website: www.bossa.pl

Individuals acting on behalf of the Investment Firm:

Elżbieta Urbańska – Member of the Board

Agnieszka Wyszomirska – Registered Representative [prokurent]

Statement of persons acting on behalf of the Investment Firm

Brokerage House Bank Ochrony Środowiska Joint Stock Company with its registered office in Warsaw hereby declares that to the best of its knowledge and with due diligence and care to ensure such best knowledge, the information contained in the parts of the Prospectus for which Brokerage House Bank Ochrony Środowiska Joint Stock Company is responsible (they have participated in their preparation), i.e.:

- Risk factors – Article 3
- Securities Note - Articles 6, 7, 10.1

is true, accurate and consistent with the facts and that nothing in those parts that could affect their meaning and importance has been omitted.

Elżbieta Urbańska – Member of the Board

Agnieszka Wyszomirska – Proxy

1.4. Financial Adviser

Information about the Financial Adviser

Name: Art Capital Sp. z o. o.
Registered office: Kraków
Address: ul. Kobierzyńska 211 lok. 4, 30-382 Kraków
Telephone: + 48 12 428 50 60
E-mail: art-capital@art-capital.pl
Website: www.art-capital.pl

Individuals acting on behalf of the Financial Adviser:

Persons acting on behalf of the Financial Adviser:

Piotr Grzesiak – President of the Board

Liability of Art Capital Sp. z o.o., as the entity taking Chapter In the preparation of the Prospectus, is limited to the following parts of the Prospectus:

Chapter II – Article 1 and 2, Chapter III – Article 2, 3, 4, 5.2, 6.1 - 6.3, 6.5, 9, 10, 12, 13, 20 (excluding Articles 20.7 and 20.8) and parts of Chapter I of the Prospectus "Summary" corresponding to the above-mentioned items.

Statement of persons responsible for the information contained in the Prospectus, acting on behalf of the Adviser

Acting on behalf of Art Capital Sp. z o.o., I declare that to the best of my knowledge and with due diligence and care in order to ensure such best knowledge, the information contained in the parts of the Prospectus in the preparation of which Art Capital Sp. z o.o. has been involved is consistent with the facts and that nothing in those parts of the Prospectus that could affect their meaning and importance has been omitted.

Piotr Grzesiak

President of the Board of Directors

2. Statutory auditors auditing historical financial information

2.1. Names and surnames (names), addresses and membership in professional organisations

The audit of the consolidated financial statements of the Issuer's Group for the years 2016 and 2017 was carried out by Deloitte Polska spółka z ograniczoną odpowiedzialnością sp. k., address: al. Jana Pawła II 22, 00-133 Warsaw, entity entered on the list of audit firms kept by the National Chamber of Statutory Auditors under the number 73.

On behalf of Deloitte Polska spółka z ograniczoną odpowiedzialnością sp. k. the audit of the consolidated financial statements for 2016 was carried out and signed by Mirosław Mitrenga, Key Statutory Auditor with the registration number 11723.

On behalf of Deloitte Polska spółka z ograniczoną odpowiedzialnością sp. k. the audit of the consolidated financial statements for 2017 was carried out and signed by Łukasz Michorowski, Key Statutory Auditor with the registration number 13156.

The audit of the consolidated financial statements of the Issuer's Group for 2018 was carried out by Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k., address: Rondo ONZ 1, 00-124 Warsaw, entity entered on the list of audit firms kept by the National Chamber of Statutory Auditors under the number 130.

On behalf of Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k. the audit of the consolidated financial statements for 2018 was carried out and signed by Jerzy Buzek, Key Statutory Auditor with the registration number 10870.

2.2. Information on the resignation, dismissal or changes of the statutory auditor, if significant for the assessment of the Issuer

Changes of statutory auditors were not significant from the point of view of the Issuer.

3. Selected financial data

Selected financial data were compiled based on consolidated financial statements of the Issuer's Group for the years 2016-2018 audited by an independent statutory auditor and based on condensed interim consolidated financial statements of the Group of Companies for the period of 3 months ending 31 March 2019 together with comparative data, which were not audited by a statutory auditor.

The Issuer's financial statements for the years 2016-2018 and interim data for 1Q 2019 were prepared in accordance with the requirements of the International Financial Reporting Standards, approved by the European Union ("EU IFRS") and other applicable regulations. EU IFRS contain all International Accounting Standards ("IAS"), International Financial Reporting Standards ("IFRS") and related interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), apart from the Standards and Interpretations that are pending approval by the European Union, as well as the Standards and Interpretations which have been approved by the European Union, but have not yet entered into force.

This chapter should be read in conjunction with the financial information presented in Art. 20 of Chapter III of the Prospectus and other information presented elsewhere in the Prospectus.

Unless indicated otherwise, the data are presented in thousands of PLN and the negative values in brackets.

Consolidated financial results of the Issuer's Group in the years 2016 – 2018 (PLN '000)

| Item | 2018 | 2017 | 2016 |
|--|----------------|----------------|----------------|
| Sales revenues | 336,529 | 318,831 | 292,853 |
| Selling expenses | (52,198) | (70,507) | (40,854) |
| Gross profit on sales | 284,331 | 248,324 | 251,999 |
| General and administrative expenses | (48,687) | (35,845) | (33,843) |
| Other operating income | 10,396 | 5,926 | 4,917 |
| Other operating costs | (3,282) | (2,047) | (286) |
| Reversal of loss / (loss) due to impairment of trade and other receivables | (57) | 51 | (26) |

| | | | |
|---|----------------|----------------|----------------|
| Profit (loss) on operating activities (EBIT) | 242,701 | 216,409 | 222,761 |
| Financial revenue | 13,661 | 12,985 | 12,331 |
| Financial costs | (21,401) | (31,181) | (33,489) |
| Share in net profit of associates | 207 | 179 | 188 |
| Profit (loss) before tax | 235,168 | 198,392 | 201,791 |
| Income tax | 48,740 | (39,612) | (36,497) |
| Net profit (loss) | 186,428 | 158,780 | 165,294 |
| Net profit (loss) attributable to shareholders of the parent company | 181,136 | 153,382 | 159,563 |
| Weighted average number of ordinary shares | 247,262,023 | 247,262,023 | 247,262,023 |
| Earnings per share (PLN)* | 0,73 | 0,62 | 0,65 |

* Earnings per share for each annual period are calculated by dividing the net profit attributable to shareholders of the parent company for a given period by the weighted average number of shares outstanding in such period.

Source: Consolidated financial statements of the Issuer's Group

Consolidated financial results of the Issuer's Group in 1Q 2019 and 1Q 2018 (PLN '000)

| Item | 1Q 2019 (unaudited) | 1Q 2018 (unaudited) |
|---|--------------------------------|--------------------------------|
| Sales revenues | 79,310 | 75,915 |
| Selling expenses | (23,287) | (21,829) |
| Gross profit on sales | 56,023 | 54,086 |
| General and administrative expenses | (43,064) | (7,507) |
| Other operating revenues | 1,077 | 3,747 |
| Other operating expenses | (249) | (3,051) |
| Reversal of loss / (loss) due to impairment of trade and other receivables | - | (13) |
| Profit (loss) on operating activities (EBIT) | 13,787 | 47,262 |
| Financial revenue | 3,009 | 3,296 |
| Financial expenses | (4,180) | (7,340) |
| Share in net profits of affiliates | 65 | 55 |
| Profit (loss) before tax | 12,681 | 43,273 |
| Income tax | (7,650) | (8,251) |
| Net profit (loss) | 5,031 | 35,022 |
| Net profit (loss) attributable to shareholders of the parent company | 3,682 | 33,522 |
| Weighted average number of ordinary shares | 247,262,023 | 247,262,023 |
| Earnings per share (PLN)* | 0,01 | 0,14 |

* Earnings per share for each interim period are calculated by dividing the net profit attributable to shareholders of the parent company for a given period by the weighted average number of shares outstanding in such period.

Source: Interim consolidated financial statements of the Issuer's Group for 1Q 2019

Consolidated assets of the Issuer's Group (PLN '000)

| Item | 31 December 2018 | 31 December 2017 | 31 December 2016 |
|-----------------------------|------------------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 33,663 | 36,666 | 32,080 |
| Intangible assets | 441,154 | 463,855 | 484,829 |
| Investment properties | 3,765 | 3,870 | 4,401 |
| Investments in affiliates | 1,070 | 1,034 | 1,021 |
| Other long-term investments | 419,343 | 434,147 | 447,422 |
| Deferred income tax assets | 27,353 | 69,829 | 89,983 |
| Total fixed assets | 926,348 | 1,009,401 | 1,059,736 |
| Current assets | | | |
| Inventory | 2,724 | 2,630 | 2,147 |
| Short-term investments | 1,823 | 1,403 | 1,488 |
| Income tax receivables | 18,908 | 2,560 | - |
| Trade and other receivables | 37,360 | 25,452 | 16,316 |
| Cash and cash equivalents | 333,741 | 396,900 | 366,959 |
| Total current assets | 394,556 | 428,945 | 386,910 |
| Total assets | 1,320,904 | 1,438,346 | 1,446,646 |

Source: Consolidated financial statements of the Issuer's Group for 1Q 2019

Consolidated assets of the Issuer's Group as at the end of 1Q 2019 and 1Q 2018 (PLN '000)

| Item | 31 March 2019 (unaudited) | 31 March 2018 (unaudited) |
|-----------------------------|------------------------------|------------------------------|
| Fixed assets | | |
| Tangible assets | 32,391 | 35,323 |
| Intangible assets | 444,727 | 463,536 |
| Investment properties | 6,873 | 3,748 |
| Investments in affiliates | 1,135 | 1,089 |
| Other long-term investments | 418,168 | 452,391 |
| Deferred income tax assets | 29,780 | 70,982 |
| Total fixed assets | 933,074 | 1,027,069 |
| Current assets | | |
| Inventory | 2,601 | 2,304 |
| Short-term investments | 1,668 | 1,435 |
| Income tax receivables | 15,717 | 980 |
| Trade and other receivables | 20,778 | 24,305 |
| Cash and cash equivalents | 384,206 | 404,539 |
| Total current assets | 424,970 | 433,563 |
| Total assets | 1,358,044 | 1,460,632 |

Source: Interim consolidated financial statements of the Issuer's Group for 1Q 2019

Consolidated equity and liabilities of the Issuer's Group (PLN '000)

| Item | 31 December 2018 | 31 December 2017 | 31 December 2016 |
|------|------------------|------------------|------------------|
|------|------------------|------------------|------------------|

| | | | |
|--|------------------|------------------|------------------|
| Equity | | | |
| Share capital | 185,447 | 185,447 | 185,447 |
| Treasury shares | - | - | (20) |
| Share premium | 7,430 | 7,430 | 7,430 |
| Equity instruments revaluation reserve | 407 | - | - |
| Cash flow hedge | (2,409) | (4,443) | (7,206) |
| Other reserve and supplementary capitals | 429,324 | 281,675 | 231,486 |
| Exchange differences on translation of foreign operations | 132 | 184 | 137 |
| Retained earnings and uncovered losses | 184,975 | 223,186 | 164,555 |
| Equity attributable to shareholders of the parent company | 805,306 | 693,479 | 581,829 |
| Non-controlling interests | 4,602 | 4,694 | 4,999 |
| Total equity | 809,908 | 698,173 | 586,828 |
| Long-term liabilities | | | |
| Credit and loan liabilities | 33,229 | 76,295 | 116,147 |
| Employee benefit liabilities | 2,897 | 4,602 | 3,094 |
| Deferred income | 6,022 | 6,854 | 7,686 |
| Other long-term liabilities | 6,318 | 6,374 | 211,064 |
| Long-term provisions | 297,363 | 362,244 | 344,802 |
| Total long-term liabilities | 345,829 | 456,369 | 682,793 |
| Short-term liabilities | | | |
| Credit and loan liabilities | 44,176 | 40,943 | 37,215 |
| Derivative financial instruments | 3,749 | 6,456 | 10,014 |
| Income tax liabilities | 204 | 337 | 13,905 |
| Trade and other liabilities | 27,120 | 184,935 | 22,230 |
| Employee benefit liabilities | 4,090 | 381 | 373 |
| Deferred income | 832 | 5,794 | 5,431 |
| Contractual liabilities | 6,102 | - | - |
| Short-term provisions | 78,894 | 44,958 | 87,857 |
| Total short-term liabilities | 165,167 | 283,804 | 177,025 |
| Total liabilities | 510,996 | 740,173 | 859,818 |
| Total equity and liabilities | 1,320,904 | 1,438,346 | 1,446,646 |

Source: Consolidated financial statements of the Issuer's Group

Consolidated equity and liabilities of the Issuer's Group as at the end of 1Q 2019 and 1Q 2018 (PLN '000)

| Item | 31 March 2019 (unaudited) | 31 March 2018 (unaudited) |
|--|------------------------------|------------------------------|
| Equity | | |
| Share capital | 185,447 | 185,447 |
| Share premium | 7,430 | 7,430 |
| Equity instruments revaluation reserve | 282 | 25 |

| | | |
|--|------------------|------------------|
| Hedge accounting reserve | (1,939) | (4,007) |
| Other reserve and supplementary capitals | 434,091 | 427,803 |
| Exchange differences on translation of foreign operations | 131 | 183 |
| Retained earnings and uncovered losses | 178,750 | 105,516 |
| Equity attributable to shareholders of the parent company | 804,192 | 722,397 |
| Non-controlling interests | 5,951 | 2,201 |
| Total equity | 810,143 | 724,598 |
| Long-term liabilities | | |
| Credit and loan liabilities | 9,851 | 55,271 |
| Lease liabilities | 3,029 | - |
| Employee benefit liabilities | 3,191 | 4,896 |
| Deferred income | 5,815 | 6,646 |
| Other long-term liabilities | 18,781 | 18,253 |
| Long-term provisions | 299,181 | 353,527 |
| Total long-term liabilities | 339,848 | 438,593 |
| Short-term liabilities | | |
| Credit and loan liabilities | 45,431 | 41,287 |
| Lease liabilities | 121 | - |
| Derivative financial instruments | 2,522 | 5,053 |
| Income tax liabilities | 149 | 389 |
| Trade and other liabilities | 59,157 | 184,078 |
| Employee benefit liabilities | 4,055 | 358 |
| Deferred income | 1,972 | 1,963 |
| Contractual liabilities | 7,244 | 5,088 |
| Short-term provisions | 87,402 | 59,225 |
| Total short-term liabilities | 208,053 | 297,441 |
| Total liabilities | 547,901 | 736,034 |
| Total equity and liabilities | 1,358,044 | 1,460,632 |

Source: Interim consolidated financial statements of the Issuer's Group for 1Q 2019

Consolidated cash flows of the Issuer's Group in the years 2016-2018 (PLN '000)

| Item | 2018 | 2017 | 2016 |
|---|----------------|-----------------|----------------|
| Operating cash flows: | | | |
| Profit (loss) before tax | 235,168 | 198,392 | 201,791 |
| Total adjustments | (4,656) | 1,652 | (1,194) |
| Net cash from operating activities | 230,512 | 200,044 | 200,597 |
| Investing cash flows: | | | |
| Inflows | 27,975 | 26,465 | 71,361 |
| Outflows | (32,879) | (39,369) | (39,093) |
| Net cash from investing activities | (4,904) | (12,904) | 32,268 |
| Financing cash flows: | | | |

| | | | |
|---|------------------|------------------|-----------------|
| Inflows | - | 38 | - |
| Outflows | (288,767) | (157,237) | (53,913) |
| Net cash from financing activities | (288,767) | (157,199) | (53,913) |
| Total net cash flows | (63,159) | 29,941 | 178,952 |
| Opening balance of cash | 396,900 | 366,959 | 188,007 |
| Closing balance of cash | 333,741 | 396,900 | 366,959 |

Source: Consolidated financial statements of the Issuer's Group

Consolidated cash flows of the Issuer's Group in 1Q 2019 and 1Q 2018 (PLN '000)

| Item | 1Q 2019 (unaudited) | 1Q 2018 (unaudited) |
|---|------------------------|------------------------|
| Operating cash flows: | | |
| Profit (loss) before tax | 12,681 | 43,273 |
| Total adjustments | 66,291 | 11,067 |
| Net cash from operating activities | 78,972 | 54,340 |
| Investing cash flows: | | |
| Inflows | 4,289 | 4,373 |
| Outflows | (8,273) | (27,160) |
| Net cash from investing activities | (3,984) | (22,787) |
| Financing cash flows: | | |
| Inflows | - | - |
| Outflows | (24,523) | (23,914) |
| Net cash from financing activities | (24,523) | (23,914) |
| Total net cash flows | 50,465 | 7,639 |
| Opening balance of cash | 333,741 | 396,900 |
| Closing balance of cash | 384,206 | 404,539 |

Source: Interim consolidated financial statements of the Issuer's Group for 1Q 2019

4. Risk factors of significant importance for securities offered or admitted to trading

Risk factors of significant importance for securities admitted to trading are specified in Chapter II of the Prospectus – "Risk factors related to the Issuer and securities covered by the admission."

5. Information about the Issuer

5.1. History and development of the Issuer

5.1.1. Legal (statutory) and commercial name of the Issuer

Legal name of the Issuer: Stalexport Autostrady Spółka Akcyjna

Commercial name of the Issuer: Stalexport Autostrady Spółka Akcyjna

Legal (statutory) name of the Issuer is its business name referred to in Art. 1(1) of the Issuer's Articles of Association, i.e. "Stalexport Autostrady" Spółka Akcyjna.

According to Art. 305(2) of the CCC as well as Art. 1(2) of the Articles of Association, the Issuer may use an abbreviated business name (name) Stalexport Autostrady S.A.

In commercial trading the Issuer may use the business name in its full form as well as use the abbreviated business name (name).

5.1.2. Place of registration of the Issuer and its registration number

The Issuer was entered in the commercial register kept by the District Court in Katowice, Commercial Division in section B under the number RHB 10130, pursuant to the decision of the District Court in Katowice of 5 November 1993, file reference number Rep. 733 VIII Rej. PP 1341/93, as STALEXPORT Spółka Akcyjna.

The Issuer was recorded in the Register of Entrepreneurs of the National Court Register on 3 July 2001, based on the decision of the District Court in Katowice, 8th Commercial and Registry Division (file reference number KA.VIII NS-REJ.KRS/4482/01/61) under the number KRS 0000016854.

The Issuer has been assigned a tax identification number NIP: 6340134211.

The Issuer has been assigned the REGON identification number: 271936361.

5.1.3. Date of establishment of the Issuer and its duration

The Issuer was established from the transformation of Przedsiębiorstwo Handlu Zagranicznego "STALEXPORT" in Katowice, founded in 1962 under the Decree on State Enterprises and Order No. 78 of the Minister of Foreign Trade of 14 November 1962. Its establishment was based on Art. 4(1) of the Decree of 26 October 1960 on State Enterprises. Przedsiębiorstwo Handlu Zagranicznego "STALEXPORT" with its registered office in Katowice was entered in the register of state enterprises under the registration number of RPP 733. The company started its export and import activities on 1 January 1963, taking over industry competences from Centrala Handlu Zagranicznego Centrozap ("CHZ"). Two offices represented the core of the business: Biuro Eksportowo-Importowe Surowców Hutniczych and Biuro Wyrobów Hutniczych, duly separated from the existing structure of CHZ.

On 8 October 1993, PHZ "Stalexport" applied to the Minister of Ownership Transformation for the transformation of the enterprise into a Sole Shareholder Company of the State Treasury, and on 26 October 1993, pursuant to the Act on Privatisation of State-Owned Enterprises, a transformation deed was signed (notarial deed Rep. A No. 10526/93 and notarial deed Rep. A No. 10772/93) amending the transformation deed and the Articles of Association.

The registration of STALEXPORT S.A. took place on 5 November 1993 in the Commercial Register of the District Court in Katowice. On 3 July 2001, the Issuer was recorded in the register of entrepreneurs of the National Court Register.

On 30 August 2007, under notarial deed Rep. A No. 9454/2007, the Issuer's company changed to Stalexport Autostrady S.A.

The Issuer was established for an unlimited period.

5.1.4. Registered office and legal form of the Issuer, legal regulations under which and pursuant to which the Issuer operates, country of incorporation (establishment) and address and telephone number of its statutory registered office

| | |
|---|-----------------------------------|
| Registered office of the Issuer: | Mysłowice (Śląskie Voivodeship) |
| Legal form of the Issuer: | Spółka Akcyjna |
| Country of the registered office of the Issuer: | Poland |
| Address of the Issuer: | ul. Piaskowa 20, 41-404 Mysłowice |
| Telephone: | +48 32 76 27 545 |
| Fax: | +48 32 76 27 556 |
| E-mail: | info@stalexport-autostrady.pl |
| Website: | www.stalexport-autostrady.pl |

5.1.5. Significant events in the history of the Issuer's business operations

| | |
|-------------|---|
| 1963 | Commencement of the Issuer's activity as a state-owned enterprise PHZ "Stalexport", specialising in the export and import of metallurgical products and import of raw |
|-------------|---|

| | |
|-------------|---|
| | materials for the Polish steel industry. |
| 1993 | Transformation of the state-owned enterprise PHZ “Stalexport” into a Sole Shareholder Company of the State Treasury and privatisation. Deletion of PHZ “Stalexport” from the register of state-owned enterprises (RPP 733). Registration of STALEXPORT S.A. in the Commercial Register of the District Court in Katowice (initially under the number RHB 10130). |
| 1994 | Admission of the Issuer's shares to public trading. First listing of the Issuer's shares on the Warsaw Stock Exchange. |
| 1997 | The Issuer's winning the tender process and being granted a 30-year construction concession including adapting the A4 motorway Katowice-Kraków section to the requirements of the toll motorway and motorway operation on this section. Establishment of Stalexport Autostrada Małopolska S.A. as a special purpose vehicle. |
| 1998 | Establishment of Stalexport Transroute Autostrada S.A. (currently VIA4 S.A.) for the provision of services including the operation and maintenance of the aforementioned toll section of the A4 motorway. Issuance of shares intended for the European Bank for Reconstruction and Development. |
| 2000 | Commencement of the toll collection on the A4 Katowice-Kraków motorway. |
| 2001 | Preparation and submission by the Issuer's Board of the application for opening arrangement proceedings. Decision of the Issuer's Creditors' Meeting on entering into arrangement. |
| 2002 | Adoption by the Extraordinary General Meeting of the Issuer of a resolution regarding the reduction of the share capital and amendments to the Issuer's Articles of Association under which the Issuer's share capital was reduced from PLN 128,388,260 to PLN 25,677,652, i.e. by PLN 102,670,608 by way of a decrease in nominal value of all the shares in such a way that the nominal value of each share was reduced from PLN 10 to PLN 2, i.e. by PLN 8. District Court in Katowice issuing the decision on the approval of the arrangement with creditors. The decision became final on 5 July 2002. Adoption by the Extraordinary General Meeting of the Issuer of a resolution regarding the increase of the share capital by way of issuing series E shares and amendments to the Issuer's Articles of Association. Designation of the issue for arrangement creditors under the scheme for conversion of the Issuer's debts. |
| 2004 | Transfer of the concession for the first toll section of the A4 Katowice-Kraków motorway from the Issuer to Stalexport Autostrada Małopolska S.A. (a 100% subsidiary of the Issuer – currently through Stalexport Autoroute S.à r.l. with its registered office in Luxembourg). |
| 2005 | Merger of the Issuer with Stalexport Centrostal Warszawa S.A. Stalexport Autostrada Małopolska S.A. entering with the Ministry of Infrastructure into Annex 5 to the Concession Agreement for the construction project including adapting and operating the A4 Katowice-Kraków section toll motorway. Stalexport Autostrada Małopolska S.A. signing with the Banks Consortium the Agreement on granting a loan of up to PLN 380 m to finance the A4 toll motorway Katowice-Kraków section project (i.e. construction works under Stage II and refinancing of the Stage I Construction Works). Registration of Stalexport Autoroute S.à r.l. with its registered office in Luxembourg. |
| 2006 | The Issuer signing the Agreement with the Syndicated Banks represented by ING Bank Śląski S.A. in Katowice on the Issuer's discharge of the Syndicated Banks' claims under a surety granted by the Issuer, securing the repayment of loans granted to Walcownia |

| | |
|-------------|--|
| | <p>Rur Jedność Sp. z o.o. by the Syndicated Banks.</p> <p>Adoption by the Issuer's Board of a resolution to increase the share capital of the Company from PLN 215,524,046 to PLN 247,025,090.</p> <p>As part of a private subscription, signing a new share subscription agreement between the Issuer and the Syndicated Banks.</p> <p>The Issuer and Autostrade S.p.A. (company established and operating under Italian laws, with its registered office in Rome, recorded in the register of companies in Rome under the number 1023691) entering into the investment agreement. Pursuant to its provisions, Autostrade S.p.A. acquired in the first place 34,159,378 of the Issuer's Series F Tranche II Shares, issued as part of the share capital increase within the limits of the authorised capital. The value of the new issue shares amounted to PLN 68,318,756.</p> <p>Adoption by the Issuer of a resolution regarding the share capital increase within the authorised capital from PLN 247,205,290 to PLN 315,524,046 by issuing Tranche II of Series F Shares with a nominal value of PLN 2 each share, depriving the Issuer's existing shareholders of pre-emptive rights to the a/m shares and their introduction to trading on the regulated market of the Warsaw Stock Exchange.</p> <p>The Issuer's joining the Italian group of companies Atlantia.</p> |
| 2007 | <p>Adoption by the General Meeting of the Issuer of a resolution regarding the increase of the share capital by way of issuing Series G Shares and amendments to the Issuer's Articles of Association.</p> <p>The Issuer selling an organised part of the undertaking (the so-called steel part) and focusing solely on activities related to the construction and operation of toll motorways and rental of office space in the office building at ul. Mickiewicza 29 in Katowice, jointly owned by the Issuer.</p> <p>Change of the Issuer's business name from "Stalexport" S.A. to "Stalexport Autostrady" S.A.</p> |
| 2011 | Adoption by the Issuer's shareholders of the decision to reduce the share capital of Stalexport Autostrady S.A. by PLN 309,077,528.75, i.e. from PLN 494,524,046.00 to PLN 185,446,517.25 by reducing the nominal value of each share by PLN 1.25 (i.e. from PLN 2.00 to PLN 0.75) to cover unsettled losses from previous years presented in the balance sheet. |
| 2013 | Adoption by the General Meeting of the Issuer of a resolution to change the registered office of the Issuer and to transfer the same from Katowice to Mysłowice. |
| 2016 | Launching A4Go electronic toll collection on the A4 Katowice-Kraków section. Stalexport Autostrada Małopolska S.A. as the first and still the only one of the three concessionaires of toll motorways in Poland to launch the above-mentioned toll collection, based on DSRC (Dedicated Short Range Communication) microwave technology. |
| 2018 | Stalexport Autostrada Małopolska S.A. starts first repayments of its liabilities under the Concession. |

Source: the Issuer

5.2. Investments

This section presents a description of the most important investments of the Issuer's Group in the period of historical financial information and in 2019 until the Prospectus Date. In accordance with the adopted accounting principles, cash flows related to the presented agreements are reflected in the consolidated statement of cash flows, in investment expenditures, under "Acquisition of intangible assets and tangible assets."

5.2.1. Description of the issuer's principal investments for each financial year in the period covered by the historical financial information until the date of the registration document.

The Issuer's Group mainly carries out investments related to the maintenance and development of technical facilities on the Group's managed section of the A4 motorway. In the years 2016-2018, investment expenditures totalled PLN 111,341,000 (PLN 39,093,000 in 2016, PLN 39,369,000 in 2017 and PLN 32,879,000 in 2018).

Below there is a description of the most important investment projects made on the managed motorway section, in its facilities, relevant to its use and to discharging obligations under the Concession Agreement.

On 14 September 2012, an agreement was signed with Autostrade Tech S.p.A. for replacement of toll collection devices. The contract value was PLN 37,850,000. As at 31 December 2018, the financial progress of the Issuer's Group under the agreement reached 100% of this amount of which PLN 870,000 related to works settled in 2016, PLN 13,296,000 related to works settled in 2017, and PLN 1,060,000 to works settled in 2018.

On 26 July 2013, an agreement was signed with a consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. for the reconstruction of the water drainage of the A4 motorway for 11 catchments in the Śląskie Voivodeship for the amount of PLN 19,803,000. The contract value was PLN 20,369,000. The agreement was 100% completed by the end of 2016 of which the amount of PLN 625,000 was settled during the last year.

On 15 June 2015, an agreement was signed with a consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. for the extension of the Myslowice node and the construction of the Rudno node with a value of PLN 21,489,000. The agreement was fully completed by the end of 2017 of which PLN 17,062,000 was settled in 2016, while PLN 1,256,000 related to works settled in 2017.

On 15 June 2015, an agreement was signed with PRI SBL-Żelbet Sp. z o.o. for the construction of acoustic screens with a value of PLN 2,229,000. The agreement was completed in 2016 of which PLN 783,000 related to works settled in 2016.

On 5 February 2016, an agreement was signed with a consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. for the replacement of the motorway surface, covering sections with a total length of 59.9 km, for the execution of bridge works related to the replacement of the surface and for the reconstruction of a part of the linear drainage in the separation zone. The contract value is PLN 44,783,000. As at 31 December 2018, the financial progress under the agreement reached PLN 43,540,000 (93% of the value of the contract) of which PLN 16,261,000 was settled in 2016, PLN 18,854,000 related to works settled in 2017, while PLN 8,425,000 related to works settled in 2018.

On 1 April 2016, an agreement was signed with a consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. for the reconstruction of the water drainage of the A4 motorway on the section located in Śląskie Voivodeship with a current value of PLN 29,833,000. The agreement provides for the reconstruction of drainage for eight catchments in the Śląskie Voivodeship. As at 31 December 2018, the financial progress under the agreement reached PLN 28,054,000 (94% of the value of the contract) of which PLN 7,448,000 was settled in 2016, PLN 15,069,000 related to works settled in 2017 and PLN 5,537,000 related to works settled in 2018.

On 11 April 2016, an agreement was signed with Przedsiębiorstwo Wodociągów i Kanalizacji Sp. z o.o. for the comprehensive overhaul and modernisation of four road penetrations with a value of PLN 1,586,000. The agreement was completed in 2016.

On 17 October 2016, an agreement was signed with WASKO S.A. for the implementation of a traffic management system with a current value of PLN 2,314,000. The agreement was completed in 2017 of which PLN 450,000 PLN related to work settled in 2016 and PLN 1,864,000 related to works settled in 2017.

On 15 March 2017, an agreement was entered into with Berger Bau Polska Sp. z o.o. for the replacement of the surface on the S1 road within the Brzęczkowice Node with a value of PLN 2,898,000. The agreement was completed in 2017.

On 22 June 2017, an agreement was signed with RE-Bau Sp. z o.o. for the construction of acoustic screens with a total value of PLN 3,350,000. The value of works settled in 2017 was PLN 235,000, while the remaining Chapter In the amount of PLN 3,115,000 was settled in 2018.

On 4 July 2017, an agreement was signed with Pavimental Polska Sp. z o.o. for the renovation of supports of the M48 bridge facility with a current value of PLN 21,552,000. As at 31 December 2018, the financial progress reached PLN 11,429,000 (53% of the value of the contract) of which PLN 2,107,000 was settled in 2017, while PLN 9,322,000 relates to works settled in 2018.

On 5 July 2017, an agreement was entered into with Przedsiębiorstwo Wodociągów i Kanalizacji Sp. z o.o. for the comprehensive modernisation of road pipe penetrations located in the motorway lane, with a value of PLN 1,967,000. The agreement was fully completed in 2017.

On 18 September 2017, an agreement was signed with Zakład Budowlano - Instalacyjny "ALFA" for the construction and extension of the Motorway Management Building with a current value of PLN 2,059,000. As at 31 December 2018, the financial progress (value of settled works) reached PLN 1,834,000 (89% of the value of the contract) of which PLN 667,000 related to works settled in 2017, and PLN 1,167,000 related to works settled in 2018.

On 7 May 2018, an agreement was concluded with Przedsiębiorstwo Wodociągów i Kanalizacji Sp. z o.o. for the comprehensive modernisation of five road penetrations with a current value of PLN 2,837,000. The agreement was fully completed in 2018.

On 7 August 2018, an agreement was entered into with Pavimental Polska Sp. z o.o. for the comprehensive modernisation of the linear drainage in the axis of the Toll Collection Square "Brzęczkowice" with a value of PLN 1,675,000. The agreement was fully completed in 2018.

The Issuer is not dependent on cooperation with Pavimental S.p.A. and Pavimental Polska Sp. z o.o., and the agreements concluded by SAM with these entities are not agreements bringing any dependence.

In the case of the agreement described above the implementation of which was commissioned to Pavimental S.p.A. and Pavimental Polska sp. z o.o. the selection of contractors took place under tenders resolved based on FIDIC rules.

In Art. 6.4 of the Registration Document, the Issuer presented the agreements concluded in the ordinary course of business which meet the adopted materiality criterion, i.e. they exceed the value of 10% of the Issuer's equity (PLN 34,946,000).

5.2.2. Description of the issuer's principal investments that are currently in progress, including geographical breakdown of these investments (domestic and foreign) and their financing method (internal or external).

The Issuer's Group currently carries out investments in Poland only. Investments are made from its own funds and loans granted under the Consortium Loan Agreement whose nominal value as at the end of 2018 amounted to PLN 77.7 m. From among the investment projects described in point 5.2.1. Chapter III of the Prospectus, the following are being currently implemented:

1. Agreement signed on 5 February 2016 with a consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. for the replacement of the motorway surface, covering sections with a total length of 59.9 km, for the execution of bridge works related to the replacement of the surface and for the reconstruction of a part of the linear drainage in the separation zone. The contract value is PLN 44,783,000, and by the end of 2018, works with a value of PLN 43,540,000 were already completed;
2. Agreement signed on 1 April 2016 with a consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. for the reconstruction of the water drainage of the A4 motorway on the section located in Śląskie Voivodship with a current value of PLN 29,833,000. The agreement provides for the reconstruction of drainage for eight catchments in the Śląskie Voivodeship. By the end of 2018, works with a value of PLN 28,054,000 were already completed;
3. Agreement entered into on 4 July 2017 with Pavimental Polska Sp. z o.o. for the renovation of supports of the M48 bridge facility with a current value of PLN 21,552,000. By the end of 2018, works with a value of PLN 11,429,000 were already completed;
4. Agreement concluded on 18 September 2017 with Zakład Budowlano - Instalacyjny "ALFA" for the construction and extension of the Motorway Management Building with a current value of PLN 2,059,000. By the end of 2018, works with a value of PLN 1,834,000 were already completed.

5.2.3. Information concerning the issuer's principal future investments for which its governing bodies have already made firm commitments.

On 21 November 2018, the Issuer's Group made a binding commitment, in the form of an agreement, with a consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o., for the renovation of bridge structures M09L and M09P and the replacement of expansion devices on the M54 facility with a value of PLN 8,694,000. The selection of the contractor was based on tender procedures.

On 4 February 2019, an agreement was concluded with Pavimental Polska Sp. z o.o. for the implementation of the contract for the replacement of surface in the years 2019-2020. The contract value is PLN 49,689,000. Under the agreement, a total of 42.4 km of the A4 Katowice-Kraków section motorway will be renovated. The selection of the contractor was based on tender procedures.

6. General information about the Issuer's business

6.1. Core business

Business activities of the Issuer's Group are currently focused on the operation and maintenance of the A4 motorway Katowice-Kraków section. Activities in this area are carried out by SAM and VIA4. In order to comply with the provisions of the Loan Agreement, the Issuer holds a dominant position in both companies through a special purpose holding company Stalexport Autoroute.

The Issuer has an overriding role in the Issuer's Group of Companies that concentrates its activities on the modernisation and expansion of the motorway infrastructure. The Company, as the first in the country, was granted a concession for the implementation of a pioneer project for operation, reconstruction and adaptation of the A4 motorway Katowice-Kraków section to the requirements of the toll motorway. In 2004, the concession was transferred to an entity established specifically for purposes of the implementation of the provisions of the Concession Agreement, i.e. Stalexport Autostrada Małopolska S.A. Since mid-2006, the Issuer's Group has been a part of an Italian capital group, Atlantia. They operate in 16 countries. They are a leader in the field of motorway electronic toll collection systems, they manage a network of approximately 14,000 km of toll motorways, including but not limited to Italy, Brazil, Chile, India and Poland, and they also manage two airports in Italy and three airports in France.

Stalexport Autostrady S.A. (the Issuer)

The Issuer manages the Polish part of the capital group, carrying out most operating activities through its subsidiaries. However, it directly runs the business of renting office space in its jointly- owned office building in Katowice and of renting parking spaces. These activities are carried out by an affiliate Biuro Centrum Sp. z o.o. which is the property manager.

STALEXPORT AUTOROUTE S.à r.l.

Stalexport Autoroute was incorporated on 30 December 2005. For SAM, to establish the entity was one of the key conditions of financial closing, meaning an effective conclusion of the long-term Loan Agreement with the bank consortium. Under the aforementioned Loan Agreement, a loan of up to PLN 380 m was secured. It was necessary to finance the investment programme for the A4 motorway Katowice-Kraków section. The entity, in order to comply with the terms of the Loan Agreement that provides financing for SAM activities, holds shares in SAM and VIA4. The only form of Stalexport Autoroute's activity is carrying out ownership duties towards SAM and VIA4, including collecting benefits (dividends) on this account.

STALEXPORT AUTOSTRADA MAŁOPOLSKA S.A.

SAM was established as a special purpose vehicle for the A4 motorway Katowice-Kraków section management project. Statutory activities of this entity includes management of motorway projects as well as any and all tasks resulting from the applicable Concession Agreement, including construction management, adaptation to the requirements of the toll motorway, and motorway operation. Pursuant to the Concession Agreement, SAM has been authorised to collect rents and tolls for the motorway section under its administration. As per the provisions of the same Concession Agreement, in exchange SAM has been obliged to maintain the motorway on a current basis and to perform necessary investment projects. On 28 December 2005, SAM obtained financing for the implementation of the planned investment programme in the amount of up to PLN 380m under the Loan Agreement entered into with the banks consortium. SAM finances its current operations with revenues from collected tolls and rents.

VIA4 S.A.

The role of VIA4 in the Issuer's Group is the operation and maintenance of the toll motorway section. This entity provides services to SAM, being its sole client, for which it receives a flat rate remuneration the amount of which depends also on the volume of the motorway traffic and on the rate of inflation. The most important tasks carried out by VIA4 include: operation of the toll collection system; motorway traffic management; maintaining the motorway infrastructure in a proper technical condition; ongoing maintenance of the entire motorway lane; winter motorway maintenance; management and consultancy regarding future overhauls and repairs of road surface as well as road standard improvement projects. VIA4 tasks in the area of road safety and road traffic are equally important. The entity provides 24-hour motorway patrols which in cooperation with the Motorway Management Centre guarantee quick detection of incidents; servicing the SOS telephone system along the motorway lane; cooperation with the police and other services in order to maintain the motorway throughput in the event of collisions, accidents or other incidents.

BIURO CENTRUM Sp. z o.o.

Core business activities of Biuro Centrum include management of, and technical services for, an office and conference centre in Katowice at ul. Mickiewicza 29 which is jointly owned by Stalexport Autostrady (40.47%) and Węglkokoks S.A. (59.53%). Biuro Centrum has modern organisational, technical and office facilities. As part of the complementary activity, it provides catering services in its own- operated "Pod wieżami" restaurant.

6.1.1 Strategy of the Issuer's Group

The development strategy of the Issuer's Group consists in the implementation of potential projects related to road infrastructure. Governmental National Road Construction Programme, as currently being implemented, creates a potential market for the Issuer and its subsidiaries which may grow in the future. Nevertheless, the road infrastructure

area is a sector strongly dependent on the state regulator. The current lack of tenders constituting projects of interest to the Issuer, as well as the possibility of their implementation under the PPP formula, is a consequence of the public party's policy in the field of road engineering and the condition of the state budget. The Issuer analyses the public party's policy on an ongoing basis and is also interested in other projects in the area of broadly understood road infrastructure. An example of such a project was a tender for the national toll collection system announced on 14 December 2016, and then annulled on 18 January 2018 by the GDNRM.

National Road Construction Programme envisages, apart from financing under the National Roads Fund, the implementation of motorway sections under the extra-budget (commercial) system, but still remaining under the control of the public party, mainly through a special purpose road vehicle. Under the original programme, the scheme was supposed to potentially include certain sections of the A1, A2 and A18 motorways. However, due to the necessity to implement the A1 Tuszyn-Częstochowa section under the financial perspective until 2023, as part of the Programme update in 2017, a decision was made to implement the same under the traditional formula, that is within the National Road Fund. But, neither the original nor the updated Programme assumes the financing of road infrastructure under the classical PPP system.

If new public tenders are announced in the area of interest, the Issuer will analyse them, and in case of positive assessment and convergence with the strategic goals of the Issuer's Group, will decide on participation in these tenders. The Company does not exclude the possibility of capital entry into some of the existing concession projects in Poland, if any of the other project participants is interested in exiting these projects or any of the consortia look for additional capital partners.

In addition, given the increasing level of public debt as well as the current budget deficit, the possibility of privatisation of infrastructure, including motorways currently managed by the public party, should not be excluded in the long term. But, this topic is not present in the public discussion at the moment.

The second element of the strategy is the internal development of the Issuer's Group which undertakes actions aimed at increasing the quality of service for motorway users by improving the toll collection system, enabling customers to diversify payment methods for using the motorway. These activities are intended to increase the throughput of toll plazas as well as to shorten transaction times. An example of such activity of the Issuer's Group was a pioneer project – among concessionaires of toll motorways in Poland – implemented in 2016 for the introduction of electronic toll collection under microwave technology (in accordance with the European Union directives) under the trade name "A4Go" (www.karta4go.pl) which makes it easier and faster than using traditional forms of payment to travel through toll plazas serviced on the A4 motorway Katowice-Kraków section. The implementation of this project was possible thanks to the experience of companies from the Atlantia group of companies, which is an internationally-leading operator in the electronic toll collection industry. Taking further advantage of this experience in 2019, the Group intends to introduce another form of payment based on the so-called video tolling.

6.1.2 Revenues of the Issuer's Group

Consolidated sales revenues of the Issuer's Group in the period of the last full financial years amounted respectively to: PLN 292,853,000 (2016), PLN 318,831,000 (2017) and PLN 336,529,000 (2018). Within the last 3 years, they increased by 28.2%, i.e. on average 8.6% per annum (CAGR).

A prevailing source of revenues of the Issuer's Group is the collection of tolls on the A4 motorway Katowice-Kraków section. In the years 2016-2018, this source represented from 98.5% to 98.8% of the total sales revenues of the Issuer's Group. This activity is carried out directly by SAM as part of the implementation of the Concession Agreement which is valid until 2027. The respective revenues were as follows:

Revenues from toll collection in the years 2016-2018 (PLN '000)

| Vehicle type | 2018 | 2017 | 2016 |
|----------------|----------------|----------------|----------------|
| Passenger cars | 222,050 | 211,027 | 199,960 |
| Trucks | 110,327 | 103,749 | 88,435 |
| Total | 332,377 | 314,776 | 288,394 |

Source: Management Report on the operations of the Issuer and the Issuer's Group of Companies

In 2018, toll collection revenues increased by 5.6% compared to 2017, while a year before they rose by 9.1%. A better growth rate was observed under toll collection revenues from trucks which in the last 2 years surged by 24.8% (2018/2016), compared to the category of passenger cars where the 2-year growth rate reached 11%. As a result, the share of trucks in this category of revenues amounted to 33.2% in 2018, as against 30.7% in 2016.

The value of toll revenues was influenced by rate changes that took place effective from 1 March 2017 (from PLN 16.5 to PLN 18 and from PLN 26.5 to PLN 30) and by average daily vehicle traffic (ADT). This indicator in the years 2016-2018 was as follows:

Average daily traffic (ADT) in the years 2016-2018

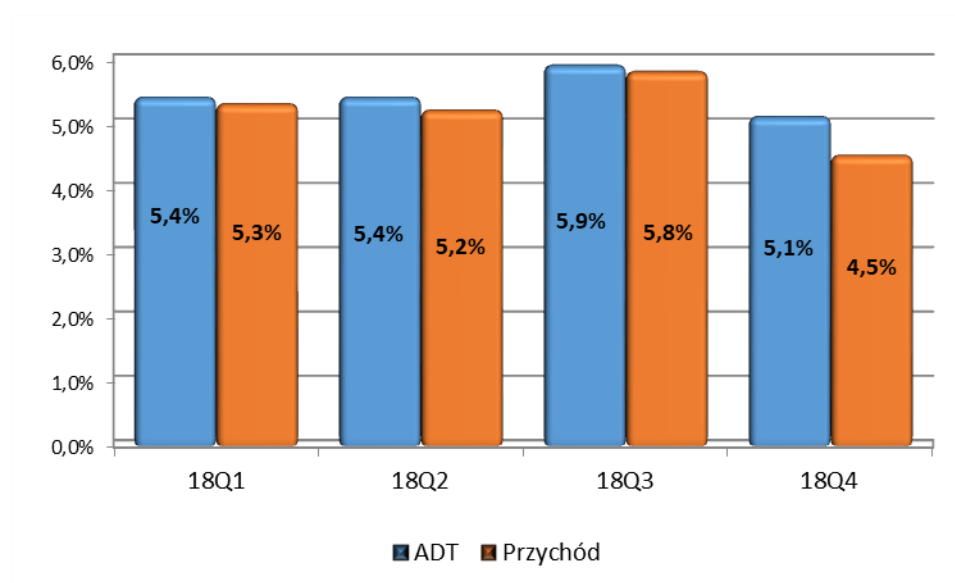
| Vehicle type | 2018 | 2017 | 2016 |
|----------------|--------|--------|--------|
| Passenger cars | 38,067 | 36,101 | 34,070 |
| Trucks | 7,231 | 6,961 | 6,610 |
| Total | 45,298 | 43,062 | 40,680 |

Source: Management Report on the operations of the Issuer and the Issuer's Group of Companies

In 2018, the average daily traffic on the A4 motorway section increased by 5.2% compared to 2017. In turn, in 2017, the average daily traffic was 5.9% higher than the traffic recorded in 2016. For passenger cars the 2-year ADT growth rate was 11.7% (2018/2016), while for trucks the rate equalled 9.4%.

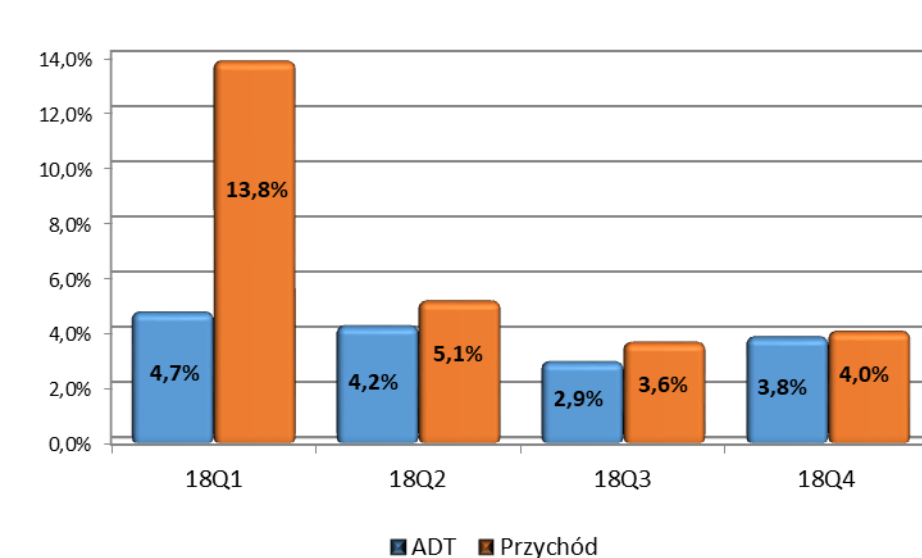
In the last full year, the growth rate of toll rates and ADT broken down into quarters were as shown in the following charts:

ADT and toll collection revenue growth rate for passenger cars in 2018 compared to 2017 (QoQ of the previous year)



Source: the Issuer

ADT and toll collection revenue growth rate for trucks in 2018 compared to 2017 (QoQ of the previous year)



Source: the Issuer

Revenues of the Issuer's Group in 1Q 2019

Consolidated sales revenues of the Issuer's Group in 1Q 2019 amounted to PLN 79,310,000, as against PLN 75,915,000 in 1Q 2018 which means an increase by 4.5%. A prevailing source of revenues of the Issuer's Group continues to be the collection of tolls on the A4 motorway Katowice-Kraków section. In 1Q 2019, this source accounted for 98.8% of total consolidated sales revenues.

Revenues from toll collection in 1Q 2019 and 1Q 2018 (PLN '000)

| Vehicle type | 1Q 2019 | 1Q 2018 |
|----------------|---------------|---------------|
| Passenger cars | 50,083 | 48,958 |
| Trucks | 28,246 | 25,963 |
| Total | 78,329 | 74,921 |

Source: Interim consolidated financial statements of the Issuer's Group for 1Q 2019

In the period under analysis, toll collection revenues from trucks disclosed a higher growth rate and increased by 8.8% in relation to 1Q 2018, as compared to the category of passenger cars in which the growth rate amounted to 2.3%.

For trucks, the value of toll collection revenues was influenced by the change in rates which took place on 1 March 2019 (from PLN 18 to PLN 20 and from PLN 30 to PLN 35 depending on the vehicle category). An important growth factor was also the growing average daily vehicle traffic (ADT).

Average daily traffic (ADT) in 1Q 2019 and 1Q 2018

| Vehicle type | 1Q 2019 | 1Q 2018 |
|----------------|---------------|---------------|
| Passenger cars | 34,889 | 34,006 |
| Trucks | 7,100 | 6,844 |
| Total | 41,989 | 40,850 |

Source: Interim consolidated financial statements of the Issuer's Group for 1Q 2019

In 1Q 2019, the average daily traffic on the A4 motorway section rose by 2.8% compared to 1Q 2018. For passenger cars, the ADT growth rate was 2.6%, while for trucks the rate was 3.7%.

Additional sales revenues

In 2018, the value of revenues from sales other than toll collection for motorway use amounted to 4,152,000. PLN, which was comparable to the previous year (PLN 4,055,000) and slightly lower than in 2016 (PLN 4,459,000). In the years 2016-2018, their value constituted from 1.52% to 1.23% of the total sales revenues of the Issuer's Group. A detailed structure of revenues is presented in the table below:

Additional sales revenues of the Issuer's Group in the years 2016-2018 (PLN '000)

| Item | 2018 | 2017 | 2016 |
|--|--------------|--------------|--------------|
| Sales revenues related to the motorway operation, including: | 902 | 820 | 1,095 |
| compensation for facilities damaged by the motorway users | 822 | 649 | 702 |
| Rental of office space and provision of IT services | 3,250 | 3,235 | 3,364 |
| Total additional sales revenues: | 4,152 | 4,055 | 4,459 |

Source: Management Report on the operations of the Issuer and the Issuer's Group of Companies

In 1Q 2019, revenues from sales other than toll collection for motorway use amounted to PLN 981,000 and were similar to the corresponding quarter of the previous year (PLN 994,000). In the analysed periods, their value represented respectively: 1.24% and 1.31% of the total sales revenues of the Issuer's Group.

Additional sales revenues of the Issuer's Group in the years 2016-2018 (PLN '000)

| Item | 1Q 2019 | 1Q 2018 |
|---|------------|------------|
| Sales revenues related to the motorway operation | 137 | 180 |
| Rental of office space and provision of IT services | 844 | 814 |
| Total additional sales revenues: | 981 | 994 |

Source: Interim consolidated financial statements of the Issuer's Group for 1Q 2019

Other operating revenues

In 2018, the Issuer's Group produced other operating revenues in the amount of PLN 10,396,000 under which the largest item were revenues from lease of traveller service areas in the amount of PLN 6,756,000. An important item was also a reimbursement of the overpaid real estate tax for the previous years in the amount of PLN 3,005,000.

In previous years, the structure of other operating revenues was similar, although their level was lower by half which was related to the settlement of overpaid real estate tax between SAM and tax authorities. Detailed summary is presented in the table below:

Consolidated other operating revenues of the Issuer's Group in the years 2016-2018 (PLN '000)

| Item | 2018 | 2017 | 2016 |
|--|---------------|--------------|--------------|
| Revenues from the lease of traveller service areas | 6,756 | 3,709 | 3,685 |
| Reimbursement of the overpaid real estate tax for previous years | 3,005 | 1,705 | 212 |
| Compensations, contractual penalties, reimbursement of fees and costs of court proceedings | 293 | 178 | 624 |
| Profit on disposal of tangible and intangible assets | 47 | - | 106 |
| Interest on trade receivables | 19 | 31 | 7 |
| Others | 276 | 303 | 283 |
| Total other operating revenues | 10,396 | 5,926 | 4,917 |

Source: Consolidated financial statements of the Issuer's Group

In 1Q 2019, the Issuer's Group produced other operating revenues in the amount of PLN 1,077,000 under which the largest item were revenues from lease of traveller service areas in the amount of PLN 642,000. In 1Q 2018, the most significant item in this category of revenues was the reimbursement of the overpaid real estate tax for previous years in the amount of PLN 3,005,000.

Consolidated other operating revenues of the Issuer's Group in the the first quarters of 2019 and 2018 (PLN '000)

| Item | 1Q 2019 | 1Q 2018 |
|--|--------------|--------------|
| Revenues from the lease of traveller service areas | 642 | 639 |
| Reimbursement of the overpaid real estate tax for previous years | 214 | 3,005 |
| Compensations, contractual penalties, reimbursement of fees and costs of court proceedings | 34 | 22 |
| Profit on disposal of tangible and intangible assets | 47 | -- |
| Interest on trade receivables | 3 | 4 |
| Others | 137 | 77 |
| Total other operating revenues | 1,077 | 3,747 |

Source: Interim consolidated financial statements of the Issuer's Group for 1Q 2019

6.2. Main markets on which the Issuer operates in the period covered by the historical financial information

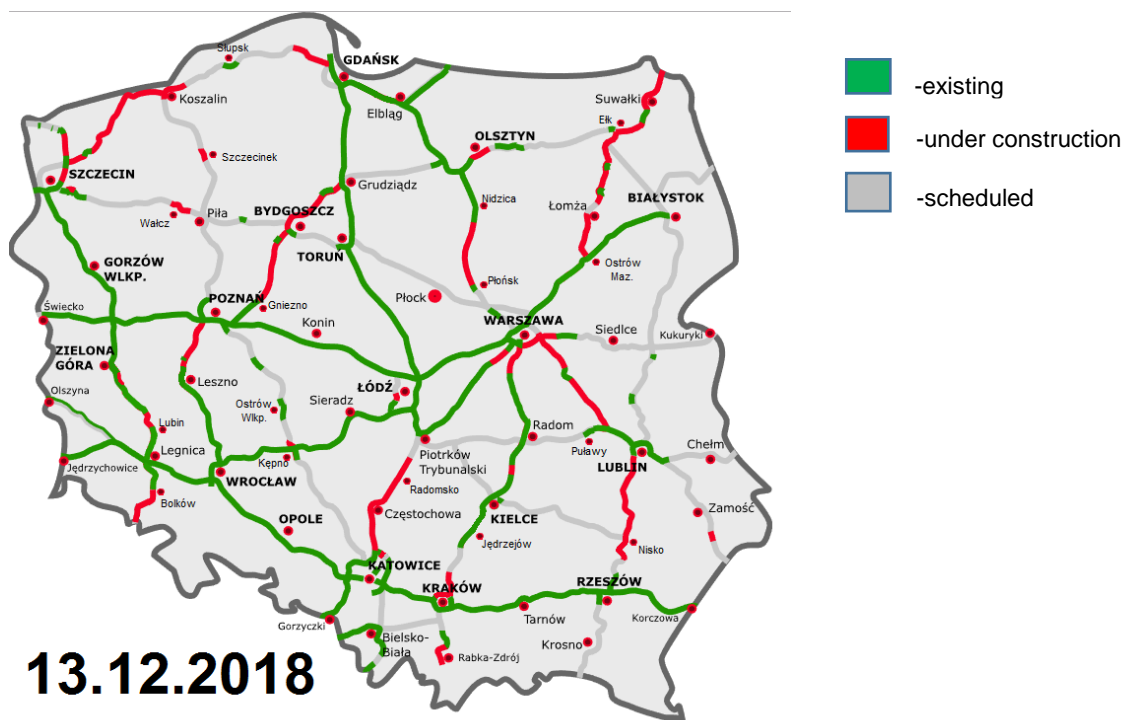
Motorway market

After the accession to the European Union in 2004 and the mobilisation of financing from the UE funds, there was a significant increase in the rate of growth of motorway construction in Poland. Although the inflow of the EU funds did not immediately trigger rapid growth in road investments, preparatory and study work were started in order to develop the necessary structure and organisation on the administration side. The construction boom only began in 2010-2011. It was the first big wave of investments in dual carriageways in Poland.

On 8 September 2015, the National Road Construction Programme (NRCP) for the years 2014-2023 (with perspective until 2025) was approved by the Council of Ministers and provided for the execution of 3,262.7 km of motorways and expressways. So far, 23 tasks with a value of over PLN 8.4bn and a length of over 273 km have been completed as part of the National Road Construction Programme for the years 2014-2023 which is 15% of all the scheduled tasks the total number of which is set at 158. 176 tender procedures were announced for construction works with a total length of 2,257.9 km. 165 agreements were signed for road construction works with a total length of 2,122.1 km and value of approx. PLN 70 bn.

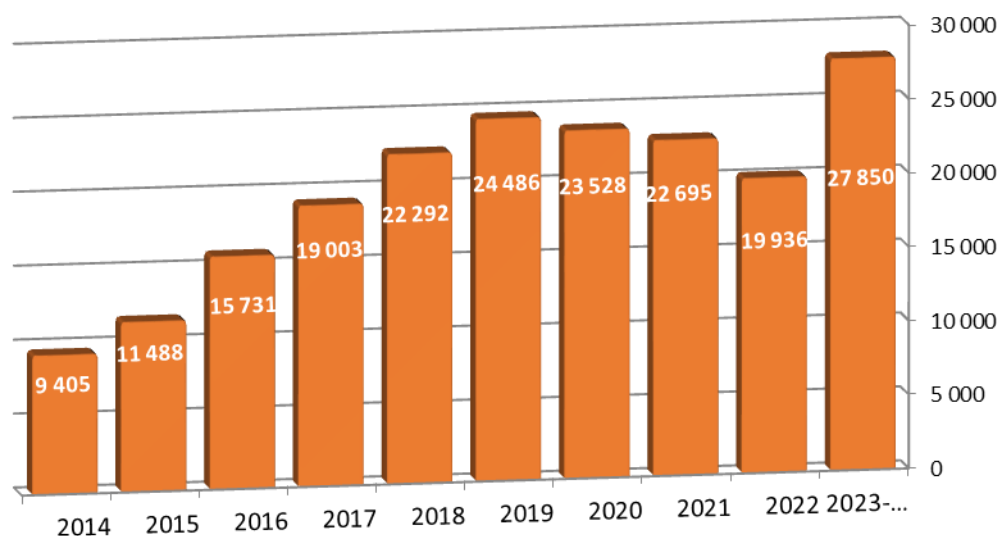
By 2017, 1,641 km of motorways and 1,611 km of expressways were commissioned, including 1,362 km of dual carriageways. In 2018, 321.4 km of new roads were put into operation. Currently, drivers have 3,730.7 km of dual carriageways, including 1,638.5 km of motorways and 2,922.2 km of expressways. Under tender procedures, there are currently 11 tasks with a total length of 119.5 km. In 2018, the General Directorate for National Roads and Motorways (GDNRM) signed 41 contracts for a total of 535.4 km and closed the year with 49 signed EU projects.

Condition of motorways and expressways in Poland as at 13 December 2018



Source: General Directorate for National Roads and Motorways

On 20 June 2017, the Council of Ministers adopted a resolution amending the financial limits of the National Road Construction Programme for 2014-2023 (with a perspective until 2025) from PLN 107 bn to PLN 135 bn. The Council of Ministers also adopted an amendment to the resolution on the establishment of a multi-annual programme for the construction of national roads which will be financed under the new limit in the form of a draft amendment to the National Road Construction Programme for 2014-2023 (with a perspective until 2025) and preparation of a separate multi-annual programme indicating tasks for the network of national roads managed by GDNRM, ensuring their adjustment to the load transfer of 11.5 t/ax, along with solutions securing its financing from the state budget.

Expenditures on national roads in the years 2014-2023 listed in the NRCP [PLN]

m]

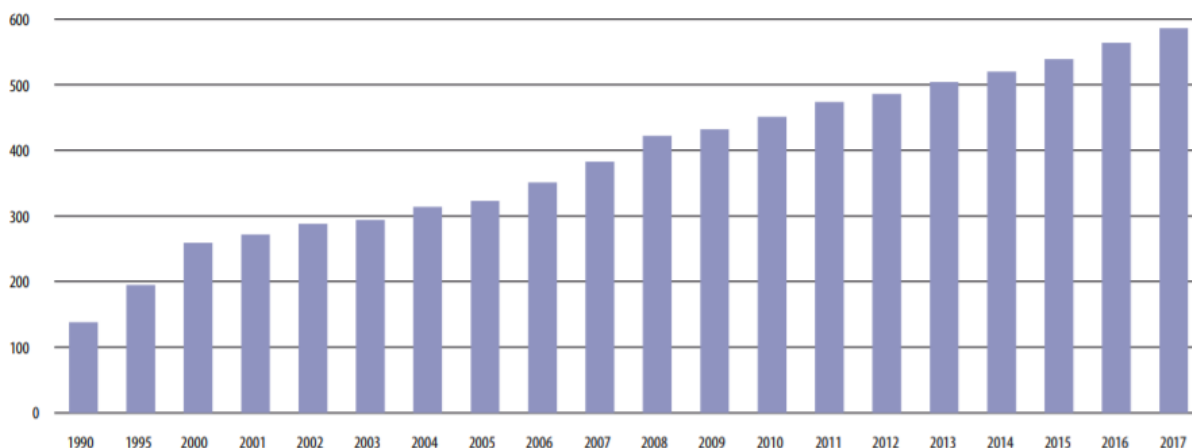
Source: Resolutions of the Council of Ministers regarding the National Road Construction Programme for 2014-2023 (with a perspective until 2025)

According to the resolution of the Council of Ministers of 12 July 2017, expenditures on road infrastructure in Poland under the “National Road Construction Programme for 2014-23 (with a perspective until 2025)” are expected to reach in the years 2017-2023/2025 respectively: PLN 19.0 bn, PLN 22.3 bn, PLN 24.5 bn, PLN 23.5 bn, PLN 22.7 bn, PLN 19.9 bn and PLN 27.9 bn.

Construction of road infrastructure is a long-term programme which in Poland, depending on the section and scope of works, is carried out from the stage of planning to execution for a period of 9-10 years. According to declarations, the government will strive for a cooperation wider than before in the process of designing and adjusting regulations so as to streamline the road construction process.

Road transport market

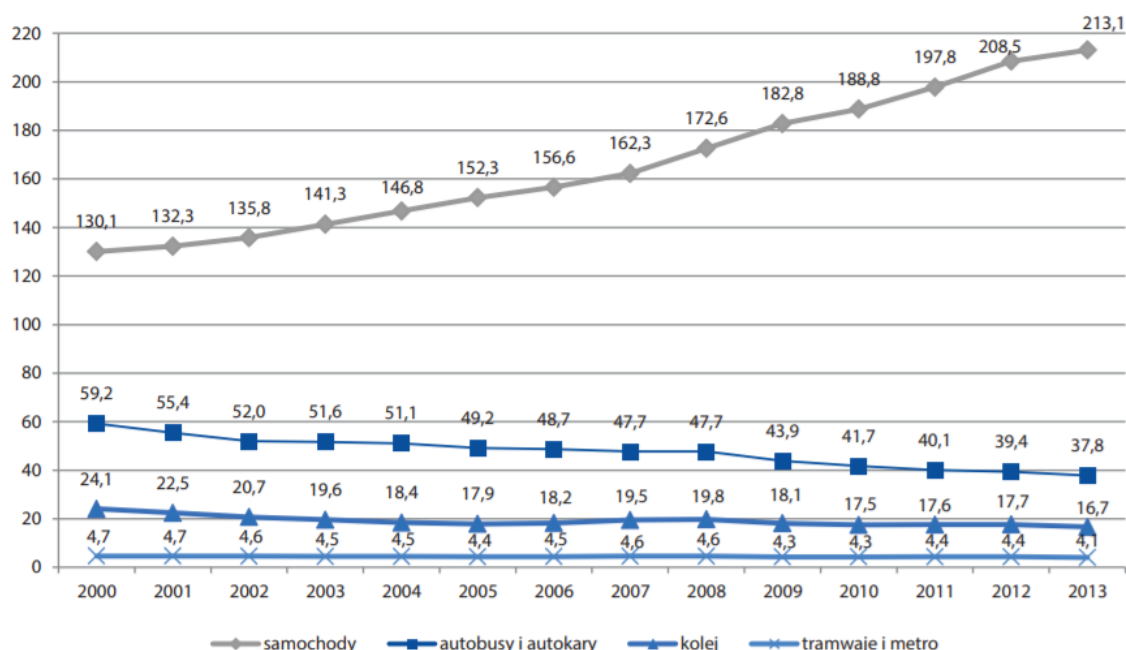
Road transport in Poland has a dominant role not only in the personal travel market, but also in the transportation of goods. Its popularity is mainly due to the possibility of fast delivery of required transport, ease of adapting the means of transport to the needs and size of the cargo, and quick “door to door” delivery without the need to reload and store the goods. In recent years, the number of passenger cars and delivery vehicles also rose significantly in Poland.

Passenger cars per 1,000 inhabitants in Poland in the years 1990-2017

Source: Transport business results in 2016, Central Statistical Office, Warsaw 2017

The number of passenger cars has been increasing from year to year. Compared to 2000, in which there were 261 cars per 1,000 inhabitants, in 2017 this number surged to 586 cars.

Transport volume in passenger transport in Poland in bn pkm (passenger km), according to Eurostat data for the years 2000-2013



Source: ORT study "Assessment of the functioning of the rail transport market and the condition of railway traffic safety in 2015"

From 2000 to 2013, the road transport volume increased by 64%. Such high rate of growth in road passenger transport resulted from an increase in the number of passenger cars. Rail transport volume recorded a slight decrease and since 2004 it has remained at a comparable level.

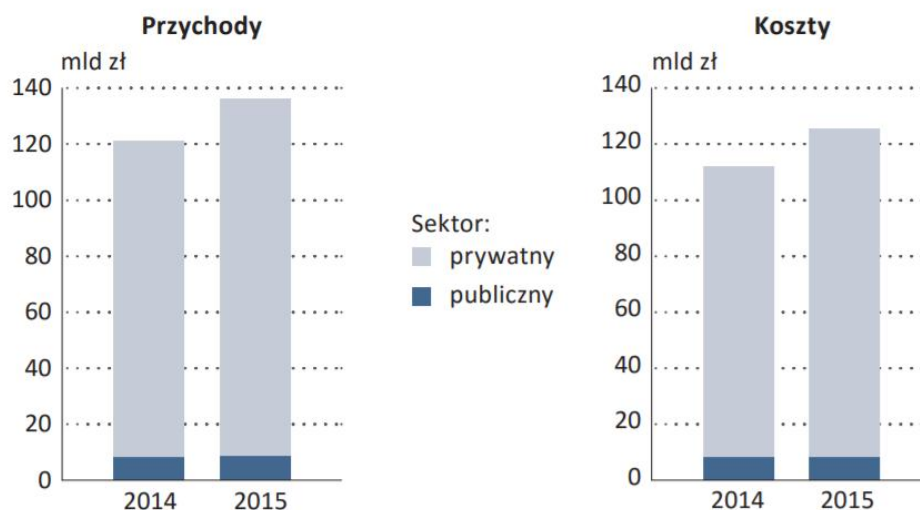
| Cargo transportation (in thousands of tons) | 2015 | Share in the total transportation | 2016 | Share in the total transportation |
|---|------------------|-----------------------------------|------------------|-----------------------------------|
| Rail transport | 224,320 | 12.44% | 222,523 | 12.12% |
| Road transport | 1,505,719 | 83.47% | 1,546,572 | 84.21% |
| Pipeline transport | 54.850 | 3.04% | 54,058 | 2.94% |
| Maritime transport | 6,963 | 0.39% | 7,248 | 0.39% |
| Inland water transport | 11,928 | 0.66% | 6,210 | 0.34% |
| Air transport | 38 | 0.00% | 41 | 0.00% |
| Total | 1,803,818 | 100.00% | 1,836,652 | 100.00% |

Source: own study based on the data of the Central Statistical Office "Transport of cargo and passengers"

The volume of goods carried in 2016 by road transport increased by 2.71% compared to 2015, and the volume of total goods transported rose by 1.82%. According to data of the CSO, the volume of road transport in 2016 increased by 43.2% compared to 2005. Cargo in Poland is mainly transported by road which accounts for 84% of total cargo transport. The second place is occupied by rail transport with around 12% of total transport. Other forms of transport, i.e.: pipeline transport, maritime transport, inland water transport and air transport, carry in aggregate about 4% of goods.

The value of the road transport market has been growing in recent years. In 2015, total revenues of entities from this sector were already very close to PLN 140 bn, and what is important, this took place with an increasing profitability which gives prospects for further development of this market.

Revenues and expenses of all road transport entities



Source: *Central Statistical Office*
<http://stat.gov.pl/obszary-tematyczne/transport-i-lacznosc/transport/transport-drogowy-w-polsce-w-latach-2014-i-2015,6,4.html>

Increasing volumes of transport and a growing popularity of passenger car travels necessitated the expansion of national roads. Since Poland's accession to the European Union, billions of zlotys have been allocated from subsidies for the development and improvement of roads. The current road network marks the main trade routes for interregional and international transport.

6.3. Extraordinary factors that had an impact on the Issuer's core business or its main markets

In the years 2016-2018 and until the Prospectus Date there were no extraordinary factors that would affect the core business or the market on which the Issuer's Group operates.

6.4. Summary of basic information on the Issuer's dependence on patents or licenses, industrial, commercial or financial contracts or new production processes

Subject to the Concession and the Concession Agreement, the Issuer is not dependent on patents or licenses, industrial, commercial or financial contracts or new production processes.

Concession of 15 March 1997 ("Concession") and the Concession Agreement of 19 September 1997, as amended by the annexes ("Concession Agreement") – concerning the construction, operation and management of the A-4 Katowice-Kraków section motorway

The Group's operations mainly include business activities related to management, construction/adaptation to the requirements of the toll motorway and operation of the A-4 Katowice-Kraków section motorway, concentrated mainly in the Issuer's subsidiary – SAM. This activity is carried out under the Concession Agreement.

On 15 March 1997, the Minister of Transport and Maritime Economy granted the Issuer a 30-year concession (counting from the date of its granting) for the construction project including adapting the A4 Katowice-Kraków section motorway to the requirements of the toll motorway and the motorway operation on this section. On 19 September 1997, the Concession Agreement was signed. It specifies in detail the rights and obligations of the Concessionaire in the scope of the project to be implemented by the latter.

On 28 July 2004, the rights and obligations arising out of the concession were transferred from the Issuer to SAM.

The decision was made pursuant to Art. 60a of the Act of 27 October 1994 on Toll Motorways and the National Road Fund.

The transfer of the concession made it possible to obtain a long-term loan on a project finance basis as it allowed to separate the risk associated with the motorway project from the risk related to the remaining activities of the Issuer.

The subject of the Concession Agreement is the implementation of the project involving the construction of the A4 toll motorway (adaptation to the requirements of the toll motorway) on the Katowice (Murckowska node, km 340.2) – Kraków

(Balice I node, km 401.1) and its operation, as well as carrying out and completion of other construction works specified therein.

The Concession Agreement was entered into for the term of the concession, i.e. 30 years ending in March 2027.

After the end of the term of the Concession Agreement, the right to use and collect benefits from any buildings and structures erected by the Concessionaire will pass to the State Treasury.

On 17 October 2005, Annex 5 to the Concession Agreement came into force. It enabled reaching the financial closing – in the form of a long-term loan from the Bank Consortium – intended to finance the necessary investment works and settlements between the Issuer and SAM resulting from the transfer of the concession to SAM.

On 3 January 2012, Annex 6 to the Concession Agreement was signed. Its purpose was to modify the scope of the Concession Agreement and limit the scope of SAM's obligations with respect to the section covering the "Murckowska" node and to stipulate that the responsibility for operation, maintenance, overhauls and for ensuring the safety of users of the aforementioned section is borne by the GDNRM.

The operator of the concession-based motorway section is the Issuer's subsidiary – VIA4 S.A.

A principal source of revenues from the implementation of the project laid down in the Concession Agreement are revenues from toll collection. During the term of the Concession Agreement, Concessionaire has the right to use and collect benefits from the motorway right-of-way. This right includes, among others, the right to demolish and remove buildings, structures, equipment, trees and crops being in the motorway lane, subject to any and all applicable laws. The Concessionaire is obliged to operate and maintain the toll motorway until the expiration or termination of the Concession Agreement which specifies the detailed scope of obligations of the Concessionaire, and to make investments involving strictly defined construction works.

The already completed stage of investment (Stage I) included, among others, construction of the toll collection system, launch of the motorway maintenance circuit in Brzęczkowice and construction of a communication and management system as well as motorway communication facilities. Further stages of the investment (Stage II) which are being, or are to be, implemented, include overhauls of bridges, extension of motorway nodes, construction of passenger service areas and works in the field of environmental protection (construction of acoustic screens, motorway drainage, construction of animal passages).

The Concession Agreement contains provisions authorising to seek damages from the State Treasury if the public party carries out activities that have a negative impact on the profitability of the A4 Katowice-Kraków project.

The Concessionaire is in turn responsible for investment risk, including in the scope of unforeseen events such as exceeding the assumed construction costs, project deficiencies, the need to carry out additional construction works, ground conditions, availability of manpower and materials.

The Concession Agreement stipulates the circumstances representing the Concessionaire's breach of the agreement (unless caused by the Minister's failure to discharge contractual obligations or a significant adverse change in circumstances or the Force Majeure) and authorising the Minister to issue a notice of intention to terminate the agreement if such breach is not cured within 60 days of the date of notification of the other party – in the event that the breach covers any payment obligation or 90 days from the notification – in the event of any other breaches of the Concession Agreement.

After the term of the Concession Agreement, the Concessionaire will be required to hand over the motorway lane in a technical condition consistent with its provisions, and the GDNRM will acquire an ownership title to the documentation related to the construction. The Minister does not bear any responsibility resulting from agreements concluded by the Concessionaire with third parties (subject to Art. 11.2 of the Agreement regarding the takeover of obligations in the scope of Traveller Service Areas by the GDNRM). The Minister is entitled to compensation from the Concessionaire if awarded by the arbitration court.

On the other hand, the Concessionaire is authorised to send a notice on the intention to terminate the agreement in the event of a substantial breach by the Minister of the obligations under the agreement, not caused by the Force Majeure which has not been repaired.

The financing of investment tasks under the Concession Agreement is secured by its own means derived from the operation of the A4 motorway (tolls) and additionally by the Loan Agreement (described in Art. 22 of the Registration Document) which provided external financing of up to PLN 380,000,000.

As part of the obligations set out in the Concession Agreement, after satisfying the conditions laid down therein, the Concessionaire was obliged to make Concession payment to the National Road Fund in the amount of PLN 222,917,000 net. They covered the repayment of the so-called subordinated debt (liabilities under the loan from the European Bank for Reconstruction and Development contracted by the State Treasury).

In 2018, SAM paid the above-mentioned liabilities.

The provisions of the Concession Agreement and the Loan Agreement condition the possibility of dividend payments to SAM shareholder(s), among others, on the completion of a particular stage of construction works, on reaching minimum values of debt service indicators and on ensuring coverage of reserve accounts in the required amount.

Toll rate changes for the A4 motorway Katowice-Kraków section are made at the SAM's request submitted to the GDNRM. Currently, toll rates are as follows:

- PLN 5 – tariff 1 with a discount for motorcyclists – for category 1 vehicles (motorcycles);
- PLN 10 – tariff 1 – for category 1 vehicles (motor vehicles with two axles);
- 20 PLN – tariff 2 with a discount – for category 2 vehicles (two-axle motor vehicles of which at least one is equipped with a twin wheel, and two-axle vehicles with trailers);
- 20 PLN – tariff 2 with a discount – for category 3 vehicles (three-axle motor vehicles and two-axle motor vehicles of which at least one is equipped with a twin wheel with trailers);
- PLN 35 – tariff 2 – for category 4 vehicles (motor vehicles with more than three axles; three-axle motor vehicles with trailers, and motor vehicles with more than three axles with trailers);
- PLN 35 – tariff 2 – for category 5 vehicles (vehicles not falling under categories from 1 to 4, and vehicles whose dimensions, axle load or weight exceed the standards set out in the road traffic regulations).

The above tolls are collected at each Toll Collection Plaza, i.e. in Mysłowice and Balice, and constitute half of the toll for the entire A4 Katowice-Kraków section.

The Issuer and its subsidiaries are parties to the following material agreements concluded in the ordinary course of business the value of which exceeds 10% of the Issuer's equity, i.e. PLN 34,946,000.

Maintenance and operation agreement concluded on 22 March 2006 between Stalexport Autostrada Małopolska S.A. and VIA4 S.A.

Agreement originally concluded in 1998 between the Issuer and VIA4 S.A., following the change of the concession operator on the A4 motorway Katowice-Kraków section, the party to the agreement in question is currently Stalexport Autostrada Małopolska S.A.

The agreement was entered into for the term of the Concession Agreement, i.e. until March 2027.

The agreement is for an ongoing operation and maintenance of the A4 toll motorway (Katowice-Kraków) carried out by VIA4 S.A., including: operation of the toll collection system; motorway traffic management; maintaining the motorway infrastructure in a proper technical condition; ongoing maintenance of the entire motorway lane; winter motorway maintenance; management and consultancy, especially regarding future overhauls and repairs of road surface as well as road standard improvement projects. In addition, under the agreement, VIA4 S.A. deals with the tasks in the area of road safety and road traffic under which it provides: 24-hour motorway patrols, which in cooperation with the Motorway Management Centre guarantee quick detection of incidents; servicing the SOS telephone system along the motorway lane; cooperation with the police and other services in order to maintain the motorway throughput in the event of collisions, accidents or other incidents.

The value of the transaction between Stalexport Autostrada Małopolska S.A. and VIA4 S.A., resulting from the agreement in question, amounted in 2018 to PLN 46,526,000.

The contractually agreed level of remuneration of VIA4 S.A. for the term of the agreement isolates in the long-term the risk of the impact of frequent changes in market prices on maintenance and operating expenses and ensures the continuity of service and operation during the multi-year implementation period of the investment project.

Toll Plaza Replacement Agreement concluded on 14 September 2012 between Stalexport Autostrada Małopolska S.A. and Autostrade Tech S.p.A. ("TPR")

The agreement was concluded after prior approval of the Financing Banks, i.e. Portigon AG (Branch in London), Raiffeisen Bank Polska S.A., FMS Wertmanagement, KfW IPEX-Bank GmbH and PEKAO S.A. with whom the Loan Agreement described in Art. 22 of the Registration Document was entered into.

The contractor for this agreement was selected based on established tender procedures. On 31 May 2012, Stalexport Autostrada Małopolska S.A. issued invitations to selected companies to submit bids. Within the prescribed period, bids of two companies were received: (i) Autostrade - Tech S.p.A. and (ii) Egis Project S.A. As a result of the works of the tender commission with the participation of the Independent Engineer, the bid from Autostrade Tech S.p.A. was selected as the best and the agreement was signed with this company.

The subject of the agreement was the replacement of toll plazas at the Balice Toll Collection Area and the Brzęczkowice Toll Collection Area, as well as providing toll plazas at four new lanes at each Toll Collection Point, added under separate agreements.

The agreement was based on the "Design and Build" formula.

The contract price, in accordance with the terms of the agreement, depended on the selection by SAM of the method for operation and interoperability between the electronic toll collection (ETC) – being a part of the TPR agreement – and the National Toll Collection System operating on the public road network remaining under administration of the GDNRM (the so-called interoperability options). Depending on the choice of interoperability option, the initial value of the agreement was between PLN 15,397,000 and PLN 15,862,000.

The net value of works settled for this agreement totalled PLN 37,850,000.

The implementation was divided into sections. Section I was completed in 2016, while in 2017 works related to Stage II were finished.

All the investment works related to the agreement were completed and settled in 2017. The period until the end of October 2018 was the Support and Maintenance Term.

Flat-rate contract with a fixed price No. HM-4-2019 “Surface replacement 2019-2020” (Contract HM-4-2019)

On 4 February 2019, SAM issued an acceptance letter for Pavimental Polska Sp. z o.o. (hereinafter referred to as: the Contractor).

The selection of the contractor was based on tender procedures. The a/m letter was tantamount to acceptance by SAM of the bid from Pavimental Polska Sp. z o.o. submitted in a tender for the execution of the Contract HM-4-2019.

The value of the Contract HM-4-2019 is PLN 49,689,014.68 net (hereinafter: Approved Net Contract Amount).

Under the Contract HM-4-2019 a total of 42.4 km of the A4 motorway on the section Katowice-Kraków will be renovated.

On the same day, an agreement for the execution of the Contract HM-4-2019 was signed by SAM and the Contractor. Its contents are in line with the model set out in the tender documents.

General Conditions for carrying out the Contract HM-4-2019 will be “Conditions of the Construction Contract for Civil Engineering Works Designed by the Awarding Party” First edition dated 1999, prepared by the Fédération Internationale des Ingénieurs-Conseils (FIDIC), copy in Polish (fourth English-Polish unchanged edition 2008). Specific Conditions of the Contract are a supplement to the General Conditions of the Contract. The General Conditions of the Contract remain binding unless the Specific Conditions of the Contract stipulate otherwise. The General Conditions of the Contract and the Specific Conditions of the Contract together constitute the Conditions of the Contract.

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

- penalty for delay – the limit of contractual penalties based on Art. 8.7 of the Conditions of the Contract is 10% of the Approved Net Contract Amount,
- penalties for failure to timely remove defects or faults in the works – the limit of contractual penalties under Art. 11.4 of the Conditions of the Contract is 10% of the Approved Net Contract Amount,
- penalties for unjustified disruptions in traffic – the limit of contractual penalties based on Art. 8.13 of the Conditions of the Contract is 2% of the Approved Net Contract Amount.

Scheduled completion date: 16 October 2020

Flat-rate contract with a fixed price No. HM-3-2016 “Surface replacement 2016-2017” (Contract HM-3-2016) between SAM and a consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. for replacing the surface on sections of the motorway with a total length of 59.88 km

The selection of the contractor was based on tender procedures. Within the prescribed period, bids of three companies were received: (i) consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. (ii) Drogomex Sp. z o.o. and (iii) Eurovia Polska S.A. As a result of the works of the tender commission with the participation of the Independent Engineer, a bid from the consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. was selected as the best. The contract was concluded for the amount of PLN 40,227,000 on 5 February 2016, and the time to perform the works provided for in the contract was 620 days from the date of their commencement, i.e. 19 February 2016.

After the mobilisation period, basic works were commenced on 4 May 2016. In total, by the end of 2018, 9 change orders were issued as a result of which the scope of works was increased and some works were postponed for completion in 2018, and the total value of the contract is PLN 45,596,000. The net value of works invoiced by the consortium under this contract amounts to PLN 43,540,000 (i.e. 93.44% of the current value of the contract) of which PLN 8,425,000 was invoiced in 2018.

The implementation of the agreement was completed on 30 April 2019.

In the opinion of the Company's Board, all the above-mentioned agreements were concluded on an arm's length basis.

In the opinion of the Company's Board, all the above-mentioned agreements were and are implemented in accordance with their provisions.

6.5. Assumptions underlying statements, declarations or communications of the Issuer regarding its competitive position

In the Prospectus, the Issuer has not made any statements, declarations or communications regarding its competitive position.

7. Organisational structure

7.1. Description of the Issuer's group and the Issuer's position within the group

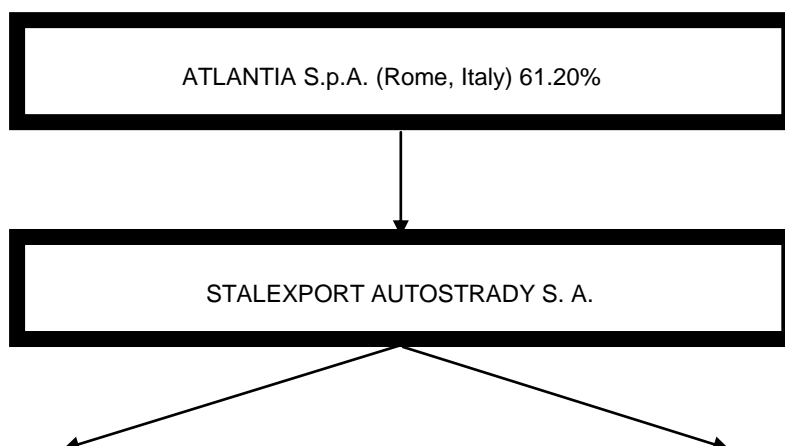
As at the Date of this Prospectus, the Issuer forms a group of companies, which includes the Issuer as the parent company and the following subsidiaries and associates:

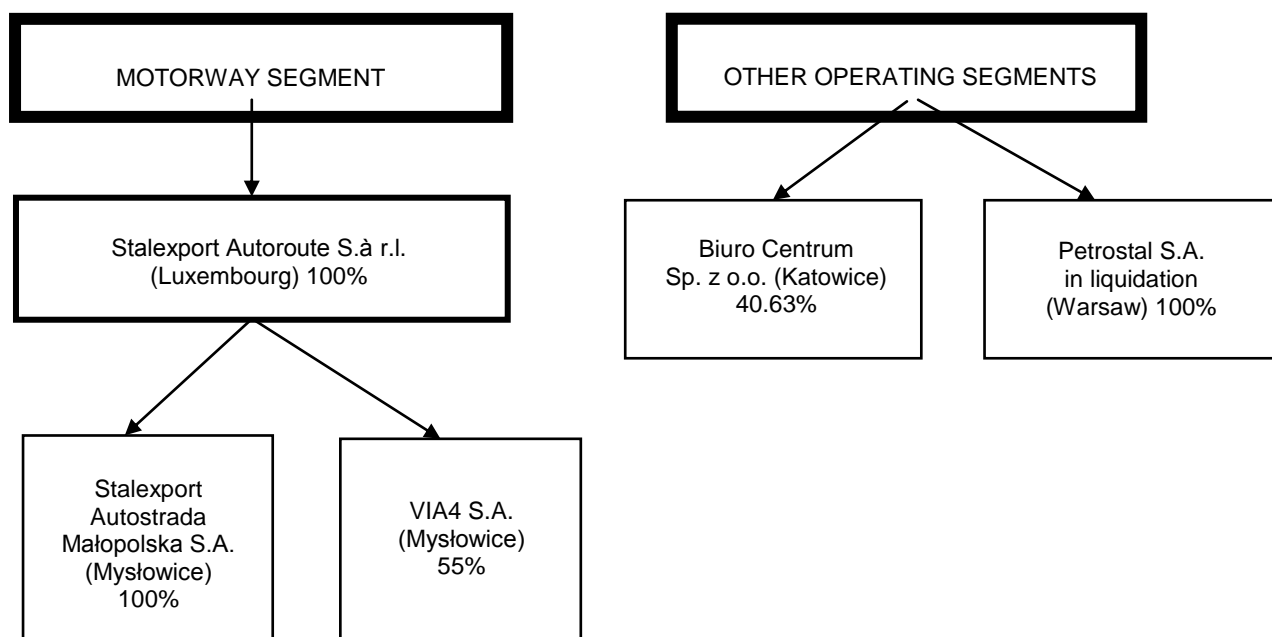
- **Stalexport Autoroute S.à r.l. with its registered office in Luxembourg** in which the Issuer holds 2,245,980 shares with a total nominal value of EUR 56,149,500, representing 100% of the company's share capital and 100% of votes at its general meeting;
- **Stalexport Autostrada Małopolska S.A. with its registered office in Mysłowice** in which the Issuer, through Stalexport Autoroute S.à r.l., holds 66,753 shares with a total nominal value of PLN 66,753,000, representing 100% of the company's share capital and 100% of votes at its general meeting;
- **VIA4 S.A. with its registered office in Mysłowice** in which the Issuer, through Stalexport Autoroute S.à r.l., holds 275 shares with a total nominal value of PLN 275,000, representing 55% of the company's share capital and 55% of votes at its general meeting;
- **Biuro Centrum Sp. z o.o. with its registered office in Katowice** in which the Issuer holds 65 shares with a total nominal value of PLN 32,500, which constitutes 40.63% of the company's share capital, and 40.63% of votes at the company's general meeting;
- **Petrostal S.A. w likwidacji with its registered office in Warsaw** in which the Issuer holds 1,367 shares with a total nominal value of PLN 2,050,500, representing 100% of the company's share and 100% of votes at its general meeting. Petrostal S.A. in liquidation is not consolidated by the Issuer.

The parent company of the Issuer is **Atlantia S.p.A. with its registered office in Rome (Italy)** which owns 151,323,463 shares of the Issuer with a total nominal value of PLN 113,492,597.25, which constitutes 61.20% of the Issuer's share capital and 61.20% of votes at the Issuer's General Meeting.

The major shareholders of Atlantia S.p.A. are Edizione Srl (30.25 %), GIC Pte. (8.14 %), Fondazione Cassa di Risparmio di Torino (5.06 %), Lazard Asset Management (5.02 %).

Below is a graphical representation of the Issuer's Group:





Source: the Issuer

7.2. List of the Issuer's significant subsidiaries

The Issuer's significant subsidiaries include Stalexport Autoroute, SAM and VIA4, due to the functions performed in the Group and the generated revenues.

8. Fixed assets

8.1. Information regarding any existing or planned material tangible assets, including leased properties, and any major encumbrances thereon

the Issuer

Information on tangible assets and investment properties, at their book value, held by the Issuer as at 31 May 2019 is presented below.

| No. | Tangible assets/Investment properties | Value (PLN '000) |
|--------------|---|------------------|
| 1. | Fixed assets | 325 |
| a) | land (including right of perpetual usufruct) | 0 |
| b) | buildings, premises, civil and water engineering structures | 15 |
| c) | plant and machinery | 0 |
| d) | vehicles | 300 |
| e) | other fixed assets | 10 |
| 2. | Construction in progress | 0 |
| 3. | Investment properties, including: | 6,780 |
| | in the form of right-of-use assets | 3,228 |
| Total | | 7,105 |

Source: the Issuer

The company does not hold any tangible assets significant for its business activity whose unit value exceeds 10% of the Issuer's equity.

In connection with the entry into force of IFRS 16 on 1 January 2019, the Issuer recognized a lease liability at the present value of remaining perpetual usufruct of land fees discounted at the Issuer's marginal interest rate. The Issuer presented

the right-of-use asset within investment properties. As at 31 May 2019, the aforementioned lease liabilities amounted to PLN 3,150,000.

Tangible assets used by the Issuer include primarily vehicles (passenger cars). Investment property includes a building property and a parking property on land in perpetual usufruct located in Katowice (including the related right of perpetual usufruct of land recognized as a right-of-use asset).

All the above mentioned fixed assets are the core assets of the Issuer.

All tangible assets of the Issuer are owned by the Issuer.

The carrying value of investment property amounts to PLN 6,780,000 (including right-of-use assets with a carrying value of PLN 3,228,000).

Under the finance leases concluded with VIA4 S.A. which deals with the operation and maintenance of the A-4 motorway at the Katowice–Kraków section, the Issuer transferred the right of use of passenger cars, trucks and special-purpose vehicles. As at 31 May 2019, finance lease receivables recognized in the amount equal to the net investment in the lease amounted to PLN 4,244,000.

The Issuer recognises assets leased out under a finance lease in the statement of financial position and presents them as receivables in the amount equal to the net investment in the lease. Within a finance lease, the Issuer transfers basically the whole risk and benefits resulting from owning an asset; therefore, the due lease payments are treated by the Issuer as the repayment of principal and financial revenues to reimburse and reward it for its investment and services.

No encumbrances were established on the Issuer's significant tangible assets (or on investment property).

The Issuer did not make any binding obligations concerning the purchase of tangible assets.

The Issuer plans to acquire new tangible assets, but only for current operations. The Issuer does not plan to make any significant purchases in this scope.

Issuer's properties

Below is a list of significant properties of the Issuer.

As at the Date of this Prospectus, the Issuer does not plan to acquire any significant new non-current assets in the form of ownership title to real property or perpetual usufruct.

Significant properties of the Issuer

| No. | Place | Area (m ²) | Land and Mortgage Register | Title | Plot number | Intended use of property | Type |
|-----|------------------------------|------------------------|----------------------------|--------------------|-------------|--------------------------|-------------------|
| 1. | Katowice, ul. Mickiewicza 29 | 9.546 | KA1K/00030094/6 | Perpetual usufruct | 2/1 | Other built-up area | Building Property |
| | | | | | 2/2 | Other built-up area | |
| | | | | | 3 | Other built-up area | |
| | | | | | 4 | Other built-up area | |
| | | | | | 5/1 | Other built-up area | |
| | | | | | 5/2 | Other built-up area | |
| 2. | Katowice, ul. Sokolska | 9.124 | KA1K/00028966/3 | Perpetual usufruct | 32/1 | Other built-up area | Parking Property |
| | | | | | 50/1 | Other built-up area | |
| | | | | | 51/4 | Other built-up area | |
| | | | | | 52/6 | Other built-up area | |

Source: the Issuer

The **Building Property** consists of plots of land No. 2/1, 2/2, 3, 4, 5/1 and 5/2 with a total area of 9,546 m² (precinct No. 0001, Śródmieście Załęże) with an office building and a car park. The building was commissioned on 9 October 1981 and has a floor area of 26,945 m². The building consists of two structurally independent tower blocks, i.e. 20-storey tower A and 18-storey tower B, a basement extended around the towers as well as parts of low and high ground floors. The property comprises 131 parking spaces at ground level next to the building and five parking spaces on the underground storey of the building.

No local zoning plan has been prepared for the area where the Building Property is located. Pursuant to Resolution No. XXI/483/12 of the Katowice City Council of 25 April 2012 on the adoption of the “Study of conditions and directions for spatial development of the city of Katowice” – II edition, the area of the Building Property is marked with the symbol CU2 – area of the central service hub. The primary types of intended use of the CU2 area are:

- services with a predominance of services important for the whole city and metropolis;
- multifunctional development;
- development of collective housing (including hotels);
- residential and service buildings.

The land is owned by the State Treasury. The perpetual usufructuaries of land and owners of buildings and the building constituting a separate property are Węgłokoks S.A. (share: 59.53%) and the Issuer (share: 40.47%). The perpetual usufruct expires on 5 December 2089.

The **Parking Property** consists of plots of land 32/1, 50/1, 51/4 and 52/6 with a total area of 9,124 m² (precinct No. 0001, Śródmieście Załęże). The property is developed primarily with a car park, and in its western part with 3 single-storey garage buildings with a total floor area of 513.06 m². There are a total of 28 separate garages in the garage buildings. The asphalt car park, on the other hand, has 185 parking spaces.

No local zoning plan has been prepared for the area where the Parking Property is located. Pursuant to Resolution No. XXI/483/12 of the Katowice City Council of 25 April 2012 on the adoption of the “Study of conditions and directions for spatial development of the city of Katowice” – II edition:

- plots of land No. 52/6 and 32/1 are marked with the symbol CU2 – area of the central service hub;
- plot of land No. 51/4 (mostly built-up with a garage building and the car park) is marked with the Zu2 symbol – area of greenery with a recreational function;
- plot of land No. 50/1 is marked in the majority with the CU2 symbol (area of the central service hub); plot of land No. 50/1 in the southern, small Chapter Is marked with the Zu1 symbol (area of greenery with a recreational function) constituting the Rawa river.

The land is owned by the State Treasury. The Issuer is the perpetual usufructuary of the land and the owner of structures and garage buildings constituting a separate property. The perpetual usufruct expires on 5 December 2089.

The eastern part of the property, which is a 770 m² two-way access road, is leased to the Angelo Hotel. The lease was concluded on 2 April 2008 for a period of 30 years, i.e. until 2 April 2038.

Lease concluded on 2 April 2008 between the Issuer (Lessor) and UBX Katowice Sp. z o.o. (Lessee)

The subject of the lease is the handing over by the Lessor to the Lessee of land located in Katowice, consisting of plots of land with registration numbers 32/1, 50/1, 51/4, 52/6, map 23, with an area of 9,124 m² and a complex of garages and a car park located on these plots of land constituting separate properties, in the scope concerning a strip of land with an area of approx. 770 m², running through plot of land No. 52/6, for use and collection of benefits. The leased object will be used by the Lessee as a two-way access road (for passenger cars at the least), in particular to provide unlimited access to the property located in Katowice at ul. Sokolska, consisting of the aforementioned plots of land.

The lease was established for a period of 30 years, i.e. until 2 April 2038.

Stalexport Autostrada Małopolska S.A.

Information on tangible assets and intangible assets at book value held by SAM as at 31 May 2019 is presented below.

| No. | Tangible assets and intangible assets | Value (PLN '000) |
|-----|---|------------------|
| 1. | Fixed assets | 22,503 |
| a) | land (including right of perpetual usufruct) | 0 |
| b) | buildings, premises, civil and water engineering structures | 6,155 |
| c) | plant and machinery | 11,825 |

| | | |
|--|--|----------------|
| d) | vehicles | 873 |
| e) | other fixed assets | 3,650 |
| 2. | Construction in progress | 218 |
| 3. | Intangible assets | 446,292 |
| a) | Concession intangible assets | 436,340 |
| b) | Other concessions, licences, computer and other software | 7,734 |
| c) | Intangible assets not commissioned for use | 2,218 |
| Total tangible assets and intangible assets | | 469,013 |

Source: the Issuer

The company does not hold any tangible assets significant for its business activity of unit value exceeding 10% of the Issuer's equity. The company holds concession intangible assets with a value of PLN 436,340,000.

The tangible assets of SAM include primarily:

- a) buildings, premises, civil and water engineering structures, including in particular:
 - barriers;
 - cables and fibre optics;
 - covers;
- b) plant and machinery, including in particular:
 - variable message boards;
 - Toll Collection System devices;
 - air-conditioning and ventilation systems;
 - servers, printers, laptops;
- c) vehicles, including in particular:
 - passenger cars;
- d) other assets, including in particular:
 - toll booths;
 - traffic measurement stations.

All the above mentioned fixed assets are the core assets of SAM.

All tangible assets of SAM are owned and used by the company itself.

During the term of the Concession Agreement, SAM has the right to use and collect benefits from the motorway right-of-way. This right includes, among others, the right to demolish and remove buildings, structures, equipment, trees and crops being in the motorway lane, subject to any and all applicable laws. In return, SAM is obliged to use and maintain the toll motorway until the expiry or termination of the Concession Agreement, and to invest in strictly defined construction works.

SAM plans to acquire new tangible assets in the future, including vehicles and toll collection equipment.

Tangible assets of SAM constituted a security for the Credit Agreement referred to in Section 22 of the Registration Document, i.e. a registered pledge on tangible assets of SAM for FM Bank PBP S.A. (currently Nest Bank S.A.) which acts as a Security Agent within the meaning of the Credit Agreement and the Concession Agreement.

The carrying amount of the pledged tangible assets of SAM as at 31 May 2019 was PLN 18,028,000.

Properties leased by Stalexport Autostrada Małopolska S.A.

SAM is a lessee of property located within the lines separating the A-4 toll motorway right-of-way in the section between Katowice (Murkowska node km 340.2) and Kraków (Balice node km 401.1) with a length of 60.9 km. The properties in question are leased from the State Treasury – under the permanent management of the General Directorate for National Roads and Motorways.

The properties are located in:

- Śląskie Voivodeship with an area of approx. 228 ha;

- Małopolskie Voivodeship with an area of approx. 319 ha.

VIA4 S.A.

Information on tangible assets at book value held by the company as at 31 May 2019 is presented below.

| No. | | Tangible assets | Right-of-use assets |
|--------------|---|------------------|---------------------|
| | | Value (PLN '000) | Value (PLN '000) |
| 1. | Fixed assets | 2,172 | 15,492 |
| a) | land (including right of perpetual usufruct) | - | - |
| b) | buildings, premises, civil and water engineering structures | 21 | 8,727 |
| c) | plant and machinery | 287 | 336 |
| d) | vehicles | 1,663 | 6,259 |
| e) | other fixed assets | 201 | 170 |
| 2. | Construction in progress | - | - |
| Total | | 2,172 | 15,492 |

Source: the Issuer

The company does not hold any fixed assets significant for its business activity, whose unit value exceeds 10% of the Issuer's equity, subject to the right to use property indicated below.

In connection with the entry into force of IFRS 16 Leasing, as at 31 January 2019 the right to use properties used by VIA4 under the lease concluded with SAM on 1 October 2001 was entered into the books. The carrying amount as at 31 May 2019 is PLN 8,727,000.

The subject of the lease concluded on 1 October 2001 by VIA4 and SAM constitutes the premises and facilities used by the lessee, i.e. VIA4 S.A., for the purposes specified in the Exploitation and Maintenance Agreement originally concluded between the Issuer and VIA4 (19 December 1998) and subsequently on 22 March 2006 between SAM and VIA4, referred to in Section 6.4 of the Registration Document of the Prospectus. These are the premises and facilities located in the office building of the Motorway Maintenance Circuit (MMC) (MMC "Brzęczkowice") and toll plazas (TP) (TP "Brzęczkowice" and TP "Balice"). Tangible assets and right-of-use assets used by the company are mostly vehicles (including in large part specialised vehicles) and plant and machinery used for winter and current maintenance of motorway infrastructure.

The core fixed assets comprise vehicles, plant and machinery with a value of PLN 8,545,000.

Auxiliary fixed assets include storage containers, room equipment, computers, office equipment worth PLN 371,000.

Own fixed assets are valued at PLN 2,172,000.

Fixed assets used on the basis of leases have a value of PLN 15,492,000.

All fixed assets of the company are used by the company itself.

Blank promissory notes were established as security on fixed assets used under leases. No encumbrances were established on other fixed assets of the company.

The company entered into binding commitments regarding the acquisition of fixed assets. In connection with the entry into force of IFRS 16 Leasing, as at 1 January 2019, a lease liability of PLN 9,192,000 was entered into the accounting books. In addition, in January 2019, a lease for vehicles worth PLN 91,000 was concluded.

The company plans to acquire new fixed assets in the future, including vehicles and motorway maintenance equipment.

Biuro Centrum Sp. z o.o.

The company does not hold any fixed assets significant for its business activity whose unit value exceeds 10% of the Issuer's equity.

Information on tangible assets at book value held by the company as at 31 May 2019 is presented below.

| No. | Tangible assets | Value (PLN '000) |
|-----|-----------------|------------------|
| 1. | Fixed assets | |

| | | |
|--------------|---|-----------|
| a) | land (including right of perpetual usufruct) | 0 |
| b) | buildings, premises, civil and water engineering structures | 0 |
| c) | plant and machinery | 55 |
| d) | vehicles | 7 |
| e) | other fixed assets | 18 |
| 2. | Construction in progress | 0 |
| Total | | 80 |

Source: the Issuer

Plant and machinery: printers, desktop and portable computers, catering equipment (electric cookers, refrigerated counters, ovens, dishwashers, ice cube maker), planer, saw, projectors, cash registers, TV set.

Vehicles: passenger cars. Other fixed assets: furniture, air conditioners, scaffolding.

All fixed assets of the company constitute its core fixed assets.

All fixed assets are owned and used by the company itself.

As at the Date of this Prospectus, all fixed assets of the company are financed with own funds.

No encumbrances were established on the fixed assets of the company.

The company did not enter into any binding commitments regarding the acquisition of fixed assets. As at the Date of this Prospectus, the company does not plan to acquire any new fixed assets.

As at the Date of this Prospectus, Stalexport Autoroute S.à r.l. does not have any fixed assets.

As at the Date of this Prospectus Petrostal S.A. in liquidation does not have any fixed assets.

As at the Date of this Prospectus, neither the Issuer nor its subsidiaries own agricultural real property within the meaning of the Act of 11 April 2003 on the Development of the Agricultural System (Journal of Laws of 2018, item 1405, as amended).

8.2. Description of any environmental issues that may affect the Issuer's utilisation of the tangible assets

The activities conducted by the Issuer and the subsidiaries of the Group, as interfering with the natural environment, are subject to environmental protection restrictions.

Stalexport Autostrada Małopolska S.A.

When managing and operating the A4 Katowice–Kraków motorway, SAM is obliged to protect waters (watercourses, rivers and streams) against pollution by hazardous substances coming from the road surface of the motorway through the construction of motorway drainage, i.e. ditches, retention reservoirs, installation of rainwater treatment devices, as well as to construct acoustic screens to ensure protection of people against excessive noise. Moreover, SAM is obliged to carry out felling of trees and bushes that threaten the safety of vehicles and to prevent, among other things, the risk of water pollution (watercourses: rivers and streams) by hazardous substances coming from the road surface of the motorway.

SAM is obliged to comply with the environmental protection requirements resulting from the following legal acts:

- Act of 27 April 2001 – Environmental Protection Law (i.e. Journal of Laws of 2018, item 799, as amended);
- Act of 20 July 2017 – Water Law (i.e. Journal of Laws of 2018, item 2268, as amended);
- Act of 16 April 2004 on Nature Protection (i.e. Journal of Laws of 2018, item 1614, as amended).

In the course of its activities, SAM is required to comply with the following administrative decisions:

1) With regard to environmental audits:

| Decision | Authority | Time-limit for implementation and comments |
|---|--|---|
| ŚR.Szy.6614-01-03-04 of 19 March 2004 | Voivode of the Małopolskie Voivodeship | 30 November 2004, extension of the time-limit |
| ŚR.III.Szy.6614/1-1/03 of 23 October 2003 | Voivode of the Małopolskie Voivodeship | supplementation |
| ŚR.III.Szy.6614/1/03 of 18 September 2003 | Voivode of the Małopolskie Voivodeship | |

Source: the Issuer

2) With regard to geology:

| Decision | Authority | Subject matter |
|--|--|---|
| OS-I.6540.9.2016.AK of 13 July 2016 | Mayor of the City of Mysłowice | approval of the geological works project for the pedestrian bridge project at TP "Brzęczkowice" |
| DGKhg-4711-1459/4348/13/AS of 30 October 2013 | Minister for the Environment | approval of geological-engineering documentation to determine geological conditions – motorway drainage |
| KAT/0234/0266/12/13687/Or of 17 December 2012 | Director of the District Mining Office in Katowice | approval of the traffic plan for the company performing geological works for the motorway drainage |
| KAT.0234.167.2013 of 14 June 2013 | Director of the District Mining Office in Katowice | approval of the traffic plan for the company performing geological works for the "Mysłowice" node |
| DGiKGgs-4710--1432/18155/13/AS of 13 May 2013 | Minister for the Environment | approval of the geological works project for the "Mysłowice" node |
| DGiKGgs-4710-1307/57670/10/AS of 1 December 2010 | Minister for the Environment | approval of the geological works project for the Rudno and Grojec rest areas |

Source: the Issuer

3) Beaver dam demolition decisions issued by the Regional Director for Environmental Protection in Kraków (not executed):

| Location of the dams | Decision | Time-limit for implementation and comments |
|----------------------|------------------------------------|--|
| 361+000 to 361+500 | WPN.6401.272.2018.TL of 9 May 2018 | 28 February 2023; in the area of Jaworzno, precinct No. 24 ul. Laskowiec |

Source: the Issuer

4) With respect to protection against excessive noise, issued by the Marshal of the Śląskie Voivodeship:

| Decision | Protection area | Time-limit for implementation and |
|----------|-----------------|-----------------------------------|
|----------|-----------------|-----------------------------------|

| | | comments |
|--|--|--|
| OS.PH.7033.00009.2012 of 29 January 2013 | Mysłowice Brzezinka | 31 December 2015, the existing screen was raised |
| OS.PH.7033.00005.2011 of 21 March 2012 Decision No. 637/OS/2012 | Jaworzno, ul. Krakowska and ul. Trzykrotek | 31 December 2015, extension of the time-limit due to the construction of the "Byczyna" node |
| OS.PH.7033.7.2015 of 21 March 2016 Decision No. 505/OS/2016 | | 31 December 2018, a part of the screen was built along the main road and the street. |
| OS-PH.7033.2.2019 of 19 April 2019 Decision No. 1120/OS/2019 | | Refusal to amend Decision 505/OS/2016 |
| OS.PH.7627-5/08 of 23 September 2009 | Jaworzno, the Jeleń district | On 31 December 2012, screen No. 32 was built. Inspection No. WIOS-KATOW 197/2017 from 29 May to 13 July 2017 on the effectiveness of the screen was completed with a positive result |

Source: the Issuer

5) With respect to felling of trees and bushes associated with contracts:

| Object | Authority issuing the decision | Decision | Felling area | Comments |
|---|-------------------------------------|--|----------------------------|--|
| Screen No. 24 | Mayor of the Zabierzów Municipality | WGK-OŚ.6131.278.2014.HW of 13 October 2014 | Balice | felling for screen No. 24 – fee for felling (paid by the contractor) |
| Rebuilding of TP Brzęczkowice | Mayor of the City of Katowice | KŚ.V.6131.1176.2011.BS of 13 February 2012 | Mysłowice | |
| Retention reservoirs in the area of TP Balice | Mayor of the Zabierzów Municipality | WGK.ROŚ-W-7635/13/10 of 24 February 2010 | Zabierzów-Balice | fee for the removal of trees |
| | | WGK.ROŚ-W-7635/13/10 of 5 October 2010 | Zabierzów-Balice | fee for the removal of trees |
| MMC Rudno | Krzeszowice City Council | ROR.TB.7635-55/05 of 18 July 2005 | Rudno | unbuilt |
| Reconstruction of TP Balice | Mayor of the Zabierzów Municipality | WGK-ROŚ.6131.234.2011.HW of 30 December 2011 | Zabierzów, Balice precinct | |

Source: the Issuer

6) With respect to felling of trees and bushes associated with the construction of drainage of the Silesian section of the A4 motorway (not completed):

| Object | Authority | Decision | Felling area | Comments |
|--|---|--|------------------------|----------|
| Drainage project for drainage basins 1 and 2 | Mayor of the City of Mysłowice | OS-I.6131.180.2015.MK of 21 September 2015 | Mysłowice | |
| Drainage project for drainage basins 1 and 2 | President of the City of Jaworzno for Mysłowice | OŚ-ŚR.6131.58.2015 of 20 May 2015 | Mysłowice Las | |
| Drainage project for drainage basin No. 5s | President of the City of Jaworzno for Mysłowice | OŚ-ŚR.6131.343.2014 of 4 September 2014 | Mysłowice Brzęczkowice | |
| Drainage | President of the City of | OŚ-ŚR.6131.340.1.2014 of 17 | Mysłowice | |

| | | | | |
|--|---|---|---------------------------------------|---|
| project for drainage basin No. 5s | Jaworzno for Myslowice | December 2014 OŚ-ŚR.6131.340.1.2014/2015 of 5 October 2015 | Brzęczkowice | |
| Drainage project for drainage basin No. 6s | President of the City of Jaworzno for Myslowice | OŚ-ŚR.6131.342.2014 of 13 November 2014 | Myslowice Brzęczkowice | |
| Drainage project for drainage basin No. 7s | President of the City of Jaworzno for Myslowice | OŚ-ŚR.6131.339.1.2014 of 16 December 2014 | Myslowice Brzęczkowice | |
| Drainage project for drainage basin No. 7s | President of the City of Jaworzno for Myslowice | OŚ-ŚR.6131.338.1.2014 of 16 December 2014 | Myslowice Brzęczkowice and Brzezinka | |
| Drainage project for drainage basin No. 8s | Mayor of the City of Myslowice | OS-I.6131.447.2016.AK of 13 January 2017 | Myslowice | |
| Drainage project for drainage basin No. 10 | Mayor of the City of Myslowice | OŚ-I.6131.503.2015.MK of 9 May 2016 OŚ-I.6131.503.2015.MK of 28 September 2016 | Myslowice Dzieckowice | |
| Drainage project of ditch R1 | President of the City of Sosnowiec for Jaworzno | WŚR.II.6131.520.2014.AP of 1 December 2014 | Jaworzno, Jeleń precinct – ditch R1 | plot of land No. 3815/48 Jeleń precinct |
| Drainage project of ditch R1 | Mayor of the City of Myslowice for Jaworzno | OS_I.6131.190.2014.MK of 10 October 2014 | Jaworzno, Jeleń precinct – ditch R1 | plot of land No. 3834/33 Jeleń precinct |
| Drainage project of ditch R1 | Mayor of the City of Jaworzno | OŚ-ŚR.6131.347.2014 of 29 September 2014 | Jaworzno, Jeleń precinct – ditch R1 | plot of land No. 3815/11, 3815/9 Jeleń precinct |
| Drainage project | Mayor of the City of Jaworzno | OŚ-ŚR.6131.544.2.2012 of 26 August 2013 | Jaworzno, Byczyna and Jeleń precincts | |
| Drainage project | Mayor of the City of Jaworzno | OŚ-ŚR.6131.544.1.2012 of 5 July 2013 | Jaworzno, Byczyna and Jeleń precincts | |
| Drainage project | Mayor of the City of Myslowice | OS-II.6131.15.2013.MP of 28 May 2013 | Myslowice Dzieckowice | |
| Drainage project | Mayor of the City of Myslowice | OS.II.6131.46.2013.MP of 30 April 2013 | Jaworzno, Jeleń precinct | |
| Drainage project | Mayor of the City of Imielin | OŚ.6131.33.2012 of 28 December 2012 | Imielin precinct | |

Source: the Issuer

With respect to tree and bush felling for safety reasons:

| Authority | Decision | Felling area | Comments |
|--------------------------------|--|----------------------------------|----------|
| City-County of Katowice | | | |
| Mayor of the City of Katowice | KŚ.V.6131.806.2012.BS of 15 October 2012 | Katowice, Myslowice Las precinct | |
| Mayor of the City of Katowice | KŚ-V.6131.743.2012.MK of 4 October 2012 | Katowice, Myslowice Las precinct | |
| Mayor of the City of Katowice | KŚ.V.6131.1008.2016.KK of 01.2017 | Katowice, Myslowice Las precinct | |
| City-County of Myslowice | | | |
| Mayor of the City of Myslowice | OS-I.6131.582.2016.AK of 13 January 2017 | Myslowice | |

| | | | |
|-----------------------------------|--|--|---------------------|
| Mayor of the City of Mysłowice | OS-I.6131.476.2016.AK of 13 January 2017 | Mysłowice | |
| Mayor of the City of Mysłowice | OS-I.6131.21.2015.BK of 30 June 2015 | Mysłowice, Las and precincts | Mysłowice Brzezinka |
| President of the City of Tychy | IKO.6131.443.2013.LB. of 13 November 2013 | Mysłowice, precinct | Brzezinka |
| City-County of Jaworzno | | | |
| Mayor of the City of Jaworzno | OŚ-ŚR.6131.494.2016 of 30 December 2016 | Jaworzno, precinct | Byczyna |
| Municipality of Imielin | | | |
| Mayor of the City of Imielin | OŚ.6131.130.2016 of 23 December 2016 | Imielin | |
| Chrzanów | | | |
| Mayor of the City of Chrzanów | GKliOŚ-ROŚ.6131.478.2016 of 12 January 2017 | Chrzanów, precinct | Chrzanów |
| Mayor of the City of Chrzanów | GKliOŚ-ROŚ.6131.387.2016 of 16 December 2016 | Chrzanów, precinct | Chrzanów |
| Mayor of the City of Chrzanów | GKliOŚ-ROŚ.6131.403.2015 of 28 January 2016 | Chrzanów, precinct | Chrzanów |
| Mayor of the City of Chrzanów | GKiOŚ.6131.156.2012 of 5 October 2012 | Chrzanów, precinct | Chrzanów |
| Trzebinia | | | |
| Mayor of the City of Trzebinia | GK-KOS.6131.475.2015 of 14 December 2015 | "Chrzanów" node | |
| Mayor of the City of Trzebinia | GK-KOS.6131.228.2012 of 30 August 2012 | refusal | |
| Commune of Alwernia | | | |
| Mayor of Alwernia Commune | OŚRG-6131.122.2012 of 19 September 2012 | Alwernia | |
| Mayor of Alwernia Municipality | Decision No. OŚRG-7635-115/2010 of 2 June 2010 | Alwernia | |
| Mayor of Alwernia Municipality | OŚPN.6131.315.2016 of 14 February 2017 | Alwernia, Nieporaz and Grojec precincts | |
| Commune of Krzeszowice | | | |
| Mayor of Krzeszowice Municipality | ROS.6131.370.2016 of 12 December 2016 | Krzeszowice, Zalas, Frywałd precincts | |
| Mayor of Krzeszowice Municipality | WOŚ.6131.203.2014 of 10 November 2014 | Krzeszowice, Zalas, Frywałd, Rudno precincts | |
| Mayor of Krzeszowice Municipality | WOŚ.6131.191.2013 of 24 October 2013 | Krzeszowice, Zalas, Frywałd precincts | |
| Mayor of Krzeszowice Municipality | WOŚ.6131.184.2012 of 3 December 2012 | Krzeszowice, Zalas, Frywałd, Rudno precincts | |
| Mayor of Krzeszowice Municipality | WOŚ.7635-137/10 of 12 January 2011 | Krzeszowice, Zalas and Frywałd precincts | |
| Liszki Municipality | | | |
| Mayor of the Liszki Municipality | ROŚ.6131.262.2016.IS of 28 November 2016 | Liszki, Morawica precinct | |
| Mayor of the Liszki Municipality | ROŚ.6131.84.2015.IS of 30 October 2015 | Liszki, Morawica precinct | |
| Mayor of the Liszki Municipality | RG.6131.205.2014.BŚ of 23 October 2014 | Liszki, Morawica precinct | |

| | | | |
|-------------------------------------|---|---|--|
| Mayor of the Liszki Municipality | RG.6131.157.2013.BŚ of 10 October 2013 | Liszki, Morawica and Chrosna precincts | |
| Mayor of the Liszki Municipality | RG.6131.162.2012.BŚ of 10 September 2012 | Liszki, Morawica precinct | |
| Mayor of the Liszki Municipality | RG.7635-131/10 of 28 June 2010 | Liszki, Chrosna and Morawica precincts | |
| Zabierzów Municipality | | | |
| Mayor of the Zabierzów Municipality | OŚ.6131.2.70.2016.JM of 1 February 2017 | Brzostkwinia and Aleksandrowice precincts | |
| Mayor of the Zabierzów Municipality | WGK-OŚ.6131.405.2015.MS of 16 October 2015 | refusal | |
| Mayor of the Zabierzów Municipality | WGK-ROŚ.6131.238.2014.HW of 16 October 2014 | Zabierzów, Aleksandrowice and Balice precincts | felling for safety reasons |
| Mayor of the Zabierzów Municipality | WGK-OŚ.6131.185.2013.HW of 3 October 2013 | Zabierzów, Brzostkwinia, Aleksandrowice, Balice precincts | extension of the time-limit for planting |
| Mayor of the Zabierzów Municipality | WGK-OŚ.6131.185.2013.HW of 21 February 2014 | Zabierzów, Brzostkwinia, Aleksandrowice, Balice precincts | extension of the time-limit for planting |
| Mayor of the Zabierzów Municipality | WGK-OŚ.6131.137.2012.HW of 31 July 2012 | Zabierzów, Brzostkwinia precinct | extension of the time-limit for planting |
| Mayor of the Zabierzów Municipality | WGK-OŚ.6131.137.2013.HW of 8 April 2013 | Zabierzów, Brzostkwinia precinct | extension of the time-limit for planting |
| Mayor of the Zabierzów Municipality | WGK-ROŚ.W-7635/105/10 of 9 September 2010 | Zabierzów, Brzostkwinia precinct | extension of the time-limit for removal of trees |
| Mayor of the Zabierzów Municipality | WGK-ROŚ.W-7635/105/10 of 5 June 2012 | Zabierzów, Brzostkwinia precinct | extension of the time-limit for removal of trees |
| Mayor of the Zabierzów Municipality | WGK.ROŚ.W-7635/220/11 of 28 October 2011 | Zabierzów, Brzostkwinia, precinct | extension of the time-limit for removal of trees |

Source: the Issuer

Pursuant to the provisions of the Water Law, SAM is subject to quarterly inspections by the Polish Waters State Water Company (PWSWC), Drainage Basins Administration in Katowice and Kraków. The inspection of water management concerns the observance of conditions established in administrative decisions issued on the basis of the Water Law. The entity carrying out the inspection charges fixed and variable fees for the quantities of rainwater and snowmelt discharged. The inspection takes place outside the premises of SAM and covers the documents delivered. Recent inspections have shown that SAM is performing its duties properly.

The register of water law permits is presented in the table below:

| Object | Kilometre of A4 motorway | Water permit | Validity period of water permit | Environmental protection – to be implemented | Comments |
|--|--|---|---------------------------------|--|---|
| Permit for special water use km 343+491L – reservoir ZB3, outlets WVIII, WVIIIp, WX, WIX to the Bolina Południowa I stream | 343+495-344+850L; 343+505-343+855PD; 344+055-345+000 PD; 344+250- | Decision No. 1928/OS/2013 of 4 September 2013. Ref. No.: OS.WS.7322.90.2013 | 4 September 2023 | Maintenance of the stream within the impact range, renovation of outlets WVIII, WX, WIX (left-hand side) by 30 June 2014 with notification and supervision of the Świętokrzyskie Melioration and Water Facilities Administration | outlets outside the right-of-way of the motorway, State Forests (SF) area |

| | | | | | |
|--|--|--|------------------|---|--|
| | 345+000P | | | (SMWFA) in Katowice (supervision performed in June 2014); monitoring of rainwater and maintenance inspections of equipment twice a year, total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below | |
| Permit for special water use km 343+490P, 343+433L – reservoir ZB4, outlets WXI, WXII to the Bolina Południowa I stream | 343+185 – 343+495P; 344343 – 345+505PD; | Decision No. 1927/OS/2013 of 3 September 2013. Ref. No.: OS.WS.7322.87.2013 | 3 September 2023 | Maintenance of the stream within the impact range, renovation of outlets WXI and WXII by 30 June 2014 with notification and supervision of SMWFA in Katowice (supervision performed in June 2014); maintenance inspections of equipment twice a year, total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below; | |
| Permit for special water use km 345+585.2 L – reservoir ZB1, outlet WI, WII, WI, WSKP-1, WVII, WOS-1 to the Bolina Południowa II stream | 345+000 – 345+545p; 344+850 – 345+589L; 345+000 – 345+597 median strip | Decision No. 1883/OS/2013 of 30 August 2013. Ref. No.: OS.WS.7322.88.2013 | 30 August 2023 | Maintenance of the stream 85 m above and 85 m below the culvert under the motorway, specialist supervision of SMWFA over works performed in period I – by 15 June and II – by 30 September; confirmed by a protocol; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below; | part of the area to the city of Katowice |
| Permit for special water use km 345+560L, 345+560P – reservoir ZB2, outlets WIII, WIV, WSKP-2, WVI, WOS-2 to the Bolina Południowa II stream | 344+900 - 345+642P; 344+850 - 345+589L | Decision No. 53/OS/2012 of 28 December 2012. Ref. No.: OS.WS.7322.222.2012 | 28 December 2022 | Maintenance of the stream 85 m above and 85 m below the culvert under the motorway, monitoring of rainwater and maintenance inspections of equipment twice a year, specialist supervision of SMWFA over works performed in period I – by 15 June and II – by 30 September; confirmed by a protocol; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below | outlets in the right-of-way of the motorway, part of the area to the city of Katowice |
| “Mysłowice” node – reconstruction of the outlet chamber of the existing retention and treatment reservoir, construction of treatment equipment and reconstruction of the rainwater sewer – special use | 345+600 – 347+500 | Decision No. 3433/OS/2012 of 13 December 2012. Ref. No.: OS.WS.7322.205.2012 | 13 December 2022 | Maintenance of the forest ditch over a length of 127 m (33 m above and 94 m below the outlet), maintenance inspections of equipment twice a year; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below; | |
| “Mysłowice” node – reconstruction of the node – construction of ditches and outlets W1, W2, W3, W4, special use of waters | 346+849 | Decision No. 284/OS/2014 of 11 February 2014. Ref. No.: OS.WS.7322.133.2013 | 11 February 2024 | Inspections of equipment at least twice a year; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below; maintenance of Nameless Stream over 80 m below the existing culvert P1 under ul Zachodnia. | Final decision of 3 March 2014. Letter from the Marshal's Office of 28 September 2015. Ref. No.: OS-WS.7322.112.2015 |
| Permit for the construction of water facilities and special use of waters STAGE I – drainage basin No. | 347+500 – 348+120 | Decision No. 2271/OS/2012 of 10 August 2012. Ref. No.: Cz.OS.WS.7322.40.2012 | 10 August 2022 | Inspection of equipment at least twice a year; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below | |

| | | | | | |
|---|-------------------|---|-------------------|--|--|
| 1 and outlet W1 to the Brzęczkowicki ditch | | | | | |
| Permit for the construction of water facilities and special use of waters STAGE II – drainage basin No. 2 and outlet W2 to the Brzęczkowicki ditch (drainage basin object No. 10) | 348+120 – 348+280 | Decision No. 2023/OS/2012 of 20 July 2012. Ref. No.: OS.Ws.7322.110.2012 | 20 July 2022 | Monitoring of water and inspection of treatment equipment twice a year; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below | Polish State Railways (PKP) – paid supervision during the works; TK Telekom – paid supervision; agreement with PKP SA; agreement with SF |
| Permit for the construction of water facilities and special use of waters STAGE I – drainage basin No. 3 and outlet W3 to the Brzęczkowicki ditch (drainage basin object No. 10) | 348+280 – 348+800 | Decision of the Regional Water Management Authority (RWMA) in Gliwice of 27 August 2012 – ref. No. NO/021-P-13/12/14267 | 27 August 2022 | Inspection of equipment twice a year, maintenance of the ditch in the outlet area and on the length of the protection, cleaning of the reservoir when the bottom layer exceeds 20 cm | Polish State Railways (PKP) – paid supervision during the works; TK Telekom – paid supervision; |
| Permit for the construction of water facilities and special use of waters STAGE I – drainage basin No. 4 and outlet W4 and W4h to the Przemsza River | 348+800 – 349+400 | Decision No. 2233/OS/2015 of 18 December 2015. Ref. No.: Cz.OS.WS.7322.62.15 | 18 December 2015 | Inspection of equipment at least twice a year, total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below, maintenance of outlets 8 m above and 12 m below, conclusion of an agreement with RWMA within one month from the completion of the outlet | |
| Permit for the construction of water facilities and special use of waters STAGE I – drainage basin No. 4 and outlet W4 and W4h to the Przemsza River | 348+800 – 349+400 | Decision No. 2709/OS/2012 of 27 September 2012. Ref. No.: OS.WS.7322.136.2012 | 27 September 2022 | Inspection of equipment at least twice a year, total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below, maintenance of outlets 8 m above and 12 m below, conclusion of an agreement with RWMA within one month from the completion of the outlet | |
| Permit for the construction of water facilities and special use of waters STAGE I – drainage basin No. 4 and outlet W4 and W4h to the Przemsza River | 348+800 – 349+400 | Decision No. 2334/OS/2012 of 10 August 2012. Ref. No.: Cz.OS.Ws.7322.48.2012 | 10 August 2022 | Inspection of equipment at least twice a year; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below | |
| Permit for the construction of water facilities and special use of waters STAGE III – drainage basin No. 7 and outlet W7, W7a to a nameless ditch | 350+673 – 351+327 | Decision No. 2386/OS/2012 of 27 August 2012. Ref. No.: OS.WS.7322.126.2012 | 27 August 2022 | Inspection of equipment at least twice a year; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below | |
| Permit for the construction of water facilities and special use of waters STAGE III – drainage basin No. 5 and outlet W5, W5a, W4e to the Przemsza River and ditch R5 (ditch next to object No. 14) | 349+400 – 350+160 | Decision No. 2709/OS/2012 of 27 September 2012. Ref. No.: OS.WS.7322.136.2012 | 27 September 2022 | Inspection of equipment at least twice a year, total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below, maintenance of outlets 8 m above and 12 m below, conclusion of an agreement with RWMA within one month from the completion of the outlet | Notification of Przemsza Drainage Basin Administration in Przeczyce seven days in advance about the commencement and completion of works |

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| Permit for the construction of water facilities and special use of waters STAGE III – drainage basin No. 6 and outlet W6 to a nameless ditch | 350+160 – 350+673 | Decision No. 2216/OS/2012 of 10 August 2012. Ref. No.: OS.WS.7322.124.2012 | 10 August 2022 | Inspection of equipment at least twice a year; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below | |
| Permit for the construction of water facilities and special use of waters STAGE III – drainage basin No. 7 and outlet W7, W7a to a nameless ditch | 350+673 – 351+327 | Decision No. 2386/OS/2012 of 27 August 2012. Ref. No.: OS.WS.7322.126.2012 | 27 August 2022 | Inspection of equipment at least twice a year; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below | |
| Water permit for TP and MMC Brzęczkowice for special use of waters – discharge of rainwater into the Przemsza River | 351+327 – 351+960 TP Brzęczkowice | Decision No. 1572/OS/2017 of 19 May 2017. Ref. No.: Cz.OS.WS.7322.6.2017 | 19 May 2027 | Maintenance inspections of equipment twice a year; maintenance of the Przemsza River bank 10 m above and 10 m below the outlet, total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below; agreement with RWMA in Gliwice with annual fee for the ground | |
| Permit to build water facilities and special use of waters STAGE III – drainage basin No. 8 and outlet W8, W8a to the Kosztowski ditch (drainage basin next to object No. 15) | 351+960 - 353+279; 353+279 - 353+473 | Decision No. 1446/OS/2013 of 28 June 2013. Ref. No.: OS.WS.7322.142.2012; decision of the National Water Management Authority (NWMA) in Warsaw of 13 September 2013 on finality | 28 June 2023 | Maintenance of the Kosztowski ditch over a length of 107 m, maintenance inspections of equipment twice a year; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below; notification of the Polish Angling Association District (PAAD) in Katowice 10 days in advance of the commencement and completion of works | Agreement with SF Katowice |
| Permit for the construction of water facilities and special use of STAGE I waters – drainage basin No. 10 and outlet W10 to the Kosztowski ditch (drainage basin at object No. 15, ul. Długa in Mysłowice) | | Decision No. 2655/OS/2014 of 11 December 2014. Ref. No.: OS-WS.7322.27.2014 (repealed Decision No. 1549/OS/2012 of 9 July 2013. Ref. No.: OS.WS.7322.117.2012) | 11 December 2024 | Maintenance of the Kosztowski ditch over a length of 40 m (5 m + 35 m), maintenance inspections of equipment twice a year; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below | Transmission easement on the TAURON SA plot and agreement with SF Katowice |
| Permit for the construction of water facilities and special use of waters STAGE II – drainage basin No. 11, reservoir ZB11 and outlet W11 to the ground – Dzieckowice | 355+480 – 356+000 | Decision No. 2413/OS/2012 of 30 August 2012. Ref. No.: OS.WS.7322.132.2012 | 30 August 2022 | Monitoring and inspection of equipment; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below | |
| Permit for the construction of water facilities and special use of waters STAGE II – drainage basin No. 12, reservoir ZB12 and outlet W12 to the motorway ditch – Imielin | 356+000 – 357+660 | Decision No. 2374/OS/2012 of 20 August 2012. Ref. No.: OS.WS.7322.128.2.2012 | 20 August 2022 | Inspection of equipment at least twice a year; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below | part of the area to the city of Imielin |
| Permit for the construction of water facilities and special use of waters STAGE I – drainage basin No. | 357+660 – 358+505 | Decision No. 2267/OS/2012 of 10 August 2012. Ref. No.: Cz.OS.WS.7322.49.2012 | 10 August 2022 | Inspection of equipment at least twice a year, maintenance of the outlets 8 m above and 12 m below, conclusion of an agreement with RWMA within | Fixed-term agreement with RWMA in Gliwice until 10 August 2022 |

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| 13, outlet W13 to the Przemsza River | | | | one month from the completion of the outlet | |
| Permit for the construction of water facilities and special use of waters STAGE II – drainage basin No. 15, outlet W15 to the Przemsza River | 358+505 – 359+200 | Decision No. 2320/OS/2012 of 17 August 2012. Ref. No.: OS.WS.7322.120.2012 | 17 August 2022 | Monitoring of rainwater. Inspection of equipment at least twice a year, total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below, maintenance of outlets 8 m above and 12 m below, conclusion of an agreement with RWMA within one month from the completion of the outlet | Fixed-term agreement with RWMA in Gliwice until 17 August 2022 |
| Permit for the construction of water facilities and special use of waters STAGE III – drainage basin No. 16, outlet W16 to a nameless ditch | 359+200 – 359+352 | Decision No. 2349/OS/2012 of 17 August 2012. Ref. No.: OS.WS.7322.129.2012 | 17 August 2022 | Inspection of equipment at least twice a year; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below | Discharge of water into a ditch on plot 3833/520 owned by the Municipal Office of Jaworzno |
| Permit for the construction of water facilities and special use of waters STAGE I – drainage basin No. 17, outlet W17 from the reservoir ZB17 to a nameless ditch | 359+352 – 360+080 | Decision No. 2332/OS/2012 of 10 August 2012. Ref. No.: Cz.OS.WS.7322.42.2012 | 10 August 2022 | Inspection of equipment at least twice a year; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below | Discharge of water into a ditch on plot 3833/520 owned by the Municipal Office of Jaworzno |
| Permit for the construction of water facilities and special use of waters STAGE I – drainage basin No. 18, outlet W18 to motorway ditch R1 | 360+080 – 360+332 | Decision No. 1571/OS/2012 of 14 June 2012. Ref. No.: OS.WS.7322.69.2012 | 14 June 2022 | Inspection of equipment at least twice a year; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below | |
| Permit for the construction of water facilities and special use of waters STAGE I – drainage basin No. 19, outlet W19 to motorway ditch R1 | 360+332 – 361+080 | Decision No. 1626/OS/2012 of 20 June 2012. Ref. No.: OS.WS.7322.70.2012 | 20 June 2022 | Measurement of rainwater quality at least twice a year. Inspection of equipment at least twice a year. Water tests at least twice a year – in spring and autumn, total suspensions of 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below | |
| Permit for the construction of water facilities and special use of waters STAGE I – drainage basin No. 20, outlet W20 to the Byczynka stream | 361+200 – 362+680 | Decision No. 2022/OS/2012 of 19 July 2012. Ref. No.: OS.WS.7322.105.2012 | 19 July 2022 | Monitoring of rainwater and inspections of equipment, total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below; specialist supervision, maintenance of the watercourse 100 m below the outlets, | Notification of PAAD in Katowice 10 days in advance of the commencement and completion of works, conditions of ŚMWFA in Katowice – participation in the committee supervising the hand-over and acceptance of the site. Site acceptance by ŚMWFA |
| Permit for the construction of water facilities and special use of waters STAGE I – drainage basin No. 20.1, outlet W20.1 to the Byczynka stream | 361+080 – 361+200 | Decision No. 1659/OS/2012 of 25 June 2012. Ref. No.: OS.WS.7322.71.2012 | 25 June 2022 | Inspection of equipment at least twice a year, total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below; expert supervision, maintenance of the watercourse 100 m below the outlets | Notification of PAAD in Katowice 10 days in advance of the commencement and completion of works, conditions of ŚMWFA in Katowice – participation in the |

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| | | | | | committee supervising the hand-over and acceptance of the site. Site acceptance by ŚMWFA |
| Permit for the construction of water facilities and special use of waters STAGE I – drainage basin No. 21, outlet W21 to a nameless ditch | 362+680 – 363+254 | Decision No. 2270/OS/2012 of 10 August 2012. Ref. No.: Cz.OS.WS.7322.39.2012 | 10 August 2022 | Inspection of equipment at least twice a year; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below. Municipal Office of Jaworzno maintenance of a ditch over a length of 1000 m | Discharge of water into a ditch on plot 3833/520 owned by the Municipal Office of Jaworzno |
| Permit for the construction of water facilities and special use of waters STAGE II – drainage basin No. 22, outlet W22 to a nameless ditch | 363+254 – 363+707 | Decision No. 2333/OS/2012 of 10 August 2012. Ref. No.: Cz.OS.WS.7322.41.2012 | 10 August 2022 | Inspection of equipment at least twice a year; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below | |
| Permits to liquidate existing facilities, i.e. the existing ground motorway ditches – drainage basin 1.1m – PACKAGE 1 | 365+739 – 366+157 | Mayor of the City of Jaworzno Decision of 15 April 15.04.2015r. Ref. No.: OŚ-ŚR.6341.11.2015 | three years after the final decision | | |
| Permit for the construction of water facilities – outlets W2 and W3 and discharge of water – drainage basin 2m – PACKAGE 1 | 367+960 to km 370+706 | Decision of 10 April 2014. Ref. No.: SR-IV.7322.1.170.2013.JR | 10 April 2024 | Outlet W2 and W3, maintenance of ditch R1 and the Luszówka stream in the area of the outlet of ditch R1, testing water flowing from the outlets twice a year during rainfall or snowmelt, inspection of the ditch twice a year, development of procedures in the event of failures or major road accidents | Notification of Małopolskie Melioration and Water Facilities Administration in Kraków, District Inspectorate in Oświęcim 14 days before the commencement of the works about the commencement and completion of the works, the original decision and appraisal present |
| Water permit to discharge treated rainwater through outlets to the Luszówka, Ropa streams, Matylda canal – Package 1 | 365+654 - 366+147,6; 365+660,63 - 365+719,28 | Starost of Chrzanów Decision of 30 June 2015. Ref. No.: OŚR.6341.11.2015.AG.3 | 15 May 2025 | Inspection of equipment at least twice a year; total suspended solids 100 mg/l and below, petroleum hydrocarbons 15 mg/l and below | |
| Permit for the construction of water facilities and discharge of waste water through outlets to the Młoszówka stream – PACKAGE 2 | 373+200 – 384+527 | Starost of Chrzanów Decision of 10 July 2017. Ref. No.: OŚR.6341.55.2016.AG.3 | 15 June 2027 | Maintenance inspections of the equipment twice a year, maintenance of the Młoszówka stream over about 150 m, ditch R17.1m to the mouth of the Chechło stream, over 50 m of the Chechło stream channel, mouth sections of the ditches to the Chechło stream, the Chechło stream channel within outlets W12m, W14m, W15m, W17.1, forest ditches over 150 m from the outlet | |

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| Permit to discharge treated rainwater from bridge No. 48 in Tataruchy into the Sanka River | 389+368 | Decision of 10 July 2017. Ref. No.: SR-IV.73322.1.121.2017 | 9 July 2027 | Outlet W1 and W2 testing water flowing from the outlets twice a year during rainfall or snowmelt, inspection of equipment twice a year | 0.65 ha |
| Permit to discharge treated rainwater from bridge No. 49 in Frywald into a forest ditch | 390+532 | Decision of 31 December 2012. Ref. No.: SR-IV.7322.1.165.2012.JR | 31 January 2023 | Outlet – testing water flowing from the outlets and inspecting equipment twice a year during rainfall or snowmelt | 0.26ha |
| Permit to discharge treated rainwater from bridge No. 54 in Morawica into the Brzoskwinka River | 397+353 | Decision of 12 July 2017. Ref. No.: SR-IV.7322.1.120.2017.WM | 30 June 2027 | Outlet W1, W2, W3, W4, W5 testing water flowing from the outlets twice a year during rainfall or snowmelt, inspection of ditch treatment equipment twice a year, sending copies of waste water test reports to the Kraków Marshall's Office once a year | 0.69 ha |
| Permit to discharge treated rainwater from bridge No. 54 in Morawica into the Brzoskwinka stream and drainage ditches | | | | | |
| Construction of the drainage system Morawica– Aleksandrowice– Balice, section from km 398+700 to 400+125; 400+721 – 401+100 reservoirs – permission for outlets W2, W3, W4 and discharge of waste water to the Olszanicki and Balicki streams | 398+700 - 400+125; 400+721 - 401+100 | Decision of PWSWC RWMA of 22 May 2018. Ref. No.: KR.RUZ.4211.46.2018.B S Decision of the President of PWSWC in Warsaw of 10 May 2019. Ref. No.: KUZ.421.200.1.2018.IG discontinuance of appeal proceedings | 30 April 2028 | W-2 area + 6064 ha Qmax.h = 144 m3/h; Qav.d = 226.3 m3/d; Qmax.y = 57,953 m3/year; W-3 area = 2.14 ha Qmax.h = 144 m3/h; Qav.d = 71.2 m3/d; Qmax.y = 18,214 m3/year; W-4 area 1.74 ha Qmax.h = 180 m3/h; Qav.d = 63.7 m3/d; Qmax.y = 16,322 m3/year | |
| Permit to discharge treated rainwater from MMC "Rudno" site into a ditch | 382+000 – 382+150 | Decision of 30 January 2017. Ref. No.: SR-IV.7322.1.286.2016.MJ | 30 January 2027 | Maintenance inspections of treatment equipment at least twice a year | 0.49 ha |
| Water permit for the construction of rainwater drainage system outlets and the discharge of rainwater from the motorway, connecting roads and a poviat road to the ground, at the "RUDNO" node | | Decision of 9 July 2014. Ref. No.: SR-IV.7322.1.77.2014.JR | 9 July 2024 | Outlet W1, W2, W2.1 – testing water flowing from the outlets twice a year during rainfall or snowmelt, inspection of treatment equipment twice a year, preparation of procedures in the event of failures, maintenance of the forest ditch over 400 m + approx. 90 m behind a culvert under a forest road (agreement with SF Krzeszowice) and a drainage ditch over approx. 67 m | Outlet W1 impervious surface – 0.859 ha, outlet W2.1 impervious surface – 0.475 ha, Agreement with SF Krzeszowice for maintenance of the ditch – indefinite term |

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| Permit to discharge treated rainwater from the TP "Balice" area through outlet W1 to a nameless watercourse in the Rudawa River catchment area | 400+380 | Decision of PWSWC RWMA of 27 April 2018. Ref. No.: KR.RUZ.4211.45.2018.B S | 30 April 2028 | Q _{max.s} = 0.14 m ³ /s; Q _{av.y} = 26,675.0 m ³ /year | 5.48 ha |
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Source: the Issuer

In the event of an environmental disaster caused by an uncontrolled leak of a hazardous substance as a result of a failure or accident involving a vehicle transporting such a substance, SAM has provided for preventive measures contained in the "Rescue Plan" developed for the A4 Katowice–Kraków motorway.

VIA4 S.A.

VIA4 is obliged to comply with environmental legislation, in particular the following laws and their implementing regulations, in the course of its business activities:

- 1) Act of 27 April 2001 – Environmental Protection Law (i.e. Journal of Laws of 2018, item 799, as amended), specifying, inter alia, the requirements concerning environmental protection, issuing permits related to the business activity of the Issuer that may have an impact on the natural environment, any fees for using the environment and the principles of civil, criminal and administrative liability for breach of environmental protection regulations;
- 2) Act of 20 July 2017 – Water Law (i.e. Journal of Laws of 2018, item 2268, as amended), specifying, inter alia, the shaping and protection of water resources, the rules of water use, the rules of sewage disposal and the rules of granting water permits;
- 3) Act of 14 December 2012 on Waste (i.e. Journal of Laws of 2018, item 992, as amended), specifying, inter alia, measures for environmental protection, prevention and reduction of the negative impact on the environment and human health resulting from the generation and management of waste;
- 4) Act of 11 May 2001 on the Obligations of Entrepreneurs with respect to the Management of Certain Wastes and the Product Fee (i.e. Journal of Laws of 2018, item 1932, as amended), determining, inter alia, the obligations related to the introduction of products into the territory of Poland, the principles of handling waste from products and the principles of determining and collecting the product fee.

In addition, in the course of its activities, VIA4 fulfils the obligations arising from the following decisions:

In the Śląskie Voivodeship:

| No. | Number of water permit – decision | Entity issuing the decision | Valid until |
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| 1 | from 25.02.2011 – collection of sewage from MMC and TP Mysłowice by the Mysłowice Municipal Water and Sewage Company (MMWSC) under an agreement between Stalexport Autostrada Małopolska and MMWSC Mysłowice | SAM, letter ref. No.: 3383/2011 of 26.05.2011 | Unlimited term refers to industrial waste water from separators at the car wash and garage workshop |
| 2 | 1572/OS/2017 of 19.05.2017 Motorway Maintenance Circuit and Toll Plaza Brzęczkowie | Marshal of the Śląskie Voivodeship | 19.05.2027 |
| 3 | 53/OS/2012 of 28.12.2012 drainage at Mysłowice node – Murckowska node | Marshal of the Śląskie Voivodeship | 28.12.2022 |
| 4 | 3433/OS/2012 of 13.12.2012 Mysłowice node | Marshal of the Śląskie Voivodeship | 13.12.2022 |
| 5 | 1928/OS/2013 of 4.09.2013 Mysłowice node – Murckowska node | Marshal of the Śląskie Voivodeship | 04.09.2023 |
| 6 | 1883/OS/2013 of 30.08.2013 Mysłowice node – Murckowska node | Marshal of the Śląskie Voivodeship | 30.08.2023 |
| 7 | 1927/OS/2013 of 3.09.2013 Mysłowice node – Murckowska node | Marshal of the Śląskie Voivodeship | 03.09.2023 |
| 8 | 2413/OS/2012 of 30.08.2012 drainage basin ZB11 | Marshal of the Śląskie Voivodeship | 30.08.2022 |
| 9 | 2374/OS/2012 of 20.08.2012 drainage basin ZB12 | Marshal of the Śląskie Voivodeship | 20.08.2022 |
| 10 | 2267/OS/2012 of 10.08.2012 drainage basin – outlet 13 | Marshal of the Śląskie Voivodeship | 10.08.2022 |
| 11 | 2320/OS/2012 of 17.08.2012 drainage basin 15 – outlet W15 | Marshal of the Śląskie Voivodeship | 17.08.2022 |

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| 12 | 2349/OS/2012 of 17.08.2012 drainage basin 16 – outlet W16 | Marshal of the Śląskie Voivodeship | 17.08.2022 |
| 13 | 2332/OS/2012 of 10.08.2012 drainage basin 17 – outlet W17 | Marshal of the Śląskie Voivodeship | 10.08.2022 |
| 14 | 1571/OS/2012 of 14.06.2012 drainage basin 18 – outlet W18 | Marshal of the Śląskie Voivodeship | 14.06.2022 |
| 15 | 1626/OS/2012 of 20.06.2012 drainage basin 19 – outlet W19 | Marshal of the Śląskie Voivodeship | 20.06.2022 |
| 16 | 1659/OS/2012 of 10.08.2012 drainage basin 20.1 – outlet W20.1 | Marshal of the Śląskie Voivodeship | 25.06.2022 |
| 17 | 2022/OS/2012 of 19.07.2012 drainage basin 20 – outlet W20 | Marshal of the Śląskie Voivodeship | 19.07.2022 |
| 18 | 2270/OS/2012 of 10.08.2012 drainage basin 21 – outlet W21 | Marshal of the Śląskie Voivodeship | 10.08.2022 |
| 19 | 2333/OS/2012 of 10.08.2012 drainage basin 22 – outlet W22 | Marshal of the Śląskie Voivodeship | 10.08.2022 |
| 20 | 284/OS/2014 of 11.02.2014 expansion of the Mysłowice node | Marshal of the Śląskie Voivodeship | 14.02.2024 |
| 21 | 2271/OS/2012 of 10.08.2012 reconstruction of the A4 drainage system – Śląskie Voivodeship – drainage basin No. 1 | Marshal of the Śląskie Voivodeship | 10.08.2022 |
| 22 | 2023/OS/2012 of 20.07.2012 reconstruction of the A4 drainage system – Śląskie Voivodeship – drainage basin No. 2 | Marshal of the Śląskie Voivodeship | 20.07.2022 |
| 23 | NO/021-P13/7/12/14267 of 27.08.2012 reconstruction of the A4 drainage system – Śląskie Voivodeship – drainage basin No. 3 | Director of the Regional Water Management Authority in Gliwice | 15.09.2022 |
| 24 | 2233/OS/2015 of 18.12.2015 reconstruction of the A4 drainage system – Śląskie Voivodeship – drainage basin No. 4 | Marshal of the Śląskie Voivodeship | 18.12.2025 |
| 25 | 2709/OS/2012 of 27.09.2012 reconstruction of the A4 drainage system – Śląskie Voivodeship – drainage basin No. 5 | Marshal of the Śląskie Voivodeship | 27.09.2022 |
| 26 | 2216/OS/2012 of 10.08.2012 reconstruction of the A4 drainage system – Śląskie Voivodeship – drainage basin No. 6 | Marshal of the Śląskie Voivodeship | 10.08.2022 |
| 27 | 2386/OS/2012 of 27.08.2012 reconstruction of the A4 drainage system – Śląskie Voivodeship – drainage basin No. 7 | Marshal of the Śląskie Voivodeship | 27.08.2022 |
| 28 | 1446/OS/2013 of 28.06.2013 reconstruction of the A4 drainage system – Śląskie Voivodeship – drainage basin No. 8 | Marshal of the Śląskie Voivodeship | 28.06.2023 |
| 29 | 2655/OS/2014 of 11.12.2014 reconstruction of the A4 drainage system – Śląskie Voivodeship – drainage basin No. 10 | Marshal of the Śląskie Voivodeship | 11.12.2024 |

Source: the Issuer

In the Małopolskie Voivodeship:

| No. | Number of water permit – decision, issued by | Entity issuing the decision | Valid until |
|-----|--|--|-------------|
| 1 | KR.RUZ.4211.45.2018.BS Reconstruction of TP Balice | POLISH WATERS State Water Company Director of the Regional Water Management Authority in Kraków | 30.04.2028 |
| 2 | ŚR-IV.7322.1.165.20.2012.JR Bridge 49 Frywałd | Marshal of the Małopolskie Voivodeship | 31.01.2023 |
| 3 | ŚR-IV.JP.7322.1.286.2016.MJ Motorway Maintenance Circuit Rudno | Marshal of the Małopolskie Voivodeship | 30.01.2027 |
| 4 | SR-IV.7322.1.121.2017.MJ Bridge 48 Tataruchy | Marshal of the Małopolskie Voivodeship | 9.07.2027 |
| 5 | SR-IV-7322.1.120.2017.WM Bridge 54 Morawica | Marshal of the Małopolskie Voivodeship | 30.06.2027 |
| 6 | KE.EUZ.4211.46.2018.BS drainage system Morawica–Aleksandrowice–Balice | POLISH WATERS State Water Company Director of the Regional Water Management Authority in Kraków | 30.04.2028 |
| 7 | SR-IV-7322.1.77.2014.JR extension of the Rudno node | Marshal of the Małopolskie Voivodeship | 9.07.2024 |

Source: the Issuer

VIA4 performs environmental protection obligations by updating the database, reporting emissions of greenhouse gases and other substances to the National Centre for Emission Balancing and Management (NCEBM). In addition, VIA4 pays environmental charges for introducing gases and dust into the air (fee for emission of exhaust fumes from vehicles, boiler rooms and transshipment of petrol and diesel) to bank accounts of the Marshal's Offices of the Małopolskie and Śląskie Voivodeships.

As an entity introducing packaged products, it has an account in the Register of entities introducing products, packaged products and managing waste (BDO).

To the best of the Issuer's knowledge, VIA4 has not been and is not subject to any proceedings resulting from the provisions of law and regulations on environmental protection, which could result in the imposition of any obligations in this respect.

As at the Date of this Prospectus, **Biuro Centrum Sp. z o.o.** holds low-value tangible assets and there are no environmental protection requirements for tangible assets.

As at the Date of this Prospectus, **Stalexport Autoroute S.à r.l.** does not hold any tangible assets, including real property. Therefore, there are no environmental protection requirements for tangible assets.

As at the Date of this Prospectus, **Petrostal S.A. in liquidation** does not hold any tangible assets, including real property. Therefore, there are no environmental protection requirements for tangible assets.

9. Operating and financial review

The operating and financial review was prepared on the basis of the consolidated financial statements of the Issuer's Group for the years 2016–2018 audited by an independent certified auditor and on the basis of the condensed interim consolidated financial statements for the period of three months ended 31 March 2019, together with comparative data which were not audited or reviewed by a certified auditor.

The consolidated financial statements of the Issuer's Group for the years 2016–2018 and interim data for 1Q 2019 were prepared in accordance with the requirements of the International Financial Reporting Standards, approved by the European Union ("EU IFRS") and other applicable regulations. EU IFRS contain all International Accounting Standards ("IAS"), International Financial Reporting Standards ("IFRS") and related interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), apart from the Standards and Interpretations that are pending approval by the European Union, as well as the Standards and Interpretations which have been approved by the European Union, but have not yet entered into force.

The interim condensed consolidated financial statement was drawn up according to the requirements of the International Financial Reporting Standard 34 Interim Financial Reporting, which was approved by the European Union and other applicable regulations. The interim condensed consolidated financial statement does not contain all information required for annual financial statements and should be analysed jointly with the Group's consolidated financial statement as at and for the financial year ended December 31, 2018.

This section should be read in conjunction with the financial data contained in Section 20 of Chapter III of this Prospectus and other information contained elsewhere in this Prospectus.

Unless otherwise indicated, the data are expressed in PLN '000, and negative values are presented in parentheses.

9.1. Financial Condition

9.1.1. Financial performance of the Issuer's Group

Consolidated financial results of the Issuer's Group in the years 2016 – 2018 (PLN '000)

| Item | 2018 | 2017 | 2016 |
|-------------------------------------|----------------|----------------|----------------|
| Sales revenues | 336,529 | 318,831 | 292,853 |
| Selling expenses | (52,198) | (70,507) | (40,854) |
| Gross profit on sales | 284,331 | 248,324 | 251,999 |
| General and administrative expenses | (48,687) | (35,845) | (33,843) |
| Other operating revenues | 10,396 | 5,926 | 4,917 |
| Other operating expenses | (3,282) | (2,047) | (286) |

| | | | |
|---|----------------|----------------|----------------|
| Reversal of loss / (loss) due to impairment of trade and other receivables | (57) | 51 | (26) |
| Profit (loss) on operating activities (EBIT) | 242,701 | 216,409 | 222,761 |
| Financial revenues | 13,661 | 12,985 | 12,331 |
| Financial expenses | (21,401) | (31,181) | (33,489) |
| Share in net profits of affiliates | 207 | 179 | 188 |
| Profit (loss) before tax | 235,168 | 198,392 | 201,791 |
| Income tax | 48,740 | (39,612) | (36,497) |
| Net profit (loss) | 186,428 | 158,780 | 165,294 |
| Net profit (loss) attributable to shareholders of the parent company | 181,136 | 153,382 | 159,563 |
| Weighted average number of ordinary shares (in units) | 247,262,023 | 247,262,023 | 247,262,023 |
| Earnings per share (PLN)* | 0.73 | 0.62 | 0.65 |

* Earnings per share for each annual period are calculated by dividing the net profit attributable to shareholders of the parent company for a given period by the weighted average number of shares outstanding in such period.

Source: Consolidated financial statements of the Issuer's Group

2016

In 2016, the Issuer's Group produced net sales revenues in the amount of PLN 292,853,000 and they were by 11.6% higher as compared to 2015. Due to the increase in revenue, gross profit on sales increased in the same period by 28%, to PLN 251,999,000, and operating profit reached PLN 222,761,000, which constituted 76.1% of sales revenue.

A key part of the sales revenues were toll collection revenues from motorway users in the amount of PLN 288,394,000 (98.5% of sales) which rose by 11.9% as compared to 2015 due to growing traffic volumes. In 2016, the average daily traffic (ADT) on the concession-based section of the A4 motorway reached 40,680 vehicles. The remaining revenue in the amount of PLN 4,937,000 came mainly from the lease of office space and related services valued at PLN 3,364,000. The detailed structure of revenue is presented in Section 6.1.2, Chapter III of the Prospectus.

Total core operating expenses of the Issuer's Group in 2016 amounted to PLN 74,697,000. Of those figures, 60% referred to amortisation and depreciation which in the period under analysis amounted to PLN 44,800,000. Their value was mainly made up of the amortisation of "concession-based intangible assets" standing at PLN 38,321,000. The item of assets under the heading "concession-based intangible assets" represents the right to collect benefits from the motorway, including the right to impose tolls and charges on its users. The remaining part of depreciation and amortization related mainly to tangible assets, including machinery and equipment, vehicles and buildings and structures. The second largest expense item were employee benefits expenses (PLN 22,513,000) which accounted for approximately 30% of the operating expenses. An important item were also other third-party services at PLN 20,223,000. In 2016, the value of core operating expenses was significantly affected by the release of provisions for replacement of motorway surface, as a result of which the said costs were reduced by PLN 22,194,000.

In 2016, the balance of other operating activity was positive and amounted to PLN 4,605,000. The most important item of this part of activity was revenue from the lease of rest areas in the amount of PLN 3,685,000.

In the analysed period, the Issuer's Group showed a negative balance of financial activity in the amount of PLN 21,158,000. Financial revenue was mostly affected by interest on deposits in the amount of PLN 12,097,000 and a surplus of foreign exchange gains in the amount of PLN 228,000. On the other hand, financial costs were decisively influenced by interest on account of the discount of the Concession Payment at PLN 11,036,000 and interest on loans and borrowings at PLN 8,764,000. In addition, significant items in the account of financial activity included the discount of provisions for investment expenditures and provisions for surface replacement, reducing profit by PLN 8,177,000, and the cost of cash flow hedges (mainly hedging against changes in interest rates on the money market) at PLN 4,713,000.

As a result of the aforementioned factors, consolidated gross profit of the Issuer's Group amounted to PLN 201,791,000, which, taking into account the income tax, resulted in a consolidated net profit of PLN 165,294,000 and net profit attributable to the shareholders of the Issuer in the amount of PLN 159,563,000.

2017

In 2017, the Issuer's Group produced net sales revenues in the amount of PLN 318,831,000 and they were by 8.9% higher as compared to 2016. Nonetheless, the gross profit on sales deteriorated in the same period by 1.5%, to PLN 248,342,000, and operating profit was by 2.9% lower, reaching PLN 216,409,000. In 2017, consolidated operating profit accounted for 67.9% of consolidated sales revenue.

Sales revenues were mostly determined by toll collection revenues from motorway users in the amount of PLN 314,776,000 (98.7% of sales) which rose by 9.3% as compared to 2016 thanks to growing traffic volumes and rises in toll rates. In 2017, the average daily traffic (ADT) on the concession-based section of the A4 motorway reached 43,062 vehicles. The remaining balance of sales revenues equal to PLN 4,055,000 came mainly from renting office space and related services in the amount of PLN 3,236,000. The detailed structure of revenues is presented in point 6.1.2, Chapter III of the Prospectus.

In 2017, operating expenses in the Issuer's Group reached PLN 106,352,000. Of those figures, 43.9% referred to amortisation and depreciation which in the period under analysis amounted to PLN 46,701,000. Just like in 2016, their value was mainly made up of the amortisation of "concession-based intangible assets" standing at PLN 40,069,000. The remaining balance of amortisation and depreciation related mainly to own tangible assets, including machinery and equipment, vehicles as well as buildings and structures. Another largest expense item were employee benefits expenses (PLN 26,800,000) which accounted for approximately 25.2% of the core operating expenses. An important item were also other third-party services standing at PLN 21,240,000, including overhaul and maintenance services (PLN 7,468,000) as well as consultancy services (PLN 3,867,000). In 2017, total core operating expenses were by 42.4% higher compared to the previous year, mainly due to the release of provisions for the replacement of motorway surface in 2016 for the amount of PLN 22,194,000.

In 2017, the balance of other operating activity was positive and reached PLN 3,930,000. The most important item of this part of activity was revenue from the lease of rest areas in the amount of PLN 3,709,000.

In the same year, the Issuer's Group showed a negative balance of financial activity in the amount of PLN 18,196,000. Financial revenue was mostly affected by interest on deposits in the amount of PLN 12,759,000. On the other hand, financial expenses were decisively influenced by interest on account of the discount of the Concession Payment of PLN 11,657,000 and interest on loans and borrowings of PLN 7,307,000. In addition, significant items in the account of financial activity included the discount of provisions for investment expenditures and provisions for surface replacement, reducing profit by PLN 8,011,000, and the cost of cash flow hedges (mainly hedging against changes in interest rates on the money market) at PLN 3,892,000.

As a result of the above mentioned factors, consolidated gross profit of the Issuer's Group amounted to PLN 198,392,000, which after adjustment for the income tax gave a consolidated net profit of PLN 158,780,000 and net profit attributable to the shareholders of the Issuer in the amount of PLN 153,382,000.

2018

In 2018, the Issuer's Group achieved a net sales revenue of PLN 336,529,000, which was higher by 5.6% as compared to the year 2017. That was one of the reasons why the gross profit on sales improved in this same period by 14.5%, to PLN 284,331,000, and operating profit was by 12.1% higher, reaching PLN 242,701,000. In 2018, consolidated operating profit accounted for 72.1% of consolidated sales revenues.

As it was the case in previous years, the value of the sales revenues included mainly toll collection revenues from motorway users in the amount of PLN 332,377,000 (98.8% of sales) which rose by 5.6% as compared to 2017 due to growing traffic volumes. In 2018, the average daily traffic (ADT) on the concession-based section of the A4 motorway reached 45,298 vehicles. The remaining balance of sales revenues equal to PLN 4,152,000 came mostly from renting office space and related services in the amount of PLN 3,250,000. The detailed structure of revenue is presented in Section 6.1.2, Chapter III of the Prospectus.

In 2018, core operating expenses in the Issuer's Group equalled PLN 100,885,000. Of those figures, 50.7% referred to amortisation and depreciation which amounted to PLN 51,185,000. Similarly to preceding periods, their value was mainly made up of the amortisation of "concession-based intangible assets" standing at PLN 43,021,000. The remaining balance of amortisation and depreciation related mainly to tangible assets, including vehicles, machinery and equipment as well as buildings and structures, licenses and software. Another largest expense item were employee benefits expenses (PLN 29,581,000) which accounted for approximately 29.3% of the operating expenses. An important item were also other third-party services standing at PLN 25,091,000, including overhaul and maintenance services (PLN 10,503,000) as well as consultancy services (PLN 4,435,000). Additionally, in 2018, the Issuer's Group incurred for the first time expenses related to "Payments to the State Treasury" (PLN 5,912,000 net), made under the Concession Agreement. In 2018, core operating expenses also incorporated revenues from the release of provisions for replacement of the motorway surface as a result of which their value decreased by PLN 23,004,000. In 2018, total core operating expenses were by 5.1% lower compared to the previous year, mainly due to the release of provisions for the replacement of motorway surface.

In 2018, the balance of other operating activity was positive at PLN 7,057,000. The most important item of this part of activity was revenues from the lease of rest areas in the amount of PLN 6,756,000.

In the discussed period, the Issuer's Group showed a negative balance of financial activity of PLN 7,740,000. Financial revenues were mostly affected by interest on deposits and financial instruments in the amount of PLN 13,432,000. On the other hand, financial expenses were decisively influenced by interest on loans and borrowings of PLN 5,297,000 and interest on account of the discount of the Concession Payment of PLN 4,560,000. In addition, significant items in the account of financial activity included the discount of provisions for investment expenditures and provisions for surface replacement, reducing profit by PLN 7,697,000, and the cost of cash flow hedges (mainly hedging against changes in interest rates on the money market) at PLN 3,017,000.

The above factors had a decisive influence on the consolidated gross profit of the Issuer's Group, which in 2018 amounted to PLN **235,168,000** and was higher in relation to the previous year by 18.5%. Consolidated net profit reached PLN **186,428,000** and net profit attributable to the Issuer's shareholders at the level of PLN 181,136,000, which means an annual growth of 18.1%.

Consolidated financial performance of the Issuer's Group in Q1 2019 and Q1 2018 (PLN '000)

| Item | 1Q 2019 (unaudited) | 1Q 2018 (unaudited) |
|---|------------------------|------------------------|
| Sales revenues | 79,310 | 75,915 |
| Selling expenses | (23,287) | (21,829) |
| Gross profit on sales | 56,023 | 54,086 |
| General and administrative expenses | (43,064) | (7,507) |
| Other operating revenues | 1,077 | 3,747 |
| Other operating expenses | (249) | (3,051) |
| Reversal of loss / (loss) due to impairment of trade and other receivables | - | (13) |
| Profit (loss) on operating activities (EBIT) | 13,787 | 47,262 |
| Financial revenues | 3,009 | 3,296 |
| Financial expenses | (4,180) | (7,340) |
| Share in net profits of affiliates | 65 | 55 |
| Profit (loss) before tax | 12,681 | 43,273 |
| Income tax | (7,650) | (8,251) |
| Net profit (loss) | 5,031 | 35,022 |
| Net profit (loss) attributable to shareholders of the parent company | 3,682 | 33,522 |
| Weighted average number of ordinary shares (in units) | 247,262,023 | 247,262,023 |
| Earnings (loss) per share (PLN)* | 0.01 | 0.14 |

* Earnings per share for each interim period are calculated by dividing the net profit attributable to shareholders of the parent company for a given period by the weighted average number of shares outstanding in such period.

Source: Interim consolidated financial statements of the Issuer's Group for 1Q 2019

In 1Q 2019, the Issuer's Group produced net sales revenues in the amount of PLN 79,310,000 and they were by 4.5% higher as compared to 1Q 2018. Those were the principal growth driver for the gross result on sales which reached PLN 56,023,000 (+3.6%). In turn, operating profit decreased to PLN 13,787,000 (-70.8%), due to a significant increase in general and administrative expenses. As in previous years, sales revenues included mainly toll collection revenues from motorway users (98.8% of sales revenues in 1Q 2019). During this period, the average daily traffic (ADT) on the concession-based section of the A4 motorway reached 41,989 vehicles. The remaining balance of sales revenues equal to PLN 981,000 came mostly from renting office space and related services in the amount of PLN 844,000.

In 1Q 2019, the core operating expenses in the Issuer's Group amounted to PLN 66,351,000 and rose by 126.2% compared to 1Q 2018, (then they reached PLN 29,336,000). An important item of operating expenses was amortisation and depreciation which equalled PLN 14,035,000 (PLN 12,945,000 in the first quarter of the previous year). Employee benefits expenses in the amount of PLN 7,623,000 also represented a major item in the structure of operating expenses (PLN 7,111,000 in the first quarter of the previous year). Other important expense items included other third-party services standing at PLN 3,604,000 (PLN 3,513,000 in the first quarter of the previous year) and expenses related to creating provisions for the replacement of surface in the amount of PLN 3,578,000 (PLN 3,660,000 in the first quarter of the previous year). However, the largest expense item in 1Q 2019 were Payments to the State Treasury at PLN 34,941,000, made under the Concession Agreement. This item did not exist in 1Q 2018 and its emergence was a principal reason for the increase in the value of general and administrative expenses in 1Q 2019.

The balance of other operating activity was positive at the level of PLN 828,000 (PLN 696,000 in Q1 2018). The most important item of this part of activity was revenue from the lease of rest areas in the amount of PLN 642,000.

In the discussed period, the Issuer's Group showed a negative balance of financial activity at PLN -1,171,000, which was significantly smaller than in the first quarter of 2018 (PLN -4,044,000). Financial revenues were mostly affected by interest on deposits and financial instruments in the amount of PLN 2,920,000 (PLN 3,250,000 in Q1 2018). On the other hand, financial expenses were significantly affected by interest on loans and borrowings in the amount of PLN 1,058,000 (PLN 1,569,000 in Q1 2018) and interest on the discount of liabilities on account of concession fees in the amount of PLN 683,000 (PLN 718,000 in Q1 2018). In addition, significant items in the account of financial activity included the discount of provisions for investment expenditures and provisions for surface replacement, reducing profit by PLN 1,627,000 (PLN 2,011,000 in Q1 2018), and the cost of cash flow hedges (mainly hedging against changes in interest rates on the money market) at PLN 628,000 (PLN 844,000 in Q1 2018). Lower financial costs in the first quarter of 2019 result mainly from the fact that the cost of the discount of the Concession Payment, which in the first quarter of 2018 amounted to PLN 2,193,000, did not occur.

The above factors had a decisive influence on the consolidated gross profit of the Issuer's Group which in the first quarter of 2019 amounted to PLN 12,681,000 and was 70.7% lower in relation to the corresponding period of the previous year. Consolidated net profit reached PLN 5,031,000 and net profit attributable to the Issuer's shareholders PLN 3,682,000.

9.1.2. Assets of the Issuer's Group

Consolidated assets of the Issuer's Group (PLN '000)

| Item | 31 December 2018 | 31 December 2017 | 31 December 2016 |
|-----------------------------|------------------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 33,663 | 36,666 | 32,080 |
| Intangible assets | 441,154 | 463,855 | 484,829 |
| Investment properties | 3,765 | 3,870 | 4,401 |
| Investments in affiliates | 1,070 | 1,034 | 1,021 |
| Other long-term investments | 419,343 | 434,147 | 447,422 |
| Deferred income tax assets | 27,353 | 69,829 | 89,983 |
| Total fixed assets | 926,348 | 1,009,401 | 1,059,736 |
| Current assets | | | |
| Inventory | 2,724 | 2,630 | 2,147 |
| Short-term investments | 1,823 | 1,403 | 1,488 |
| Income tax receivables | 18,908 | 2,560 | - |
| Trade and other receivables | 37,360 | 25,452 | 16,316 |
| Cash and cash equivalents | 333,741 | 396,900 | 366,959 |
| Total current assets | 394,556 | 428,945 | 386,910 |
| Total assets | 1,320,904 | 1,438,346 | 1,446,646 |

Source: Consolidated financial statements of the Issuer's Group for 1Q 2019

31 December 2016

Intangible assets were the largest item of consolidated non-current assets, and at the end of 2016 they were valued at PLN 484,829,000 and almost entirely comprised concession-based intangible assets. This item reflects the right to collect benefits from the A4 motorway section under concession, including the right to impose tolls on its users. The value of another significant item – other long-term investments – was PLN 447,422,000 and included cash accumulated by the Issuer's Group on deposit/reserve accounts, created in accordance with the provisions of the Concession Agreement in order to perform tasks strictly defined therein, i.e. financing of the implemented investment programme and debt service. Deferred income tax assets were another significant element of non-current assets, and their value as at the end of 2016 amounted to PLN 89,983,000. The value of tangible assets comprised primarily: buildings and structures (PLN 7,943,000), plant and machinery (PLN 10,447,000) and vehicles (PLN 8,798,000). The largest item of current assets was cash at PLN 366,959,000. Its value increased by PLN 178,952,000 in relation to 2015. Another significant current asset was trade and other receivables in the amount of PLN 16,316,000.

31 December 2017

As at 31 December 2017, the largest item of non-current assets were intangible assets. Its value was PLN 463,855,000 and almost entirely comprised concession-based intangible assets. The value of long-term investments decreased in

2017 to PLN 434,147,000. This was the result of a decrease by PLN 13,276,000 in cash accumulated by the Issuer's Group on deposit/reserve accounts. Deferred income tax assets were another significant element of non-current assets, and their value as at the end of 2017 amounted to PLN 69,829,000. The value of tangible assets comprised primarily: buildings and structures (PLN 7,382,000), plant and machinery (PLN 14,769,000) and vehicles (PLN 9,767,000). The value of current assets increased in 2017 by PLN 42,035,000. The largest item was cash at PLN 396,900,000. Other significant current assets were trade and other receivables at the level of PLN 25,452,000.

31 December 2018

As in previous years, intangible assets were the largest item of non-current assets in 2018, and their value at the end of the year amounted to PLN 441,154,000 – mainly concession-based intangible assets. The value of long-term investments decreased in 2018 to PLN 419,343,000. This was the result of a decrease by PLN 14,877,000 in cash accumulated by the Issuer's Group on deposit/reserve accounts. Deferred income tax assets were another significant element of non-current assets, and their value as at the end of 2018 amounted to PLN 27,353,000. The value of tangible assets comprised primarily: buildings and structures (PLN 6,577,000), plant and machinery (PLN 13,153,000) and vehicles (PLN 9,370,000). The value of current assets decreased at the end of 2018 by PLN 34,389,000 compared to the end of 2017. The largest item was cash – PLN 333,741,000. Other significant item on current assets was trade and other receivables at the level of PLN 37,360,000.

Consolidated assets of the Issuer's Group at the end of Q1 2019 and Q1 2018 (PLN '000)

| Item | 31 March 2019 (unaudited) | 31 March 2018 (unaudited) |
|-----------------------------|------------------------------|------------------------------|
| Fixed assets | | |
| Tangible assets | 32,391 | 35,323 |
| Intangible assets | 444,727 | 463,536 |
| Investment properties | 6,873 | 3,748 |
| Investments in affiliates | 1,135 | 1,089 |
| Other long-term investments | 418,168 | 452,391 |
| Deferred income tax assets | 29,780 | 70,982 |
| Total fixed assets | 933,074 | 1,027,069 |
| Current assets | | |
| Inventory | 2,601 | 2,304 |
| Short-term investments | 1,668 | 1,435 |
| Income tax receivables | 15,717 | 980 |
| Trade and other receivables | 20,778 | 24,305 |
| Cash and cash equivalents | 384,206 | 404,539 |
| Total current assets | 424,970 | 433,563 |
| Total assets | 1,358,044 | 1,460,632 |

Source: Interim consolidated financial statements of the Issuer's Group for 1Q 2019

Intangible assets were the largest item of non-current assets as at the end of the first quarter of 2019, and they were valued at PLN 444,727,000. These were mainly concession-based intangible assets. Long-term investments in the amount of PLN 418,168,000, i.e. mainly cash accumulated on deposit/reserve accounts, also constituted a significant item. Deferred income tax assets were another significant element of fixed assets, and their value as at the end of the first quarter of 2019 amounted to PLN 29,780,000. The value of tangible assets comprised primarily: buildings and structures (PLN 6,346,000), plant and machinery (PLN 12,642,000) and vehicles (PLN 9,018,000). The value of current assets at the end of the first quarter of 2019 amounted to PLN 424,970,000. The largest item was cash – PLN 384,206,000. Other significant current assets were trade and other receivables – PLN 20,778,000.

9.1.3. Profitability assessment – APMs

The following ratios were used to assess the profitability of the Issuer's Group:

(Gross) return on sales – gross profit on sales / sales revenues;

Operating (EBIT) margin – operating profit / sales revenues;

EBITDA margin – operating profit + depreciation and amortisation / sales revenues;

Gross profit margin – profit before tax / sales revenues;

Net profit margin – net profit / sales revenues;

Return on assets – net profit in the period / average assets in the period;

Return on equity – net profit in the period / average equity in the period.

Profitability ratios of the Issuer's Group in the years 2016–2018 (in %)

| Item | 2018 | 2017 | 2016 |
|-------------------------|-------|-------|-------|
| (Gross) return on sales | 84.5% | 77.9% | 86.0% |
| Operating (EBIT) margin | 72.1% | 67.9% | 76.1% |
| EBITDA margin | 87.3% | 82.5% | 91.4% |
| Gross profit margin | 69.9% | 62.2% | 68.9% |
| Net profit margin | 55.4% | 49.8% | 56.4% |
| Return on assets (ROA) | 13.5% | 11.0% | 11.7% |
| Return on equity (ROE) | 24.7% | 24.7% | 32.7% |

Source: Calculation of Art Capital Sp. z o.o. on the basis of consolidated financial statements of the Issuer's Group

In 2016–2018, the Issuer's Group showed very high profitability at all levels of the income statement. Sales revenues were characterised by relatively high stability and predictability, which is possible thanks to a long-term agreement for the management of a toll section of the A4 Katowice–Kraków motorway. As a result, if there are no unexpected circumstances, the Issuer's Group may adjust the planned costs and expenditures to them, especially in the conditions of possessing large cash resources and long-term loan agreements.

ROE and ROA were also stable and at a high level. In the period under discussion, the former ranged from 24.7% to 32.7%, while the latter from 11% to 13.5%.

The drop in the profitability of operating activity of the Issuer's Group to 67.9% in 2017, i.e. by over 8 percentage points in relation to the previous year, resulted mainly from the increase in the Selling expenses. This cost increased by 72.6%. At the same time, sales revenue increased by 8.9% and general and administrative expenses increased by 5.9%. In 2017, employee benefits costs increased notably by 19.0%, but the main reason for the decrease in profitability was the release of the provision for surface replacement in 2016 in the amount of PLN 22 m, which significantly increased the profitability ratios calculated for that year.

In 2018, the operating margin of the Issuer's Group increased in relation to the previous year by over four percentage points, i.e. to 72.1%. With a 5.6% increase in sales revenue, there was a 26.0% drop in selling expenses, but at the same time a 35.8% increase in general and administrative expenses. Similarly as two years earlier, in 2018 the provision for surface replacement was released, this time in the amount of PLN 23 m. The increase in profitability could have been higher, had it not been for the 18.1% increase in the cost of external services, including a 40.6% increase in the cost of repair and maintenance services and a 10.4% increase in personnel costs. Tax and other payments to the State Treasury were also significantly higher. A more detailed description of costs by type is provided in point 9.1.1. Chapter III of the Prospectus.

In 2018, gross and net profit margins were higher by approx. eight and six percentage points, respectively, compared to the previous year. Apart from an increase in the profitability of operating activities, this was also due to higher financial revenues (+5.2%) and lower financial expenses (-31.4%).

Profitability ratios of the Issuer's Group in Q1 2019 and Q1 2018 (in %)

| Item | 1Q 2019 | 1Q 2018 |
|-------------------------|---------|---------|
| (Gross) return on sales | 70.6% | 71.2% |
| Operating (EBIT) margin | 17.4% | 62.3% |

| | | |
|------------------------|-------|-------|
| EBITDA margin | 35.1% | 79.3% |
| Gross profit margin | 16.0% | 57.0% |
| Net profit margin | 6.3% | 46.1% |
| Return on assets (ROA) | 0.4% | 2.4% |
| Return on equity (ROE) | 0.6% | 4.9% |

Source: Calculation of Art Capital Sp. z o.o. on the basis of interim consolidated financial statements of the Issuer's Group

In the first quarter of 2019, the operating margin of the Issuer's Group decreased in comparison to the first quarter of 2018. With a 4.5% increase in sales revenue, there was a 6.7% increase in the Selling expenses and a 473.7% increase in general and administrative expenses. The surge in the last mentioned cost item resulted from the previously absent Payments to the State Treasury in the amount of PLN 34,941,000, which constituted 81.1% of general and administrative expenses. This had a significant impact on the consolidated financial profit, and consequently on the profitability of the Issuer's Group. A more detailed description of costs by type is provided in Section 9.1.1. Chapter III of the Prospectus.

Rules for calculating and grounds for the Issuer's application of profitability ratios in the form of APMs, in accordance with ESMA's guidelines:

Gross return on sales = gross profit on sales / sales revenues

Gross return on sales shows the profitability of company's sales revenues, taking into account the direct costs incurred to generate the revenue. The growing value of gross return on sales in the analysed period translates into higher efficiency of the company's operations. Gross return on sales is a standard measure used in financial analysis and for this reason the Issuer's Group decided to use it in the Prospectus.

Operating (EBIT) margin = operating profit / sales revenues

The operating (EBIT) margin covers activity measured by gross return on sales, taking into account indirect tax deductible costs and other operating activity. A higher value of the indicator means higher operating efficiency of the company's activities. EBIT margin is commonly used to benchmark a company against competitors. EBIT margin is a standard measure used in financial analysis and for this reason the Issuer's Group decided to use it in the Prospectus.

EBITDA margin – operating profit plus depreciation and amortisation / sales revenue

The EBITDA margin reflects a company's profitability on all its operating activities, after deducting depreciation and amortisation as a non-cash item. A higher value of the indicator means higher operating efficiency of the entity's activities. This indicator helps assess the profitability of operations key to the Group's financial performance and enables comparisons to be made regardless of the changing structure of fixed assets and intangible assets, tax rates and interest rates related to external financing. EBITDA margin is commonly used to benchmark a company against competitors. EBITDA margin is a standard measure used in financial analysis and for this reason the Issuer's Group decided to use it in the Prospectus.

Gross profit margin = gross profit / sales revenues

Gross profit margin indicates what percentage of revenue is profit before tax. The result obtained informs about the total efficiency of a company, i.e. both from its operations and financial activities. Gross profit margin is commonly used to benchmark a company against competitors and for this reason the Issuer's Group decided to use it in the Prospectus.

Net profit margin = Net profit / sales revenues

Net profit margin measures the total profitability of a company's revenues. The result obtained informs about the total efficiency of a company, taking income tax into account. Net profit margin is commonly used to benchmark a company against competitors and for this reason the Issuer's Group decided to use it in the Prospectus.

Return on assets (ROA) = net profit / average assets at the beginning and end of the period

Return on assets (ROA) helps verify the extent to which a company is capable of generating net profit from its assets. The value of the indicator over time shows trends in the ability of assets to generate income. The return on assets ratio is commonly used to benchmark a company against competitors and for this reason the Issuer's Group decided to use it in the Prospectus.

Return on equity (ROE) = net profit/loss / average equity at the beginning and end of the period

Return on equity (ROE) is a measure of a company's profitability for its owners, i.e. it shows how much net profit is generated per each unit of equity capital contributed by shareholders. This value results from the ratio of a company's net profit to its equity (the value of the company's assets contributed by the owners and the profit earned during its current operations). Changes in the value of ROE over time illustrate the trends in the rate of return on capital invested

by shareholders. The return on equity ratio is commonly used in financial analysis and for this reason the Issuer's Group decided to use it in the Prospectus.

9.1.4. Assessment of management efficiency – APMs

The following indicators were used to assess the management efficiency of the Issuer's Group:

Inventory turnover ratio – average inventory balance in the period x 365 days / selling expenses;

Trade and other receivables turnover ratio – average balance of trade and other receivables in the period x 365 days / sales revenues;

Trade and other payables turnover ratio – average balance of trade payables (excluding concession liabilities) and other payables in the period x 365 days / selling expenses plus general and administrative expenses.

Management efficiency ratios of the Issuer's Group in the years 2016–2018 (in days)

| Item | 2018 | 2017 | 2016 |
|--|------|------|------|
| Inventory turnover ratio | 19 | 12 | 19 |
| Trade and other receivables turnover ratio | 34 | 24 | 19 |
| Trade and other payables turnover ratio | 97 | 91 | 104 |

Source: Calculation of Art Capital Sp. z o.o. on the basis of consolidated financial statements of the Issuer's Group

The inventory turnover ratio in the presented financial data was low and ranged from 12 to 19 days, which is characteristic for companies operating primarily in the service sector. Therefore, this element did not significantly burden the working capital of the Issuer's Group.

The trade and other receivables turnover ratio was slightly higher than that of inventories and ranged from 19 to 34 days. Over the years, there has also been a tendency to extend the payment period for counterparties. Nevertheless, this indicator still remains at a good level. Due to the characteristic activity of the Issuer's Group, the majority of payments are received by the Group at the moment of sale or in a very short period of time (payment card settlement), which is conducive to maintaining this ratio at a good level.

Compared to the previous ratios, the Issuer's Group maintains a relatively high ratio of trade and other payables turnover ratio from 91 to 104 days, which is conducive to maintaining high financial liquidity.

Management efficiency ratios of the Issuer's Group in Q1 2019 and Q1 2018 (in days)

| Item | 1Q 2019 | 1Q 2018 |
|--|---------|---------|
| Inventory turnover ratio | 10 | 10 |
| Trade and other receivables turnover ratio | 33 | 29 |
| Trade and other payables turnover ratio | 61 | 85 |

Source: Calculation of Art Capital Sp. z o.o. on the basis of interim consolidated financial statements of the Issuer's Group

In the analysed periods, the inventory turnover cycle ratio was low and reached 10 days. As in previous periods, it did not significantly burden the working capital of the Issuer's Group. The trade and other receivables turnover ratio was 33 days and remained stable, similar to the whole 2018. On the other hand, the turnover of trade and other payables ratio significantly decreased in relation to 2018.

Rules for calculating and grounds for the Issuer's application of turnover ratios in the form of APMs, in accordance with ESMA's guidelines:

Inventory turnover ratio = average inventory at the beginning and end of the period / selling expenses x number of days in the analysed period

The inventory turnover ratio makes it possible to estimate how quickly a company is able to dispose of its accumulated inventory or how high the costs are for a company's work in progress.

Trade and other receivables turnover ratio = average balance of trade and other receivables at the beginning and end of the period / sales revenue x number of days in the analysed period

The receivables turnover ratio allows for a time analysis of the period of payment of receivables by a company's recipients.

Trade and other payables turnover ratio = average balance of trade and other payables / selling expenses increased by general and administrative expenses x number of days in the analysed period

The payables turnover ratio makes it possible to estimate the period during which a company is able to pay its trade payables and tax liabilities and to assess the extent to which it finances its activities with trade credit.

The rotation ratios allow for the assessment of the efficiency of an enterprise and comparative analysis to other enterprises in a given industry and for this reason the Issuer's Group decided to use them in the Prospectus.

9.1.5. Debt analysis – APMs

Methodology for calculating indicators:

Debt ratio – long-term liabilities + short-term liabilities / total assets;

Debt to equity ratio – long term liabilities + short-term liabilities / equity;

Long-term debt ratio – long-term liabilities / total assets;

Short-term debt ratio – short-term liabilities / total assets;

Capital employed to fixed assets ratio – equity + long-term liabilities / fixed assets.

Capital structure and debt ratios of the Issuer's Group in the years 2016– 2018

| Item | 31 December 2018 | 31 December 2017 | 31 December 2016 |
|--|------------------|------------------|------------------|
| Debt ratio | 38.7% | 51.5% | 59.4% |
| Debt to equity ratio | 63.1% | 106.0% | 146.5% |
| Long-term debt ratio | 26.2% | 31.7% | 47.2% |
| Short-term debt ratio | 12.5% | 19.7% | 12.2% |
| Capital employed to fixed assets ratio | 124.8% | 114.4% | 119.8% |

Source: Calculation of Art Capital Sp. z o.o. on the basis of consolidated financial statements of the Issuer's Group

During the analysed period, a constant decrease in the level of long-term debt of the Issuer's Group can be observed, which results mainly from the repayment of a bank loan taken out in a consortium of banks for investments related to the modernization of the motorway section under concession. The capital structure of the Issuer's Group is becoming more and more secure. The indicators disclosed at the end of 2018 can already be considered as moderately high. Throughout the analysed period, fixed assets were covered by capital employed.

Capital structure and debt ratios of the Issuer's Group at the end of Q1 2019 and Q1 2018

| Item | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
| Debt ratio | 40.3% | 50.4% |
| Debt to equity ratio | 67.6% | 101.6% |
| Long-term debt ratio | 25.0% | 30.0% |
| Short-term debt ratio | 15.3% | 20.4% |
| Capital employed to fixed assets ratio | 123.2% | 113.3% |

Source: Calculation of Art Capital Sp. z o.o. on the basis of interim consolidated financial statements of the Issuer's Group

As at 31 March 2019, the value of debt ratios slightly increased compared to the data as at the end of 2018. However, the capital structure improved significantly as compared to the previous year.

Rules for calculating and grounds for the Issuer's application of debt ratios in the form of APMs, in accordance with ESMA's guidelines:

Debt ratio = total liabilities / total assets

The debt ratio is a financial measure presenting the extent to which a company's assets secure the repayment of debt. Changes in the value of the debt ratio over time illustrate the changes in the level of financing through external capital. A lower level of the ratio means a decrease in external financing and a reduction in the risk related to the repayment of liabilities. The debt ratio is a standard measure used in financial analysis and for this reason the Issuer's Group decided to use it in the Prospectus.

Debt to equity ratio = total liabilities / total equity

The debt to equity ratio allows for measuring the degree of external capital engagement in relation to equity, and thus determines the level of leverage existing in a company. The value of the ratio reflects the state of external liabilities attributable to a unit of equity of the company. This indicator also determines the possibility of covering liabilities with equity. An increase in the value of the ratio in particular periods means an increase in the share of debt in the financing of the company's operations. The debt to equity ratio is a standard measure used in financial analysis and for this reason the Issuer's Group decided to use it in the Prospectus.

Long-term debt ratio = long-term liabilities / total assets

The ratio of long-term liabilities to total assets informs to what extent a company finances its activity with long-term external capital. The long-term debt ratio is a standard measure used in financial analysis and for this reason the Issuer's Group decided to use it in the Prospectus.

Short-term debt ratio = short-term liabilities / total assets

The ratio of short-term liabilities to total assets shows to what extent a company finances its operations with short-term capital. The short-term debt ratio is a standard measure used in financial analysis and for this reason the Issuer's Group decided to use it in the Prospectus.

Capital employed to fixed assets ratio = equity + long-term liabilities / non-current assets

The capital employed to fixed assets ratio indicates the extent to which a company's fixed assets are financed by long-term capital. The desired value of the indicator is at least 100%. The capital employed to fixed assets ratio is a standard measure used in financial analysis and for this reason the Issuer's Group decided to use it in the Prospectus.

9.1.6. Liquidity analysis – APMs

Methodology for calculating indicators:

Current ratio – current assets / short-term liabilities;

Quick ratio – (current assets – inventories) / short-term liabilities;

Cash ratio – cash and cash equivalents / short-term liabilities.

Liquidity ratios of the Issuer's Group in the years 2016–2018

| Item | 31 December 2018 | 31 December 2017 | 31 December 2016 |
|---------------|------------------|------------------|------------------|
| Current ratio | 2.39 | 1.51 | 2.19 |
| Quick ratio | 2.37 | 1.50 | 2.17 |
| Cash ratio | 2.02 | 1.40 | 2.07 |

Source: Calculation of Art Capital Sp. z o.o. on the basis of consolidated financial statements of the Issuer's Group

In the analysed period, all liquidity ratios remained at a good level. Only at the end of 2017 there was a slight deterioration of the liquidity situation of the Issuer's Group. This resulted mainly from a sudden change in the structure of liabilities, consisting in the reclassification of long-term liabilities into short-term ones. In addition, it should be noted that the Issuer's Group (pursuant to the Concession Agreement) holds substantial cash on reserve accounts to cover future liabilities covered by reserves. These funds are recognized in other long-term investments and are not included in the calculation of the above liquidity ratios.

Liquidity ratios of the Issuer's Group in Q1 2019 and Q1 2018

| Item | 31 March 2019 | 31 March 2018 |
|---------------|---------------|---------------|
| Current ratio | 2.04 | 1.46 |

| | | |
|-------------|------|------|
| Quick ratio | 2.03 | 1.45 |
| Cash ratio | 1.85 | 1.36 |

Source: Calculation of Art Capital Sp. z o.o. on the basis of interim consolidated financial statements of the Issuer's Group

At the end of the first quarter of 2019, liquidity ratios were slightly lower than on 31 December 2018, but their values still indicate a good financial situation of the Issuer's Group. Compared to data for the end of the first quarter of 2018, liquidity ratios improved significantly.

Rules for calculating and grounds for the application of debt ratios in the form of APMs by the Issuer's Group, in accordance with ESMA's guidelines:

Current ratio = current assets / short-term liabilities

The current ratio shows a company's ability to settle its short-term liabilities with funds in circulation. It is one of the standard liquidity ratios of a company which allows to assess its ability to maintain liquidity. The current ratio is a standard measure used in financial analysis and for this reason the Issuer's Group decided to use it in the Prospectus.

Quick ratio = current assets less inventories / short-term liabilities

The quick ratio shows the ability of a company to settle its short-term liabilities using funds in circulation but without having to sell off its inventory. It is one of the standard liquidity ratios of a company which allows to assess its ability to maintain liquidity. The quick ratio is a standard measure used in financial analysis and for this reason the Issuer's Group decided to use it in the Prospectus.

Cash ratio = cash and cash equivalents / short-term liabilities

The cash ratio indicates the ability of a company to repay its short-term liabilities under conditions of immediate maturity. It is one of the standard liquidity ratios of a company which allows to assess its ability to maintain liquidity in the short term. The cash ratio is a standard measure used in financial analysis and for this reason the Issuer's Group decided to use it in the Prospectus.

9.2. Operating Results

9.2.1. Significant factors affecting the income from operations

Consolidated operating performance of the Issuer's Group in the years 2016–2018 (PLN '000)

| Item | 2018 | 2017 | 2016 |
|--|----------------|----------------|----------------|
| Sales revenues | 336,529 | 318,831 | 292,853 |
| Selling expenses | (52,198) | (70,507) | (40,854) |
| Gross profit on sales | 284,331 | 248,324 | 251,999 |
| General and administrative expenses | (48,687) | (35,845) | (33,843) |
| Balance of other operating income and costs | 7,057 | 3,930 | 4,605 |
| Profit (loss) on operating activities (EBIT) | 242,701 | 216,409 | 222,761 |
| Amortisation/Depreciation | 51,185 | 46,701 | 44,800 |
| Operating profit (loss) plus depreciation and amortisation (EBITDA) | 293,886 | 263,110 | 267,561 |

Source: Consolidated financial statements of the Issuer's Group

In the analysed period, the operating performance of the Issuer's Group was mainly dependent on the value of revenue from fees from users of the A4 Katowice–Kraków motorway section under concession. The following factors had a primary impact on their level: average daily traffic (ADT), user structure and toll rates. The detailed structure of revenues and its description are presented in Section 6.1.2, Chapter III of the Prospectus.

The second significant aspect affecting the operating profit of the Issuer's Group was the level of operating costs on core activity, classified under the items: selling expenses and general and administrative expenses. The largest component of these costs was depreciation and amortisation which is a derivative of investment outlays for the construction and

modernisation the A4 Katowice–Kraków motorway section under concession. A description of the investment outlays made in recent years is provided in Section 5.2.1, Chapter III of the Prospectus.

Other important factors influencing the operating performance of the Issuer's Group were: costs of employment and costs of external services related to the repair and maintenance of the motorway. A description of factors influencing the operating performance in particular years is presented in Section 9.1.1, Chapter III of the Prospectus.

Consolidated operating performance of the Issuer's Group in Q1 2019 and Q1 2018 (PLN '000)

| Item | 1Q 2019 (unaudited) | 1Q 2018 (unaudited) |
|--|------------------------|------------------------|
| Sales revenues | 79,310 | 75,915 |
| Selling expenses | (23,287) | (21,829) |
| Gross profit on sales | 56,023 | 54,086 |
| General and administrative expenses | (43,064) | (7,507) |
| Balance of other operating income and costs | 828 | 683 |
| Operating profit (loss) (EBIT) | 13,787 | 47,262 |
| Depreciation and amortisation | 14,035 | 12,945 |
| Operating profit (loss) plus depreciation and amortisation (EBITDA) | 27,822 | 60,207 |

Source: Interim consolidated financial statements of the Issuer's Group for 1Q 2019

Additionally, in the first quarter of 2019 Payments to the State Treasury in the amount of PLN 34,941,000, which constituted as much as 81.1% of the consolidated general and administrative expenses of the Issuer's Group, were an important factor influencing the consolidated operating profit of the Issuer's Group. This item did not occur in the first quarter of 2018, hence general and administrative expenses were significantly lower at that time. In the analysed period there were no significant one-off or occasional events which had a significant impact on the operating profit of the Issuer's Group.

Rules for calculating and grounds for the application of EBITDA in the form of an APM by the Issuer's Group, in accordance with ESMA's guidelines:

EBITDA = Operating profit plus depreciation and amortisation

EBITDA reflects a company's profit exclusively from its operating activities, but after deducting depreciation and amortisation as a non-cash item in the period. A higher value means higher operating efficiency of the entity's activities. EBITDA is commonly used to benchmark a company against competitors (it is used to calculate the commonly used EV/EBITDA ratio), because it allows for a comparison of the valuation of companies in relation to their operating activities. For this reason, the Issuer's Group decided to use it in the Prospectus.

9.2.2. Causes of material changes in net sales or revenues of the Issuer

In the analysed period, sales revenues of the Issuer's Group fluctuated from year to year in a range of several percent. Its description is provided in Section 6.1.2., Chapter III of the Prospectus.

9.2.3. Elements of governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the Issuer's operations

In the period of the consolidated financial information of the Issuer's Group, there were no external factors that would materially affect the operations of the Issuer's Group.

The Issuer's Group recognizes three areas in which such factors could influence its operations. These are factors related to:

1. The A4 Katowice–Kraków project under way

This area is dominated by economic and financial factors related to the general economic situation and the current situation on the construction works market, as well as political and legal factors.

The economic situation in Poland, especially in the southern part of the country, affects the number of vehicles using the A4 motorway. This factor primarily affects the traffic of heavy goods vehicles. It has a direct and immediate impact on the level of toll revenue, the primary source of financial inflows to the Issuer's Group.

In the case of the construction works market, a long-term boom in the economy increases the prices of construction services and reduces the effectiveness of the A4 Katowice–Kraków project. On the other hand, in a period of economic downturn, the Group has the possibility to obtain more favourable conditions for the performance of necessary works.

Institutional and legal instability of the environment regulating the infrastructure sector in Poland is the main factor from the group of political and legal risks. This group of factors also includes potential actions aimed at changing the applicable law, which may affect the level of revenues or expenses of the A4 Katowice–Kraków project. The Concession Agreement contains provisions authorising to seek damages from the State Treasury if the public party carries out activities that have a negative impact on the profitability of the A4 Katowice-Kraków project.

A presumably uncertain factor results from the Office of Competition and Consumer Protection decision of 2008 which, inter alia, found that imposing tolls on a toll section of a motorway at the level specified in the price list during the renovation of this section of the motorway causing significant difficulties in vehicle traffic was an act restricting free competition. This decision ordered the cessation of the practice. In the future, the Issuer's Group, when carrying out repairs causing significant difficulties in vehicle traffic, must therefore take into account the provisions of the decision when implementing the policy of determining its toll rates.

The company reduced this uncertainty by introducing the following documents: "Rules for conducting works on the motorway causing difficulties in the vehicle traffic" and "Rules for the application of discounts to toll rates in the case of construction/overhaul works between toll plazas resulting in failure to comply with the motorway standards."

2. Office space lease

In this area, due account should be taken of factors related to the economic situation and investment climate and of market interest rate risk. The current economic situation has a direct impact on the office space rental market, and thus on the amount of vacant (unrented) space and the level of rents.

3. Investing cash resources held

In this area, the market interest rate in Poland is particularly important. Due to the structure of revenues and the nature of the business activity, the financial performance of the Issuer's Group is burdened with the risk of interest rate variability. It results from the volatility of the financial markets and is reflected in changes in the price of money in the short and long term.

The operations of the Issuer's Group may also be influenced by other factors described in points 1 and 2 Chapter II of the Prospectus.

10. Capital resources

10.1. Explanation of sources and amounts of and description of the Issuer's cash flows

Consolidated cash flows of the Issuer's Group in the years 2016 – 2018 (PLN '000)

| Item | 2018 | 2017 | 2016 |
|---|------------------|------------------|-----------------|
| Operating cash flows: | | | |
| Profit (loss) before tax | 235,168 | 198,392 | 201,791 |
| Total adjustments | (4,656) | 1,652 | (1,194) |
| Net cash from operating activities | 230,512 | 200,044 | 200,597 |
| Investing cash flows: | | | |
| Inflows | 27,975 | 26,465 | 71,361 |
| Outflows | (32,879) | (39,369) | (39,093) |
| Net cash from investing activities | (4,904) | (12,904) | 32,268 |
| Financing cash flows: | | | |
| Inflows | - | 38 | - |
| Outflows | (288,767) | (157,237) | (53,913) |
| Net cash from financing activities | (288,767) | (157,199) | (53,913) |

| | | | |
|-----------------------------|-----------------|---------------|----------------|
| Total net cash flows | (63,159) | 29,941 | 178,952 |
| Opening balance of cash | 396,900 | 366,959 | 188,007 |
| Closing balance of cash | 333,741 | 396,900 | 366,959 |

Source: Consolidated financial statements of the Issuer's Group

Cash flows from operating activities in 2016–2017 were at a similar level of approximately PLN 200 m, similar to the gross profit of the Issuer's Group. In 2018, they were higher by about PLN 30 m due to higher gross profit generated in that period. Therefore, the profit of the Issuer's Group constituted the main source of generating cash in this sphere of activity.

Cash flows from investing activities were characterised by higher fluctuations, with the expenditure side being stable and ranging from PLN 32.9 m in 2018 to PLN 39.4 m in 2017. Investment inflows resulted from closing long-term cash deposits earmarked for such investments and interest received on term deposits.

In the case of financial activity, the Issuer's Group almost exclusively incurred expenses which systematically grew. These were primarily Concession Payments: PLN 163,332,000 in 2018 and PLN 59,585,000 in 2017. PLN 77,069,000 (2018), PLN 50,199,000 (2017) and PLN 5,689,000 (2016), as well as repayments of loans and interest on them in the amount of: PLN 48,366,000 (2018), PLN 47,453,000 (2017) and PLN 48,224,000 (2016).

In the analysed period, the Issuer's Group systematically built up its equity, whose role in financing its activity was systematically growing. The profits generated were the source of the increase in equity. At the same time, the Issuer's Group repaid long-term loans and Concession Payments. The detailed balance of capital resources is presented in the equity and liabilities table below:

Consolidated equity and liabilities of the Issuer's Group (PLN '000)

| Item | 31 December 2018 | 31 December 2017 | 31 December 2016 |
|--|------------------|------------------|------------------|
| Equity | | | |
| Share capital | 185,447 | 185,447 | 185,447 |
| Treasury shares | - | - | (20) |
| Share premium | 7,430 | 7,430 | 7,430 |
| Equity instruments revaluation reserve | 407 | - | - |
| Hedge accounting reserve | (2,409) | (4,443) | (7,206) |
| Other reserve and supplementary capitals | 429,324 | 281,675 | 231,486 |
| Exchange differences on translation of foreign operations | 132 | 184 | 137 |
| Retained earnings and uncovered losses | 184,975 | 223,186 | 164,555 |
| Equity attributable to shareholders of the parent company | 805,306 | 693,479 | 581,829 |
| Non-controlling interests | 4,602 | 4,694 | 4,999 |
| Total equity | 809,908 | 698,173 | 586,828 |
| Long-term liabilities | | | |
| Credit and loan liabilities | 33,229 | 76,295 | 116,147 |
| Employee benefit liabilities | 2,897 | 4,602 | 3,094 |
| Deferred income | 6,022 | 6,854 | 7,686 |
| Other long-term liabilities | 6,318 | 6,374 | 211,064 |
| Long-term provisions | 297,363 | 362,244 | 344,802 |
| Total long-term liabilities | 345,829 | 456,369 | 682,793 |
| Short-term liabilities | | | |
| Credit and loan liabilities | 44,176 | 40,943 | 37,215 |
| Derivative financial instruments | 3,749 | 6,456 | 10,014 |

| | | | |
|-------------------------------------|------------------|------------------|------------------|
| Income tax liabilities | 204 | 337 | 13,905 |
| Trade and other liabilities | 27,120 | 184,935 | 22,230 |
| Employee benefit liabilities | 4,090 | 381 | 373 |
| Deferred income | 832 | 5,794 | 5,431 |
| Contractual liabilities | 6,102 | - | - |
| Short-term provisions | 78,894 | 44,958 | 87,857 |
| Total short-term liabilities | 165,167 | 283,804 | 177,025 |
| Total liabilities | 510,996 | 740,173 | 859,818 |
| Total equity and liabilities | 1,320,904 | 1,438,346 | 1,446,646 |

Source: Consolidated financial statements of the Issuer's Group

Consolidated cash flows of the Issuer's Group in Q1 2019 and Q1 2018 (PLN '000)

| Item | 1Q 2019 (unaudited) | 1Q 2018 (unaudited) |
|--|------------------------|------------------------|
| Cash flows from operating activities: | | |
| Profit (loss) before tax | 12,681 | 43,273 |
| Total adjustments | 66,291 | 11,067 |
| Net cash from operating activities | 78,972 | 54,340 |
| Cash flows from investing activities: | | |
| Inflows | 4,289 | 4,373 |
| Outflows | (8,273) | (27,160) |
| Net cash from investing activities | (3,984) | (22,787) |
| Cash flows from financing activities: | | |
| Inflows | - | - |
| Outflows | (24,523) | (23,914) |
| Net cash from financing activities | (24,523) | (23,914) |
| Total net cash flows | 50,465 | 7,639 |
| Opening balance of cash | 333,741 | 396,900 |
| Closing balance of cash | 384,206 | 404,539 |

Source: Interim consolidated financial statements of the Issuer's Group for 1Q 2019

Cash flows from operating activities in the first quarter of 2019 were higher by approximately PLN 24.6 m than in the first quarter of 2018, mainly due to the increase in the balance of trade and other liabilities (PLN 35,515,000) and the decrease in the balance of receivables (PLN 16,582,000) of the Issuer's Group. These were the two most important reasons for the adjustment of net operating cash flows by PLN 66,291,000 in the first quarter of 2019. The third significant item was depreciation and amortisation at PLN 14,035,000. The significant increase in trade and other payables in the first quarter of 2019 resulted mainly from Payments to the State Treasury in the amount of PLN 34,941,000. In the analysed period, the negative cash flows from investing activities were significantly lower than in the first quarter of 2018. Investment inflows remained at a similar level (mainly interest received), while significantly smaller funds were invested in the form of long-term deposits. This was mainly due to a lower funding of the reserve account for the replacement of road surface and the disbursement of funds from the account to be distributed in the form of a dividend paid by SAM to its sole shareholder, i.e. Stalexport Autoroute. Expenditures for the acquisition of tangible assets and intangible assets remained at a similar level as in the previous year and amounted to PLN 7,998,000. In the case of financial activity, the Issuer's Group made only expenditures in the first quarter of 2019. These were mainly loan repayments and interest on them in the amount of PLN 24,398,000.

In the first quarter of 2019, the Issuer's Group continued to increase the value of its equity through the generated profits. At the same time, the Issuer's Group repaid long-term loans. The detailed balance of capital resources as at 31 March 2019 is presented in the equity and liabilities table below:

Consolidated equity and liabilities of the Issuer's Group at the end of Q1 2019 and Q1 2018 (PLN '000)

| Item | 31 March 2019 (unaudited) | 31 March 2018 (unaudited) |
|--|------------------------------|------------------------------|
| Equity | | |
| Share capital | 185,447 | 185,447 |
| Share premium | 7,430 | 7,430 |
| Equity instruments revaluation reserve | 282 | 25 |
| Hedge accounting reserve | (1,939) | (4,007) |
| Other reserve and supplementary capitals | 434,091 | 427,803 |
| Exchange differences on translation of foreign operations | 131 | 183 |
| Retained earnings and uncovered losses | 178,750 | 105,516 |
| Equity attributable to shareholders of the parent company | 804,192 | 722,397 |
| Non-controlling interests | 5,951 | 2,201 |
| Total equity | 810,143 | 724,598 |
| Long-term liabilities | | |
| Credit and loan liabilities | 9,851 | 55,271 |
| Lease liabilities | 3,029 | - |
| Employee benefit liabilities | 3,191 | 4,896 |
| Deferred income | 5,815 | 6,646 |
| Other long-term liabilities | 18,781 | 18,253 |
| Long-term provisions | 299,181 | 353,527 |
| Total long-term liabilities | 339,848 | 438,593 |
| Short-term liabilities | | |
| Credit and loan liabilities | 45,431 | 41,287 |
| Lease liabilities | 121 | - |
| Derivative financial instruments | 2,522 | 5,053 |
| Income tax liabilities | 149 | 389 |
| Trade and other liabilities | 59,157 | 184,078 |
| Employee benefit liabilities | 4,055 | 358 |
| Deferred income | 1,972 | 1,963 |
| Contractual liabilities | 7,244 | 5,088 |
| Short-term provisions | 87,402 | 59,225 |
| Total short-term liabilities | 208,053 | 297,441 |
| Total liabilities | 547,901 | 736,034 |
| Total equity and liabilities | 1,358,044 | 1,460,632 |

Source: Interim consolidated financial statements of the Issuer's Group for 1Q 2019

10.2. Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Issuer's operations

The Issuer's Group invests significant cash resources in long-term bank deposits. These are deposit/reserve accounts created by SAM company in accordance with the provisions of the Concession Agreement. Their objective is to implement strictly defined tasks, most importantly to finance the implemented investment programme. At the end of 2018, the value of these deposits amounted to PLN 419,200,000. The funds were allocated for: (i) debt service – PLN 49,083,000, (ii) construction works under Phase F2b of the Concession Agreement – PLN 325,756,000, (iii) future repairs – PLN 31,963,000, (iv) payment of a dividend to the Concessionaire's shareholders – PLN 10,908,000. The amount of deposits also includes accrued interest of PLN 1,490,000.

Moreover, as at 31 December 2018, tangible assets of the Issuer's Group with the carrying value of PLN 18,776,000 served as collateral for the Credit Agreement in the form of a pledge on tangible assets of SAM. Apart from pledges established on tangible assets, the most important collaterals under the Consortium Credit Agreement included:

- pledge on shares of SAM. VIA4 S.A. and Stalexport Autoroute S.à r.l.,
- transfer of rights resulting from agreements concerning the A-4 Katowice–Kraków motorway project,
- transfer of rights to bank accounts of SAM S.A.,
- assignment of SAM S.A.'s receivables related to the A-4 Katowice–Kraków motorway project.

11. Research and development, patents and licences

11.1. Description of the Issuer's research and development strategy for the period covered by historical financial information

Neither the Issuer nor any of the Issuer's subsidiaries are engaged in research and development activities.

11.2. Patents and licences held by the Issuer

Patents

The Issuer does not hold any patents for inventions within the meaning of the Industrial Property Law of 30 June 2000.

The Issuer's subsidiaries do not hold any patents for inventions within the meaning of the Industrial Property Law of 30 June 2000

Licences

The activity of the Issuer and the Issuer's subsidiaries is connected with the need to obtain licences from external entities.

Information on material licences held by the Issuer and its subsidiaries is presented below.

Material licences held by the Issuer

| Licensor | Licence agreement (date of conclusion) | Licence period | Subject matter of the licence scope (limited/unlimited) |
|---|---|----------------|--|
| Biuro Projektowania Systemów Cyfrowych Sp. z o.o. | 30 July 2008 | Indefinite | ERP software licence (enterprise management system) – Impuls EVO |

| | | | |
|------------------|----------------|------------|--|
| IntraCom.pl s.c. | 5 October 2017 | Indefinite | Licence for software for quotations of Stalexport Autostrady and WIG80 |
|------------------|----------------|------------|--|

Source: the Issuer

Material licences held by Stalexport Autostrada Małopolska S.A.

| Licensor | Licence agreement (date of conclusion) | Licence period | Subject matter of the licence scope (limited/unlimited) |
|---|---|----------------|--|
| Autostrade Tech S.p.A. | 30 July 2015 | Indefinite | Package of five groups of licences related to the contract for Toll Plaza Replacement (TPR) including: <ol style="list-style-type: none"> 1. Software developed by Autostrade Tech S.p.A. (ATech) prior to the TPR contract and made available to SAM under that contract. 2. Software developed by external companies, with source code, not made publicly available, provided to SAM S.A. by ATech on the basis of manufacturers' licences. 3. Software developed and delivered by ATech exclusively for the purpose of the TPR contract. 4. Software developed by external companies, with source code, publicly available and adapted to the needs of SAM S.A. by ATech. 5. Oracle software supplied by ATech under sublicense for SAM S.A. |
| Biuro Projektowania Systemów Cyfrowych Sp. z o.o. | 30 July 2008 | Indefinite | ERP software licence (enterprise management system) – Impuls EVO |

Source: the Issuer

Other subsidiaries of the Issuer do not hold any material licences.

Neither the Issuer nor its subsidiaries granted any licences material to their operations.

11.3. Trademarks

As at the Date of this Prospectus, neither the Issuer nor any of the companies of the Issuer's Group have any trademarks registered with the Patent Office of the Republic of Poland or the European Union Office for Intellectual Property.

12. Trend information

12.1. The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Prospectus

In 2019, the trends in revenues characteristic for 2018, which were described in point 6.1.2, Chapter III of the Prospectus, were maintained until the Date of the Prospectus. Chapter III of the Prospectus. From 1 March 2019 the Issuer's Group introduced a change of tolls for the managed section of the motorway for trucks from PLN 18 to PLN 20 and from PLN 30 to PLN 35, depending on the vehicle category.

In 2019, until the Date of the Prospectus, there were no significant changes in the level of inventories compared to 2018. In the first quarter of 2019, the Issuer's Group incurred an additional cost in the form of Payments to the State Treasury in the amount of PLN 34,941,000 made under the Concession Agreement, which constituted 81.1% of the consolidated general and administrative expenses of the Issuer's Group.

12.2. Information on known trends, uncertainties, demands, commitments or events that are likely to have a material effect on the Issuer's prospects

Until the Date of the Prospectus, the Issuer's Group has not identified any significant tendencies in economic factors, uncertainties and in the scope of commitments, which would be different than those occurring in 2018.

In 2018, principal factors affecting the Issuer's Group included:

- 5.2% growth in the average daily traffic of vehicles on the A4 motorway section, including for passenger cars this indicator amounted to +5.4%, and for trucks +3.9%;
- keeping fixed motorway toll rates and the structure of sales revenues which in almost 99% consisted in toll collection revenues;
- continuing favourable conditions on the construction market which contribute to growing prices of construction services (in 2018, overhaul and maintenance costs increased by 41% compared to 2017);
- emergence of a new expense item under the profit and loss account of the Issuer's Group such as payments to the State Treasury in connection with the fulfilment of the conditions of the Concession Agreement;
- interest rates remaining at a stable, low level;
- no extraordinary factors.

The Issuer draws attention to the risk factors described in Chapter II – "Risk Factors", which, once occurred, may have a material impact on the development prospects of the Issuer's Group.

13. Profit forecasts or estimates

The Issuer did not publish any forecasts or estimates of financial profit and decided not to present them in the Prospectus.

14. Administrative, management and supervisory bodies and senior management

14.1. Information on the composition of administrative, management and supervisory bodies, founders and senior management

The management body of the Issuer is the Board, which consists of one to three persons. As at the date of the Prospectus approval, the Issuer's Board is composed of two members.

The Board is composed of:

- Emil Eugeniusz Wąsacz – President of the Board, General Director,
- Mariusz Andrzej Serwa – Vice-President of the Board, Chief Financial Officer.

All members of the Board perform their duties at the Company's registered office, i.e. in Mysłowice (41-404), at ul. Piaskowa 20.

The Issuer's supervisory body is the Supervisory Board, which consists of five to nine members. As at the date of Prospectus approval, the Supervisory Board is composed of seven members.

The Supervisory Board is composed of:

- Roberto Mengucci – Chairman of the Supervisory Board,
- Aleksander Galos – Vice-Chairman of the Supervisory Board,
- Stefano Rossi – Secretary of the Supervisory Board,
- Marco Pace – Member of the Supervisory Board,
- Nicola Bruno – Member of the Supervisory Board,
- Flavio Ferrari – Member of the Supervisory Board,

- Tomasz Dobrowolski – Member of the Supervisory Board.

Members of the Supervisory Board perform their duties at the Company's registered office in Myslowice (41-404), at ul. Piaskowa 20, in Katowice or in Rome.

The independence criteria set out in the Statutory Auditors Act and in the Best Practices for WSE Listed Companies 2016 are met by: Aleksander Galos and Tomasz Dobrowolski.

Due to the appointment of the Company's Supervisory Board for the new term of office, the current composition of the Company's Supervisory Board is not reflected in the Register of Entrepreneurs of the National Court Register. On 21 May 2019, the Issuer filed an application with the registry court to change the entry in this respect.

14.1.1. Information on members of management bodies

Emil Eugeniusz Wąsacz – President of the Board, CEO

Emil Wąsacz received his master's degree in 1969 at the Faculty of Electrical Engineering of the Łódź University of Technology. In 1975, he graduated from Postgraduate Studies at the Warsaw University of Technology, and in 1994 from the Warsaw School of Economics.

The course of Emil Wąsacz's professional career:

- 23 March 2010 – 15 March 2015 – VIA4 S.A. – Chairman of the Supervisory Board,
- 10 February 2011 – present – Stalexport Autostrada Małopolska S.A. – President of the Board,
- 25 October 2000 – present – Stalexport Autostrady S.A. – President of the Board, CEO,
- October 1997 – August 2000 – Ministry of Treasury – Minister,
- October 1997 – National Investment Fund S.A. – President of the Board,
- December 1995 – September 1997 – Huta Szczecin S.A. – President of the Board of Directors
- November 1994 – December 1995 – Bank Pekao S.A., Bank Śląski S.A. advisor to the Presidents of Boards,
- 1991 – October 1994 – Huta Katowice – President of the Board, Chief Executive Officer,
- 1989–1990 – Huta Katowice – Chairman of the 'Solidarity' Trade Union,
- 1976–1990 – Huta Katowice – work on various positions in the maintenance of automation,
- July 1969 – March 1976 – Apator – work in the design and construction office of propulsion systems.

Apart from the above, during the last five years Emil Wąsacz has not performed the function of a member of an administrative, management or supervisory body in partnerships or companies.

Emil Wąsacz is or during the last five years was a partner (also understood as a shareholder) in the following partnerships or companies:

- Stalexport Autostrady S.A.

According to the submitted representation, Emil Wąsacz does not perform any activity outside the Issuer's business, which could be of material importance from the point of view of the Issuer's business.

According to the representation made, Emil Wąsacz:

- has not been convicted of an offence of fraud or any other offence referred to in Chapters XXXIII to XXXVII and Articles 587, 590 and 591 of the CCC during the previous five years,
- in the last five years there have been no official accusations against him from public authorities, professional self-government or other professional organisations, nor have any sanctions been imposed on him, except for the indictment concerning the privatisation of PZU S.A. of 24 December 2013,
- has not received a court order prohibiting him from acting as a member of administrative, management or supervisory bodies of any issuer or from participating in the management or conduct of affairs of any issuer in the previous five years,
- does not remain in the register of insolvent debtors maintained pursuant to the Act on the National Court Register of 20 August 1997,

- has not performed the function of a member of administrative bodies, a manager, a supervisor or senior management member (referred to in item 14.1(d) of the Annex to Commission Regulation 809/2004) in entities which during the last five years entered into bankruptcy or liquidation or were managed in receivership,
- has no family relationships with other members of the Company's Board and members of the Supervisory Board,
- to the knowledge of the Declarant, during the last five years (to date) there have been no transactions between the Company and entities in which Persons Close to Emil Wąsacz perform or performed managerial, supervisory functions, hold or held senior management positions, or exercise (exercised) control, joint control over, have (had) significant impact on or hold (held) a significant number of votes in such an entity,
- has entered into an employment agreement with the Company, which provides for the payment of benefits to Emil Wąsacz in the event of termination of employment (see Section 16.2 of the Registration Document).

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

In 1995, Mariusz Serwa graduated in foreign trade from the Cracow University of Economics and the International Business Programme at the University of Tilburg in the Netherlands. In 1999, he completed Executive MBA studies at KPMG (Brussels) & Ecole Nationale Des Ponts et Chaussees (Paris). In 2002–2003 he attended a course in corporate accounting organised by the Accountants Association in Poland, Katowice Branch.

The course of Mariusz Serwa's professional career:

- June 2019 – present – ALTA S.A. – Member of the Supervisory Board,
- 2013 – present – Stalexport Autostrady S.A. – Vice-President of the Board, Chief Financial Officer,
- 2005–2007 – Hydrobudowa Śląsk S.A. – Chairman of the Supervisory Board,
- 2000 – present – VIA4 S.A. – Member of the Supervisory Board,
- 2001 – present – Stalexport Autostrada Małopolska S.A. – Vice-President of the Board, Chief Financial Officer,
- 1998 – 2000 – Stalexport Autostrady S.A. (then: Stalexport S.A.) – Head of the Foreign Exchange Department,
- 1997 – Stalexport Autostrady S.A. (then: Stalexport S.A.) – Deputy Head of Foreign Exchange Department,
- 1995 – Stalexport Autostrady S.A. (then: Stalexport S.A.) – Foreign Exchange Clerk.

Apart from the above, during the last five years Mariusz Serwa has not performed the function of a member of an administrative, management or supervisory body in partnerships or companies.

Pursuant to Section 18(3)(19) of the Company's Articles of Association, the Supervisory Board of the Company granted consent to the Vice-President of the Board to serve on the supervisory boards of companies from outside the Company's Group.

Mariusz Serwa is not and during the last five years was not a partner (also understood as a shareholder) in partnerships or companies.

According to the submitted representation, Mariusz Serwa does not perform any activity outside the Issuer's business, which could be of material importance from the point of view of the Issuer's business.

According to the representation made, Mariusz Serwa:

- has not been convicted of an offence of fraud or any other offence referred to in Chapters XXXIII to XXXVII and Articles 587, 590 and 591 of the CCC during the previous five years,
- in the last five years there have been no official accusations against him from public authorities, professional self-government or other professional organisations, nor have any sanctions been imposed on him,
- has not received a court order prohibiting him from acting as a member of administrative, management or supervisory bodies of any issuer or from participating in the management or conduct of affairs of any issuer in the previous five years,
- does not remain in the register of insolvent debtors maintained pursuant to the Act on the National Court Register of 20 August 1997,
- has not performed the function of a member of administrative bodies, a manager, a supervisor or senior management member (referred to in point 14.1(d) of the Annex to Commission Regulation 809/2004) in entities which during the last five years entered into bankruptcy or liquidation or were managed in receivership,
- has no family relationships with other members of the Company's Board and members of the Supervisory Board,
- to the knowledge of the Declarant, during the last five years (to date) there have been no transactions between the Company and entities in which Persons Close to Mariusz Serwa perform or performed managerial, supervisory functions,

hold or held senior management positions, or exercise (exercised) control, joint control over, have (had) significant impact on or hold (held) a significant number of votes in such an entity,

- has entered into agreements with the Company and its subsidiary (SAM) for the provision of services which provide for the payment of benefits to Mariusz Serwa in the event of termination of employment (see Section 16.2 of the Registration Document).

14.1.2. Information on members of supervisory authorities

Roberto Mengucci – Chairman of the Supervisory Board

Roberto Mengucci graduated in 1987 from the Faculty of Mechanical Engineering at the "La Sapienza" University in Rome.

The course of Roberto Mengucci's professional career:

- 2018 – present – Atlantia S.p.A. – Director,
- 13 February 2017 – 25 July 2018 – Catterick Investments Sp. z o.o. – Member of the Supervisory Board,
- 22 April 2014 – present – Sociedad Concesionaria Autopista Nororiental S.A. – Chairman of the Board of Directors,
- 24 May 2013 – present – Sociedad Concesionaria Costanera Norte S.A. – Chairman of the Board of Directors,
- 24 May 2013 – present – Sociedad Concesionaria Autopista Vespucio Sur S.A. – Chairman of the Board of Directors,
- 24 May 2013 – present – Sociedad Concesionaria Autopista Nueva Vespucio Sur S.A. – Chairman of the Board of Directors,
- 24 May 2013 – present – Sociedad Concesionaria Litoral Central S.A. – Chairman of the Board of Directors,
- 24 May 2013 – present – Sociedad Concesionaria AMB S.A. – Chairman of the Board of Directors,
- 22 April 2013 – present – Grupo Costanera SpA – Director,
- 15 March 2013 – present – Concesionaria Rodovias do Tiete S.A. – Vice-Director,
- 29 June 2012 – present – AB Concessoes S.A. – Director,
- 29 June 2012 – present – Triangulo Do Sol Auto-Estradas S.A. – Director,
- 29 June 2012 – present – Concesionaria da Rodovia MG-050 S.A. – Director,
- 29 June 2012 – present – Rodovias das Colinas S.A. – Director,
- 24 July 2009 – present – Stalexport Autostrady S.A. – Member of the Supervisory Board,
- 30 June 2009 – present – Sociedad Concesionaria de Los Lagos S.A. – Director,
- June 15, 2009 – present – Autostrade dell'Atlantico s.r.l. – Director (2009 – 2017), Chief Executive Officer (2017 – present),
- 26 March 2009 – present – Pune Solapur Expressways Private Limited – Director,
- 2008–2017 – Autostrade per l'Italia SpA – Director,
- 2004 – 2008 – Finmeccanica SpA – Vice-President for Mergers and Acquisitions,
- 1996–2004 – Telecom Italia SpA – International Portfolio Manager (1999–2004), M&A and Business Development Manager (1996–1999),
- 1989–1996 – Enel SpA – Project Manager in the International Department (1989–1994), Senior Engineer in the Design and Construction Department (1996),

Apart from the above, during the last five years Roberto Mengucci has not performed the function of a member of an administrative, management or supervisory body in partnerships or companies.

Roberto Mengucci is not and during the last five years was not a partner (also understood as a shareholder) in partnerships or companies.

According to the submitted representation, Roberto Mengucci does not perform any activity outside the Issuer's business, which could be of material importance from the point of view of the Issuer's business.

According to the representation made, Roberto Mengucci:

- has not been convicted of an offence of fraud or any other offence referred to in Chapters XXXIII to XXXVII and Articles 587, 590 and 591 of the CCC during the previous five years,
- in the last five years there have been no official accusations against him from public authorities, professional self-government or other professional organisations, nor have any sanctions been imposed on him,
- has not received a court order prohibiting him from acting as a member of administrative, management or supervisory bodies of any issuer or from participating in the management or conduct of affairs of any issuer in the previous five years,
- does not remain in the register of insolvent debtors maintained pursuant to the Act on the National Court Register of 20 August 1997,
- has not performed the function of a member of administrative bodies, a manager, a supervisor or senior management member (referred to in point 14.1(d) of the Annex to Commission Regulation 809/2004) in entities which during the last five years entered into bankruptcy or liquidation or were managed in receivership,
- has no family relationships with members of the Company's Board and other members of the Supervisory Board,
- to the knowledge of the Declarant, during the last five years (to date) there have been no transactions between the Company and entities in which Persons Close to Roberto Mengucci perform or performed managerial, supervisory functions, hold or held senior management positions, or exercise (exercised) control, joint control over, have (had) significant impact on or hold (held) a significant number of votes in such an entity,
- has not concluded with the Company or its subsidiaries any contracts for the provision of services or work which would provide for the payment of any benefits to Roberto Mengucci in the event of termination of employment relationship.

Aleksander Galos – Vice-Chairman of the Supervisory Board

Aleksander Galos graduated in law from the Jagiellonian University in 1984, completed his apprenticeship and passed the judge's exam in 1987 and then the legal advisor's exam in 1994. He completed a number of post-graduate studies at the Warsaw School of Economics: management, accounting, energy, energy market functioning. Currently, he is a student of post-graduate studies in risk management in financial institutions.

The course of Aleksander Galos's professional career:

- 2017 – present – Kocharński Zięba i Partnerzy Sp.k., – Partner, Legal Advisor,
- 2014 – present – ING Bank Śląski S.A. – Member of the Supervisory Board,
- 11 January 2017 – present – Law Firm of Legal Advisor Aleksander Galos – own business activity
- 2012–2015 – PWPW S.A. – Member of the Supervisory Board,
- 2011–2016 – PGE EJ1 Sp. z o.o. – Director of Legal Office,
- March 2008 – presently – Stalexport Autostrady S.A. – Member of the Supervisory Board,
- 2008–2010 – Eko-Park S.A. – Vice-President of the Board,
- 2003–2010 – BZ WBK S.A. – Member of the Supervisory Board,
- 1998–2001 – PKO BP S.A. – Member of the Supervisory Board,
- 1994–2007 – Hogan & Hartson – Partner,
- 1992–1993 – Office of the Council of Ministers – Director of the Cabinet of the Minister, Head of the Office of the Council of Ministers,
- 1984–1992 – Faculty of Law and Administration of the Jagiellonian University – Senior Assistant.

Apart from the above, during the last five years Aleksander Galos has not performed the function of a member of an administrative, management or supervisory body in partnerships or companies.

Aleksander Galos is not currently and has not been a partner (also understood as a shareholder) in partnerships or companies during the last five years.

Aleksander Galos does not run any business activity that could be of material importance from the point of view of the Issuer's activity.

According to the representation made, Aleksander Galos:

- has not been convicted of an offence of fraud or any other offence referred to in Chapters XXXIII to XXXVII and Articles 587, 590 and 591 of the CCC during the previous five years,
- in the last five years there have been no official accusations against him from public authorities, professional self-government or other professional organisations, nor have any sanctions been imposed on him,
- has not received a court order prohibiting him from acting as a member of administrative, management or supervisory bodies of any issuer or from participating in the management or conduct of affairs of any issuer in the previous five years,
- does not remain in the register of insolvent debtors maintained pursuant to the Act on the National Court Register of 20 August 1997,
- has not performed the function of a member of administrative bodies, a manager, a supervisor or senior management member (referred to in point 14.1(d) of the Annex to Commission Regulation 809/2004) in entities which during the last five years entered into bankruptcy or liquidation or were managed in receivership,
- has no family relationships with members of the Company's Board and other members of the Supervisory Board,
- to the knowledge of the Declarant, during the last five years (to date) there have been no transactions between the Company and entities in which Persons Close to Aleksander Galos perform or performed managerial, supervisory functions, hold or held senior management positions, or exercise (exercised) control, joint control over, have (had) significant impact on or hold (held) a significant number of votes in such an entity,
- has not concluded with the Company or its subsidiaries any contracts for the provision of services or work which would provide for the payment of any benefits to Alexander Galos in the event of termination of employment relationship.

Stefano Rossi – Secretary of the Supervisory Board

Stefano Rossi graduated in law from La Sapienza University in Rome and passed the bar exam at the District Court of Appeal in Rome.

The course of Stefano Rossi's professional career:

- April 2015 – present – Autostrade Holding do Sur, Chile – Member of the Board,
- March 2015 – February 2017 – Autostrade dell'Atlantico Srl – Member of the Board,
- 2015 – present – Atlantia S.p.A. – Head of International Legal Affairs,
- January 2011 – April 2015 – Autostrade per l'Italia – Head of International Business Development Projects
- June – December 2010 – Telecom Italia Sparkle S.p.A. – Vice-President for Legal and Regulatory Issues,
- 2006–2010 – Telecom Italia Group – Vice-President for International Commercial Agreements and Legal Compliance,
- 2003–2005 – FreeMove Alliance – Chairman of the Legal Working Group,
- 2003 – 2006 – TIM S.p.A. – Vice-President for International Legal Affairs,
- 2002–2006 – TIM Hellas Telecommunications S.A. – Member of the Board,
- 2000 – 2003 – TIM S.p.A. – Vice-President for Corporate Issues of Subsidiaries,
- 1997–2000 – STET International S.p.A. – Legal Project Manager,
- 1994 – 1997 – STET S.p.A. – In-house Senior Legal Counsel (Department of International Law),
- 1991 – 1994 – Telecom Italia S.p.A./SIP S.p.A. – In-house Legal Counsel (Department of International Law),
- 1988–1991 – Societa Italiana Vetro S.p.A. – Lawyer (Corporate Law Department).

Apart from the above, during the last five years Stefano Rossi has not performed the function of a member of an administrative, management or supervisory body in partnerships or companies.

Stefano Rossi is currently and during the last five years has not been a partner (also understood as a shareholder) in partnerships or companies.

According to the submitted representation, Stefano Rossi does not perform any activity outside the Issuer's business, which could be of material importance from the point of view of the Issuer's business.

According to the representation made, Stefano Rossi:

- has not been convicted of an offence of fraud or any other offence referred to in Chapters XXXIII to XXXVII and Articles 587, 590 and 591 of the CCC during the previous five years,

- in the last five years there have been no official accusations against him from public authorities, professional self-government or other professional organisations, nor have any sanctions been imposed on him,
- has not received a court order prohibiting him from acting as a member of administrative, management or supervisory bodies of any issuer or from participating in the management or conduct of affairs of any issuer in the previous five years,
- does not remain in the register of insolvent debtors maintained pursuant to the Act on the National Court Register of 20 August 1997,
- has not performed the function of a member of administrative bodies, a manager, a supervisor or senior management member (referred to in point 14.1 (d) of the Annex to Commission Regulation 809/2004) in entities which during the last five years entered into bankruptcy or liquidation or were managed in receivership,
- has no family relationships with members of the Company's Board and other members of the Supervisory Board,
- to the knowledge of the Declarant, during the last five years (to date) there have been no transactions between the Company and entities in which Persons Close to Stefano Rossi perform or performed managerial, supervisory functions, hold or held senior management positions, or exercise (exercised) control, joint control over, have (had) significant impact on or hold (held) a significant number of votes in such an entity,
- has not concluded with the Company or its subsidiaries any contracts for the provision of services or work which would provide for the payment of any benefits to Stefano Rossi in the event of termination of employment relationship.

Marco Pace – Member of the Supervisory Board

Marco Pace graduated from La Sapienza University in Rome. Since 1994, he has been a certified accountant and auditor.

The course of Marco Pace's professional career:

- May 2017 – present – Telepass S.p.A. – Member of the Board,
- May 2016 – present – Stalexport Autostrady S.A. – Member of the Supervisory Board,
- February 2016 – present – EsseDiEsse Società di Servizi S.p.A. – Member of the Board,
- February – October 2015 – Aeroporti di Roma S.p.A. – Member of the Board,
- July 2015 – present – Pavimental Polska Sp. z o.o. – President of the Board,
- 2015 – present – OTB S.p.A. – Director of the Control and Risk Management Team,
- 2013–2015 – Diesel USA, Staff Intl.P USA, Diesel Italia S.p.A., Diesel Pacific, Diesel Deutschland – Member of the Board,
- 2008 – 2015 – OTB S.p.A. – Planning & Control Officer,
- 2005–2008 – Autostrade per l'Italia S.p.A. – Planning and Controlling Manager,
- 1999–2003 – Omnitel/Vodafone – Business Controller, Finance Manager South Europe, Financial Controller,
- 1998 – Siemens Business Service Italia – Business Controller,
- 1995 – EDS S.p.A. Financial Planning – Analyst.

Apart from the above, during the last five years Marco Pace has not performed the function of a member of an administrative, management or supervisory body in partnerships or companies.

Marco Pace is not currently and has not been a partner (also understood as a shareholder) in partnerships or companies during the last five years.

According to the submitted representation, outside the Issuer's business Marco Pace is the President of the Board of Pavimental Polska Spółka z ograniczoną odpowiedzialnością (hereinafter referred to as: "Pavimental Polska"). Pavimental Polska is a general contractor in the construction sector. It specializes in transport infrastructure, i.e. road and airport works and environmental engineering. It offers services in the field of earthworks, milling and paving of bituminous surfaces, construction and repair of bridges, introduction and maintenance of temporary traffic organization, as well as works related to environmental engineering, such as construction of retention reservoirs, rainwater drainage and land drainage. Pavimental Polska is part of the Atlantia S.p.A. Group through Pavimental S.p.A. – owner of 100% shares in the share capital of Pavimental Polska. There are economic links between Pavimental Polska and SAM – agreements concerning the performance of construction work by Pavimental Polska on the A4 Katowice–Kraków motorway.

According to the representation made, Marco Pace:

- has not been convicted of an offence of fraud or any other offence referred to in Chapters XXXIII to XXXVII and Articles 587, 590 and 591 of the CCC during the previous five years,
- in the last five years there have been no official accusations against him from public authorities, professional self-government or other professional organisations, nor have any sanctions been imposed on him,
- has not received a court order prohibiting him from acting as a member of administrative, management or supervisory bodies of any issuer or from participating in the management or conduct of affairs of any issuer in the previous five years,
- does not remain in the register of insolvent debtors maintained pursuant to the Act on the National Court Register of 20 August 1997,
- has not performed the function of a member of administrative bodies, a manager, a supervisor or senior management member (referred to in point 14.1(d) of the Annex to Commission Regulation 809/2004) in entities which during the last five years entered into bankruptcy or liquidation or were managed in receivership,
- has no family relationships with members of the Company's Board and other members of the Supervisory Board,
- to the knowledge of the Declarant, during the last five years (to date) there have been no transactions between the Company and entities in which Persons Close to Marco Pace perform or performed managerial, supervisory functions, hold or held senior management positions, or exercise (exercised) control, joint control over, have (had) significant impact on or hold (held) a significant number of votes in such an entity,
- has not concluded with the Company or its subsidiaries any contracts for the provision of services or work which would provide for the payment of any benefits to Marco Pace in the event of termination of employment relationship.

Nicola Bruno – Member of the Supervisory Board

Nicola Bruno received his degree in economics at the La Sapienza University in Rome in 1993.

The course of Nicola Bruno's professional career:

- 3.04.2019 – present – Stalexport Autostrady S.A. – Member of the Supervisory Board,
- 2018 – present – Atlantia S.p.A. – Head of Financial Compliance and International Reporting,
- 20.06.2016 – present – Autostrade Portugal Srl – Director,
- 30.06.2009 – present – Sociedad Concesionaria de Los Lagos S.A. – Director,
- 2007–2018 – Autostrade per l'Italia – Head of Financial Compliance and International Reporting,
- 1994–2007 – KPMG S.p.A. – Senior Audit Manager.

Apart from the above, during the last five years Nicola Bruno has not performed the function of a member of an administrative, management or supervisory body in partnerships or companies.

Nicola Bruno is not and during the last five years was not a partner (also understood as a shareholder) in partnerships or companies.

According to the submitted representation, Nicola Bruno does not perform any activity outside the Issuer's business, which could be of material importance from the point of view of the Issuer's business.

According to the representation made, Nicola Bruno:

- has not been convicted of an offence of fraud or any other offence referred to in Chapters XXXIII to XXXVII and Articles 587, 590 and 591 of the CCC during the previous five years,
- in the last five years there have been no official accusations against him from public authorities, professional self-government or other professional organisations, nor have any sanctions been imposed on him,
- has not received a court order prohibiting him from acting as a member of administrative, management or supervisory bodies of any issuer or from participating in the management or conduct of affairs of any issuer in the previous five years,
- does not remain in the register of insolvent debtors maintained pursuant to the Act on the National Court Register of 20 August 1997,
- has not performed the function of a member of administrative bodies, a manager, a supervisor or senior management member (referred to in point 14.1(d) of the Annex to Commission Regulation 809/2004) in entities which during the last five years entered into bankruptcy or liquidation or were managed in receivership,

- has no family relationships with members of the Company's Board and other members of the Supervisory Board,
- to the knowledge of the Declarant, during the last five years (to date) there have been no transactions between the Company and entities in which Persons Close to Nicola Bruno perform or performed managerial, supervisory functions, hold or held senior management positions, or exercise (exercised) control, joint control over, have (had) significant impact on or hold (held) a significant number of votes in such an entity,
- has not concluded with the Company or its subsidiaries any contracts for the provision of services or work which would provide for the payment of any benefits to Nicola Bruno in the event of termination of employment relationship.

Flavio Ferrari – Member of the Supervisory Board

Flavio Ferrari graduated in Mechanical Engineering from the University of Bologna in 2002. Then, in 2016, he received the Master of Business Administration (MBA) title with honours from SDA Bocconi in Milan. He also completed management courses and specializations in the USA at the University of California, Los Angeles in strategy and transaction negotiation (2016), at the London Business School in corporate finance – valuation (2010) and in aerodynamics at the ISAE-SUPAERO in Toulouse (2000).

The course of Flavio Ferrari's professional career:

- March 27, 2018 – present – VIA4 S.A. – Member of the Supervisory Board,
- 26 January 2018 – present – Stalexport Autostrady S.A. – Member of the Supervisory Board,
- 21 December 2017 – present – Stalexport Autostrada Małopolska S.A. – Member of the Supervisory Board,
- 20 December 2017 – present – Autostrade Tech S.p.A. – Non-Executive Director,
- 14 December 2017 – present – Electronic Transaction Consultants Corporation – Non-Executive Director,
- 2017 – present – Atlantia S.p.A. – Regional Director for Foreign Investment,
- 6 October 2016 – 1 February 2017 – Proxima Norway AS – Non-Executive Director,
- 9 August 2016 – 10 February 2017 – Proxima Srl – Non-Executive Director,
- 4 October 2013 – 11 June 2014 – Wind International Italy Srl – CEO,
- 4 October 2013 – 10 June 2014 – Wind Farm Srl – CEO,
- 4 October 2013 – 10 June 2014 – Wind Farm Buglia Srl – CEO,
- 22 March 2013 – 11 June 2014 – Green Castellaneta S.p.A. – CEO,
- 16 December 2009 – 5 August 2014 – Volturino Wind Srl – CEO,
- 2008–2017 – BKW – Business Development Manager, Project Manager, Operational Manager, Strategic Manager,
- 2005 – 2008 – Falck Renewables – Engineer, Business Development Manager,
- 2002–2005 – General Electric (formerly: Alstom Power) – Development Engineer.

Apart from the above, during the last five years Flavio Ferrari has not performed the function of a member of an administrative, management or supervisory body in partnerships or companies.

Flavio Ferrari is not and during the last five years was not a partner (also understood as a shareholder) in partnerships or companies.

According to the submitted representation, Flavio Ferrari does not perform any activity outside the Issuer's business, which could be of material importance from the point of view of the Issuer's business.

According to the representation made, Flavio Ferrari:

- has not been convicted of an offence of fraud or any other offence referred to in Chapters XXXIII to XXXVII and Articles 587, 590 and 591 of the CCC during the previous five years,
- in the last five years there have been no official accusations against him from public authorities, professional self-government or other professional organisations, nor have any sanctions been imposed on him,
- has not received a court order prohibiting him from acting as a member of administrative, management or supervisory bodies of any issuer or from participating in the management or conduct of affairs of any issuer in the previous five years,

- does not remain in the register of insolvent debtors maintained pursuant to the Act on the National Court Register of 20 August 1997,
- has not performed the function of a member of administrative bodies, a manager, a supervisor or senior management member (referred to in point 14.1(d) of the Annex to Commission Regulation 809/2004) in entities which during the last five years entered into bankruptcy or liquidation or were managed in receivership,
- has no family relationships with members of the Company's Board and other members of the Supervisory Board,
- to the knowledge of the Declarant, during the last five years (to date) there have been no transactions between the Company and entities in which Persons Close to Flavio Ferrari perform or performed managerial, supervisory functions, hold or held senior management positions, or exercise (exercised) control, joint control over, have (had) significant impact on or hold (held) a significant number of votes in such an entity,
- has not concluded with the Company or its subsidiaries any contracts for the provision of services or work which would provide for the payment of any benefits to Flavio Ferrari in the event of termination of employment relationship.

Tomasz Dobrowolski – Member of the Supervisory Board

Tomasz Dobrowolski graduated in law from the University of Warsaw in 1974, completed postgraduate studies in the field of industrial property protection at the Adam Mickiewicz University in Poznań in 1978 and legal advisor apprenticeship at the Regional Chamber of Legal Advisors in Warsaw in 1980. He is also a graduate of the course for mediators organized by the District Bar Council.

The course of Tomasz Dobrowolski's professional career:

- January 2018 – present – Stalexport Autostrady S.A. – Member of the Supervisory Board,
- 2015 r. – June 2017 – K&L Gates LLP – of counsel,
- 2010–2015 – K&L Gates – Partner,
- 1 January 2004 – 1 April 2018 – Law Firm of Legal Advisor Tomasz Dobrowolski – own business activity
- 2000–2010 – Hogan & Hartson – Partner,
- 1997–2000 – Allen & Overy – Partner,
- 1991–1997 – Nabarro Nathanson – Legal Advisor, Member of the Board,
- 1985–1991 – Elektrim S.A. – Legal Advisor – Legal Advisor, Coordinator,
- 1980–1988 – Agromet Motoimport – Legal Advisor,
- 1976 – 1980 – PEZETEL – Legal Officer, Attorney-at-law,
- 1974 – 1976 – Polish Institute of International Affairs – Editor.

Apart from the above, during the last five years Tomasz Dobrowolski has not performed the function of a member of an administrative, management or supervisory body in partnerships or companies.

According to the submitted representation, Tomasz Dobrowolski does not perform any activity outside the Issuer's business, which could be of material importance from the point of view of the Issuer's business.

According to the representation made, Tomasz Dobrowolski:

- has not been convicted of an offence of fraud or any other offence referred to in Chapters XXXIII to XXXVII and Articles 587, 590 and 591 of the CCC during the previous five years,
- in the last five years there have been no official accusations against him from public authorities, professional self-government or other professional organisations, nor have any sanctions been imposed on him,
- has not received a court order prohibiting him from acting as a member of administrative, management or supervisory bodies of any issuer or from participating in the management or conduct of affairs of any issuer in the previous five years,
- does not remain in the register of insolvent debtors maintained pursuant to the Act on the National Court Register of 20 August 1997,
- has not performed the function of a member of administrative bodies, a manager, a supervisor or senior management member (referred to in point 14.1(d) of the Annex to Commission Regulation 809/2004) in entities which during the last five years entered into bankruptcy or liquidation or were managed in receivership,
- has no family relationships with members of the Company's Board and other members of the Supervisory Board,

- to the knowledge of the Declarant, during the last five years (to date) there have been no transactions between the Company and entities in which Persons Close to Tomasz Dobrowolski perform or performed managerial, supervisory functions, hold or held senior management positions, or exercise (exercised) control, joint control over, have (had) significant impact on or hold (held) a significant number of votes in such an entity,
- has not concluded with the Company or its subsidiaries any contracts for the provision of services or work which would provide for the payment of any benefits to Tomasz Dobrowolski in the event of termination of employment relationship.

14.2. Information on administrative, management, and supervisory bodies' and senior management conflicts of interest

14.2.1 Conflict of interest

To the best of the Issuer's knowledge, there is a potential conflict of interest of the persons referred to in Sections 14.1.1 and 14.1.2 of the Prospectus between their duties towards the Issuer and their private interests or other duties. The following persons have a potential conflict of interest:

- Emil Wąsacz, President of the Board of the Issuer – due to intra-group transactions between the Issuer and Stalexport Autostrada Małopolska S.A., in which he is President of the Board,
- Vice-President of the Issuer's Board Mariusz Serwa – due to intra-group transactions between:
 - the Issuer and Stalexport Autostrada Małopolska S.A., in which he is Vice-President of the Board,
 - Stalexport Autostrada Małopolska S.A., in which he is Vice-President of the Board and VIA4 S.A., in which he is Chairman of the Supervisory Board,
 - the Issuer and VIA4 S.A., where he is Chairman of the Supervisory Board.
- Member of the Issuer's Supervisory Board Flavio Ferrari serves as Member of the Board of Autostrade Tech S.p.A., a supplier of toll collection equipment for Stalexport Autostrada Małopolska S.A.
- Member of the Issuer's Supervisory Board Marco Pace serves as President of the Board of Pavimental Polska Sp. z o.o. which provides construction services on the A4 Katowice–Kraków motorway under agreements concluded with the Issuer's subsidiary SAM.

The Issuer emphasizes that it identifies only a potential, not an actual, conflict of interest. In view of the existence of effective mechanisms to prevent conflicts of interest (presented below), the Issuer is of the opinion that there is no actual risk in this respect.

Mariusz Serwa

- a. Relationship between the Issuer and Stalexport Autostrada Małopolska S.A., in which he is Vice-President of the Board

The essence of a potential conflict of interest would be to make decisions in both companies, as a result of which the situation of one of the companies would deteriorate. The occurrence of such a situation in the case of the said person is limited by:

- provisions of the Articles of Association concerning the manner of representation of both companies and the provisions of the regulations of the Board of Stalexport Autostrady S.A., providing for a collegial manner of making decisions
- provisions of the Articles of Association stipulating that decision-making by the boards of both companies in matters of fundamental importance is subject to prior approval by the supervisory boards

- b. Relationship between Stalexport Autostrada Małopolska S.A., in which he is Vice-President of the Board, and VIA4 S.A., in which he is Chairman of the Supervisory Board

Existing limitations to the existence of a real conflict of interest:

- the principle of collegiality of decisions made by the boards of both companies,
- restrictions in the Articles of Association of both companies in the form of the need of the boards to obtain prior approvals of supervisory boards for taking certain important decisions,
- the provisions of the Credit Agreement provide for the need to obtain the Banks' prior consent to the conclusion of any amendment to the Maintenance and Exploitation Agreement, as well as to actions that may cause negative economic effects for the implementation of the A4 Katowice–Kraków toll

motorway project as a result of a change in the relationship between Stalexport Autostrada Małopolska S.A. and VIA4 S.A.

- c. Relationship between the Issuer and VIA4 S.A., where he is Chairman of the Supervisory Board
- legal regulations, in particular the CCC, the Articles of Association of Stalexport Autostrada Małopolska S.A. and VIA4 S.A., the regulations of the Board of VIA4 S.A. and the Shareholders Agreement (between Stalexport Autostrady S.A. and Egis Road Operations, the second (45%) shareholder of VIA4 S.A.) prevent the occurrence of a real conflict of interest as a result of one-person actions of the Chairman of the Supervisory Board of VIA4 S.A. who is also a Member of the Issuer's Board.

Emil Wąsacz

The essence of the potential conflict of interest would be to make decisions in the Company and in Stalexport Autostrada Małopolska S.A. The occurrence of such a situation is limited by:

- provisions of the Articles of Association of Autostrada Małopolska S.A. concerning the manner of representation of the company, providing for a collegial manner of making decisions
- provisions of the Articles of Association stipulating that decision-making by the boards of both companies in matters of fundamental importance is subject to prior approval by the supervisory boards

Flavio Ferrari

Limitations to the existence of a real conflict of interest are as follows:

- Flavio Ferrari is a non-executive Member of the Board of Directors of Autostrade Tech S.p.A. and as such has not received any executive powers, including the right to participate in the preparation and to make one-person decisions on the submission of any commercial and/or technical offer to any third party on behalf of Autostrade Tech S.p.A.
- the TPR contract was concluded with Autostrade Tech S.p.A. as a contractor selected through a tender (with GDNRM as a tender observer) based on a substantive assessment of the collected tender bids.

Marco Pace

With regard to Marco Pace, who is the Chairman of the Board of Pavimental Polska Sp. z o.o., the potential conflict of interest can arise only from the fact that the Issuer's subsidiary SAM purchases services from Pavimental Polska Sp. z o.o.

Limitations to the occurrence of a real conflict of interest consist in that Stalexport Autostrada Małopolska S.A. purchases construction works by way of tenders, thereby selecting a contractor based on a substantive assessment of the collected tender bids.

14.2.2 Agreements concluded for the appointment of the members of the bodies

To the best of the Issuer's knowledge, there are no agreements or understandings with any shareholder, significant customers, suppliers or other persons under which the persons referred to in Sections 14.1.1 and 14.1.2 of the Prospectus have been elected Members of the Board or Supervisory Board.

14.2.3 Agreed restrictions on the disposal of the Issuer's shares

To the best of the Issuer's knowledge, there are no restrictions agreed by the persons listed in Sections 14.1.1 and 14.1.2 of the Prospectus on the disposal within a specified period of time of Issuer's securities held by them.

15. Remuneration and other benefits for the last full financial year for members of the administrative, management and supervisory bodies and senior management

15.1. Amount of remuneration paid (including contingent or deferred compensation) and benefits in kind granted by the Issuer and its subsidiaries for rendering work for the company or its subsidiaries

15.1.1 Members of the Board

Emil Wąsacz, President of the Board and Chief Executive Officer, is employed by the Issuer under an employment contract of 15 November 2000 for an indefinite period of time.

Mariusz Serwa, Vice-President of the Board, is not employed by the Issuer on the basis of an employment contract. The Vice-President of the Board provides services to the Company under a managerial contract of 19 December 2012.

The (gross) remuneration paid to the Board Members and other benefits granted to them by the Issuer in 2018 (PLN) are presented in the tables below.

| Name and surname | Period of office | Remuneration 2018 (PLN) | Value of other benefits 2018 (PLN) |
|------------------|----------------------------|----------------------------|---------------------------------------|
| Emil Wąsacz | 25 October 2000 - till now | 407,100.00 | 260,251.59 ¹ |
| Mariusz Serwa | 1 January 2013 – present | 81,600.00 | 114,576.00 ² |

¹ The amount includes the annual bonus paid (PLN 159,069.93), a holiday benefit (PLN 1,185.66) and AVIVA insurance (PLN 99,996.00).

² The amount includes the annual bonus paid (PLN 14,580.00) and AVIVA insurance (PLN 99,996.00).

Source: the Issuer

In 2018, Members of the Board did not receive any benefits from the Issuer other than those specified in the tables above.

The Supervisory Board, in its resolution No. 01/12/2016 of 6 December 2016, established a three-year incentive scheme for the period from 1 January 2016 to 31 December 2018 for Members of the Issuer's Board. On the basis of this programme, after meeting its criteria (e.g. the Group reaching the indicated EBITDA level and the Company the indicated share value), Board Members are entitled to receive three years' bonus remuneration in the total amount of: (i) PLN 2,442,600 in relation to the President of the Board and (ii) PLN 633,600 in relation to the Vice-President of the Board. The basic conditions for the bonus remuneration are as follows: 1) Member of the Board being employed in the Issuer's enterprise at the end of 2018, 2) approval of the financial statements for 2018. As at the Date of the Prospectus the first condition has been met.

The (gross) amount and type of benefits collected by Members of the Board from subsidiaries for 2018 (PLN) together with the division into individual persons and individual subsidiaries of the Issuer and the indication of the title of the benefits received are presented in the tables below.

| Name and surname | Period of office | Remuneration 2018 (PLN) | Value of other benefits 2018 (PLN) |
|---------------------------------------|-----------------------------|----------------------------|---------------------------------------|
| Stalexport Autostrada Małopolska S.A. | | | |
| Emil Wąsacz | 10 February 2011 - till now | 407,100.00 | 169,884.85 ¹ |
| Mariusz Serwa | 2000 – present | 368,400.00 | 108,637.52 ² |
| VIA4 S.A. | | | |
| Mariusz Serwa | 2000 – present | 2,100.00 | 0.00 |

¹ The amount includes the annual bonus paid (PLN 159,069.93), a medical benefit (PLN 3,101.40) and a gratuitous benefit due to a Member of the Board for using a car for private purposes (PLN 7,713.52).

² The amount includes the annual bonus paid (PLN 99,468.00), a medical benefit (PLN 299.43), a gratuitous benefit due to a Member of the Board for using a car for private purposes (PLN 8,330.09) and a sports card (PLN 540.00).

Source: the Issuer

In 2018, Members of the Board did not receive any benefits from the Issuer's subsidiaries other than those specified in the tables above.

15.1.2 Supervisory Board

The (gross) remuneration paid to the Members of the Supervisory Board for 2018 and other benefits granted to them by the Issuer for performing their functions in the Issuer's Supervisory Board (PLN) is presented in the table below.

| Name and surname | Period of office | Remuneration 2018 (PLN) | Value of other benefits 2018 (PLN) |
|--------------------|---|----------------------------|---------------------------------------|
| Roberto Mengucci | 24 July 2009 – present | 0.00 | 0.00 |
| Aleksander Galos | 29 March 2008 – present | 38,004.00 | 0.00 |
| Stefano Rossi | 14 April 2016 – present | 0.00 | 0.00 |
| Tomasz Dobrowolski | 26 January 2018 – present | 29,853.19 | 0.00 |
| Flavio Ferrari | 26 January 2018 – present | 0.00 | 0.00 |
| Marco Pace | 14 April 2016 – present | 0.00 | 0.00 |
| Massimo Sonogo | 14 April 2016 – 3 April 2019 | 0.00 | 0.00 |
| Tadeusz Włudyka | 24 May 2006 – 24 August 2006 and 28 March 2008 – 26 January 2018 | 2,236.84 | 3,092,49 ¹ |

¹ Gift from the Issuer at the end of a long-term membership in the Supervisory Board of the Company

Source: the Issuer

Members of the Supervisory Board receive remuneration from the Issuer for their appointment.

The rules of remunerating members of the Supervisory Board of Stalexport Autostrady S.A. (pursuant to Section 24(1)(12) of the Issuer's Articles of Association) are defined by the General Meeting. The current rules of remunerating Members of the Issuer's Supervisory Board were determined by resolution No. 19 of the Ordinary General Meeting adopted on 14 April 2016. The resolution does not contain any justification for its adoption by the Company's shareholders.

In accordance with the rules of remunerating Members of the Supervisory Board, Members of the Supervisory Board who do not meet the independence criteria do not receive remuneration. The remuneration of Members of the Supervisory Board fulfilling the criteria of independence is differentiated according to the functions they perform.

In 2018, Members of the Supervisory Board did not receive any benefits from the Issuer other than those specified in the table above.

In 2018, Members of the Supervisory Board did not receive any benefits from the Issuer's subsidiaries.

In 2018, no contingent or deferred benefits were paid to Members of the Supervisory Board.

15.2. The total amounts set aside or accrued by the Issuer or its subsidiaries to provide pension, retirement or similar benefits

As at 28 February 2019, the Issuer set aside and accrued cash for pension, retirement or other similar benefits in the amount of PLN 3,479,619.96.

The value of provisions for pension, retirement or other similar benefits, as at 28 February 2019, set aside by VIA4, is PLN 1,883,625.86.

The value of provisions for pension, retirement or other similar benefits, as at 28 February 2019, set aside by SAM, is PLN 1,356,435.29.

The value of provisions for pension, retirement or other similar benefits, as at 28 February 2019, set aside by Biuro Centrum, is PLN 252,228.47.

Other subsidiaries of the Issuer did not set aside or accrue any cash for pension, retirement or other similar benefits.

16. Board practices

16.1. Date of expiry of the current term of office and the period for which members of administrative, management and supervisory bodies performed their functions

16.1.1. Board

Pursuant to the Company's Articles of Association, the Board of the Company is composed of one to three persons. The Board's term of office lasts three years and is a joint term of office. The President of the Board is appointed by the Supervisory Board and other Board Members are appointed by the Supervisory Board at the President's request.

The current term of office of the Board began on 3 April 2019 and will end on 3 April 2022. The Board is composed of Emil Wąsacz (President of the Board) and Mariusz Serwa (Vice-President of the Board).

Emil Wąsacz was appointed President of the Board by resolution of the Supervisory Board of 28 February 2019. Emil Wąsacz has been the President of the Board of the Issuer since 25 October 2000.

Mariusz Serwa was appointed Vice-President of the Board by resolution of the Supervisory Board of 28 February 2019. Mariusz Serwa has been the Vice-President of the Board of the Issuer since 1 January 2013.

Mandates of Members of the Board of the current term of office will expire at the latest on the date of the General Meeting of the Issuer approving the financial statements for the financial year ending 31 December 2021.

16.1.2. Supervisory Board

Pursuant to the Company's Articles of Association, the Supervisory Board is composed of five to nine members, including a Chairman and Vice-Chairman. The number of members of the Supervisory Board of a given term of office is determined by the General Meeting. The term of office of the Supervisory Board lasts three years and is a joint term of office. Members of the Supervisory Board are appointed and dismissed by the General Meeting.

On 3 April 2019, the Ordinary General Meeting of Stalexport Autostrady S.A. decided that the Supervisory Board of Stalexport Autostrady of the 10th term of office would consist of seven members.

The current term of office of the Supervisory Board began on 3 April 2019 and will end on 3 April 2022. The Supervisory Board is composed of: Roberto Mengucci (Chairman of the Supervisory Board), Aleksander Galos (Vice-Chairman of the Supervisory Board), Stefano Rossi (Secretary of the Supervisory Board), Marco Pace (Member of the Supervisory Board), Nicola Bruno (Member of the Supervisory Board), Flavio Ferrari (Member of the Supervisory Board) and Tomasz Dobrowolski (Member of the Supervisory Board).

Roberto Mengucci was appointed Member of the Supervisory Board by resolution of the General Meeting of the Company of 3 April 2019. The Supervisory Board appointed Roberto Mengucci as Chairman of the Supervisory Board on 19 April 2019. Roberto Mengucci has been a Member of the Issuer's Supervisory Board since 24 July 2009.

Tomasz Dobrowolski was appointed Member of the Supervisory Board by resolution of the General Meeting of the Company of 3 April 2019. The Supervisory Board appointed Tomasz Dobrowolski as Vice-Chairman of the Supervisory Board on 19 April 2019. Tomasz Dobrowolski has been a Member of the Issuer's Supervisory Board since 26 January 2018.

Stefano Rossi was appointed Member of the Supervisory Board by resolution of the General Meeting of the Company of 3 April 2019. The Supervisory Board appointed Stefano Rossi as Secretary of the Supervisory Board on 19 April 2019. Stefano Rossi has been a Member of the Issuer's Supervisory Board since 14 April 2016.

Aleksander Galos was appointed Member of the Supervisory Board by resolution of the General Meeting of the Company of 3 April 2019. Aleksander Galos has been a Member of the Issuer's Supervisory Board since 29 March 2008.

Marco Pace was appointed Member of the Supervisory Board by resolution of the General Meeting of the Company of 3 April 2019. Marco Pace has been a Member of the Issuer's Supervisory Board since 14 April 2016.

Nicola Bruno was appointed Member of the Supervisory Board by resolution of the General Meeting of the Company of 3 April 2019. Nicola Bruno did not perform any functions within the previous terms of the Issuer's Supervisory Board.

Flavio Ferrari was appointed Member of the Supervisory Board by resolution of the General Meeting of the Company of 3 April 2019. Flavio Ferrari has been a Member of the Issuer's Supervisory Board since 26 January 2018.

Mandates of Members of the Supervisory Board will expire at the latest on the day of the General Meeting of the Issuer approving the financial statements for the financial year ending 31 December 2021.

Aleksander Galos and Tomasz Dobrowolski meet the independence criteria set out in Annex II to European Commission Recommendation 2005/162/EC of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board and the independence criteria set out in the Statutory Auditors Act.

16.2. Information about members of the administrative, management or supervisory bodies' service contracts with the Issuer or any of its subsidiaries providing for benefits upon termination of employment

Agreements concluded by the Issuer with Members of the Board provide for:

- 1) in the case of Emil Wąsacz, President of the Board – payment of a 6-month termination payment in the event of dismissal before the end of the term of office;
- 2) in the case of Mariusz Serwa, Vice-President of the Board – payment of an additional benefit in the amount of 6-month remuneration in the case of termination of the contract by the Company, except for termination for reasons for which Mariusz Serwa is responsible.

The agreement concluded by SAM with Mariusz Serwa, Vice-President of the Board, provides for the payment of a one-off termination payment in the amount of six times the last basic salary, except if he is revoked from the Board of SAM for reasons legally justifying termination of the employment contract without notice due to the fault of the employee.

Except for the above, to the best of the Issuer's knowledge, there are no other service contracts of members of administrative, management and supervisory bodies with the Issuer or any of its subsidiaries providing for benefits upon termination of employment.

16.3. Information about the Issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates

Audit Committee

According to the Statutory Auditors Act, an audit committee, which is an audit committee referred to in Regulation No. 537/2014, should operate in the structure of public-interest entities – issuers of securities admitted to trading on a regulated market of an EU country. The members of the audit committee shall be appointed by the supervisory board or other supervisory or control body from among the members of that body. The audit committee shall consist of at least three members. At least one member of the audit committee shall have knowledge and skills in accounting or auditing financial statements. Members of the audit committee shall have knowledge and skills in the field of the industry in which the public-interest entity operates. This condition shall be deemed satisfied if at least one member of the audit committee possesses knowledge and skills in the industry or if individual members in specific scopes possess knowledge and skills in the industry. The majority of members of the audit committee, including its chairman, shall be independent from the issuer within the meaning of Article 129(3) of the Statutory Auditors Act.

As at the Date of this Prospectus, the Issuer meets the above-mentioned conditions. The Issuer's Audit Committee is composed of members, most of whom meet the independence criteria under Article 129(3) of the Statutory Auditors Act and who possess knowledge and skills in accounting or auditing financial statements and in the industry in which the Issuer operates.

The Audit Committee is composed of at least three members, including the Chairman and Vice-Chairman. Members of the Audit Committee are appointed by the Supervisory Board for the period of its term of office from among its members. The number of members of the Audit Committee is determined by the Supervisory Board. The Supervisory Board elects members of the Audit Committee, including the Chairman, at its first meeting of a given term of office.

As at the Date of this Prospectus, the Audit Committee is composed of the following persons: Tomasz Dobrowolski (Chairman of the Audit Committee, meeting the independence criteria, possessing knowledge and skills in the Issuer's industry), Marco Pace (Vice-Chairman of the Audit Committee, possessing knowledge and skills in the Issuer's industry and possessing knowledge and skills in accounting and/or auditing financial statements), Aleksander Galos (Member of the Audit Committee, meeting the independence criteria, possessing knowledge and skills in the Issuer's industry and possessing knowledge and skills in accounting and/or auditing financial statements).

Tomasz Dobrowolski was elected Chairman of the Audit Committee by resolution of the Supervisory Board of 19 April 2019.

Marco Pace was elected Vice-Chairman of the Audit Committee by resolution of the Supervisory Board of 19 April 2019.

Aleksander Galos was elected Member of the Audit Committee by resolution of the Supervisory Board of 19 April 2019.

The Issuer's presentation of information concerning the compliance of Members of the Audit Committee with the criteria for knowledge and skills in accounting or auditing financial statements is based on statements made by Members of the Supervisory Board.

Aleksander Galos twice submitted a statement to the Company, which indicates that he has knowledge in the field of accounting and/or auditing financial statements. The Company does not have the authority and tools to verify these skills. In addition, Aleksander Galos submitted to the Company certificates of completion of post-graduate studies (in the field of management and finance in the power industry and the functioning of the energy market) and informed that eight years ago he completed managerial studies at the Warsaw School of Economics, and at the turn of July 2019 he would probably complete post-graduate studies at the Warsaw School of Economics in the field of risk management in financial institutions. In addition, Aleksander Galos has over eight years of experience in the Issuer's Audit Committee since 9 February 2011, in the years 2002–2011 he was a member of the Audit Committee of BZ WBK S.A. and since 2014 he has been a member of the Audit Committee of ING Bank Śląski S.A.

Meetings of the Audit Committee should be held as required, at least twice a year, on dates set by the Chairman of the Audit Committee.

Detailed rights and obligations of the Audit Committee, organisation of meetings and rules of their recording are specified in the Regulations of the Audit Committee.

Pursuant to the Regulations of the Audit Committee, the Audit Committee is a permanent committee of the Issuer's Supervisory Board and has a consultative and advisory character. The Audit Committee is established in order to increase the effectiveness of supervisory activities of the Issuer's Supervisory Board in the scope of examining the correctness of the Issuer's financial reporting, Issuer's financial performance, effectiveness of the internal control system, including internal audit and the risk management system.

The basic scope of activities of the Audit Committee is advising and supporting the Supervisory Board in performing its control and supervisory duties contained in the Articles in the scope of:

- 1) monitoring the financial reporting process,
- 2) monitoring the effectiveness of internal control and risk management systems, compliance and internal audit, including financial reporting,
- 3) monitoring the performance of financial audit activities, and in particular the audit firm's performance of the audit, taking into account any conclusions and findings of the Audit Oversight Commission resulting from the audit firm's inspection,
- 4) reviewing and monitoring the independence of the certified auditor and audit firm, in particular when the Company is provided with services other than audit by the audit firm,
- 5) informing the Supervisory Board about the results of the audit and explaining how the audit contributed to the reliability of the Company's financial reporting, as well as the role of the Committee in the audit process,
- 6) assessing the independence of the certified auditor and giving consent to the provision of permitted non-audit services to the Company, after the Committee has assessed the risks and safeguards of the auditor's independence,
- 7) developing a policy for the provision of permitted non-audit services by the audit firm carrying out the audit, by entities affiliated to the audit firm and by a member of the audit firm's network,
- 8) providing the Supervisory Board with recommendations regarding the appointment of certified auditors or audit firms,
- 9) submitting recommendations aimed at ensuring the reliability of the financial reporting process in the Company.

Remuneration Committee

Pursuant to the Regulations of the Remuneration Committee, the Remuneration Committee is a permanent committee of the Supervisory Board and has a consultative and advisory character. It is composed of at least three members, including the Chairman and Vice-Chairman. Members of the Remuneration Committee are appointed and dismissed by the Supervisory Board for the period of its term of office from among its members. The number of members of the Remuneration Committee is determined by the Supervisory Board. The Supervisory Board elects members of the Remuneration Committee, including the Chairman, at its first meeting of a given term of office.

The majority of members of the Remuneration Committee should be independent of the Company and meet the independence criteria set out in Annex II to the Commission Recommendation on the role of non-executive directors and the guidelines contained in the Best Practice for WSE Listed Companies 2016.

The basic scope of activities of the Remuneration Committee is advising and supporting the Supervisory Board in the performance of its duties contained in the Articles. The Remuneration Committee:

- 1) presents proposals, for approval by the Supervisory Board, concerning the remuneration policy for members of the Board and presents proposals concerning the remuneration of members of the Supervisory Board in order to submit a motion to the General Meeting. Such policy should address all forms of compensation, including in particular the fixed remuneration, performance-related remuneration schemes, retirement arrangements, and termination payments. Proposals related to performance-related remuneration schemes should be accompanied with recommendations on the related objectives and evaluation criteria, with a view to properly aligning the pay of members of the Board with the long-term interests of the shareholders and the objectives set by the Supervisory Board for the Company,
- 2) makes proposals to the Supervisory Board on the individual remuneration to be attributed to members of the Board, ensuring that they are consistent with the remuneration policy adopted by the Company and the evaluation of the performance of the members of the Board concerned. In doing so, the Remuneration Committee should be properly informed as to the total compensation obtained by members of the Board from other companies affiliated to the Group,
- 3) makes proposals to the Supervisory Board on suitable forms and content of contracts for members of the Board,
- 4) debates the general policy regarding the granting of share-based incentive schemes, in particular stock options, and makes any related proposals to the Supervisory Board,
- 5) reviews the information provided on incentive schemes in the annual report and to the General Meeting where relevant,
- 6) makes proposals to the Supervisory Board concerning the choice between granting options to subscribe shares or granting options to purchase shares, specifying the reasons for its choice as well as the consequences that this choice has.

As at the Date of the Prospectus, the Remuneration Committee is composed of the following persons: Flavio Ferrari (Chairman of the Remuneration Committee), Tomasz Dobrowolski (Vice-Chairman of the Remuneration Committee, meeting the independence criteria) and Aleksander Galos (Member of the Remuneration Committee, meeting the independence criteria).

Flavio Ferrari was elected Chairman of the Remuneration Committee by resolution of the Supervisory Board of 19 April 2019.

Tomasz Dobrowolski was elected Vice-Chairman of the Remuneration Committee by resolution of the Supervisory Board of 19 April 2019.

Aleksander Galos was elected Member of the Remuneration Committee by resolution of the Supervisory Board of 19 April 2019.

Meetings of the Remuneration Committee should be held as required, on dates specified by the Committee Chairman.

Detailed rights and obligations of the Remuneration Committee, organisation of meetings and rules of their recording are specified in the Regulations of the Remuneration Committee.

16.4. Information on the application of a corporate governance regime by the Issuer

As at the date of Prospectus approval, the Company applies the principles and recommendations contained in the “Best Practice for WSE Listed Companies 2016” in the wording provided by the Annex to Stock Exchange Supervisory Board Resolution No. 26/1413/2015 of 13 October 2015.

The Issuer does not apply two recommendations: VI.R.1, VI.R.2, and three detailed principles: I.Z.1.9., III.Z.3, VI.Z.1.

I. Information policy and communication with investors

I.Z.1.9. Information about the planned dividend and the dividend paid out by the company in the last 5 financial years, including the dividend record date, the dividend payment date and the dividend amount, in aggregate and per share.

The Company does not apply the principle.

Comment: Regarding the planned dividend, the Company does not intend to apply the principle due to the fact that its planning of dividends of material value depends on its subsidiary, i.e. Stalexport Autostrada Małopolska S.A., obtaining the consent of the banks financing the operations of that company (on a project finance basis) for the payment of dividends.

III. Internal systems and functions

III.Z.3. The independence rules defined in generally accepted international standards of the professional internal audit practice apply to the person heading the internal audit function and other persons responsible for such tasks.

The Company does not apply the principle.

Comment: This principle is not applied except for the compliance function for which a Compliance Officer was appointed in the Company.

VI. Remuneration

VI.R.1. The remuneration of members of the company's governing bodies and key managers should follow the approved remuneration policy.

The Company does not apply the recommendation.

Comment: Due to the size and type of its operations, the Company does not have a formal remuneration policy. Pursuant to the Company's Articles of Association and the Regulations of the Supervisory Board, the remuneration of members of the Supervisory Board is determined by the General Meeting, while the remuneration of members of the Company's Board is determined by the Supervisory Board. Moreover, each year the Company publishes data on the remuneration of members of supervisory and management bodies in accordance with applicable laws. Remuneration of managers is determined on the basis of the Remuneration Regulations prepared in accordance with the requirements of the Labour Code. This circumstance makes the Company's remuneration rules transparent and therefore does not entail any risk or negative consequences of not applying this principle. Regardless of the above, the Issuer declares to adopt a remuneration policy not later than 30 June 2020.

VI.R.2. The remuneration policy should be closely tied to the company's strategy, its short-and long-term goals, long-term interests and results, taking into account solutions necessary to avoid discrimination on whatever grounds.

The Company does not apply the recommendation.

Comment: As indicated in the commentary to recommendation VI.R.1, the Company does not have a remuneration policy. However, the Company's rules of remunerating members of the Board and managers comply with the requirements specified in Recommendation VI.R.2.

VI.Z.1. Incentive schemes should be constructed in a way necessary among others to tie the level of remuneration of members of the company's board and key managers to the actual long-term financial standing of the company and long-term shareholder value creation as well as the company's stability.

The Company does not apply the principle.

Comment: The Company has appropriate (long-term) incentive schemes for members of the Board. However, the Company did not introduce a similar incentive scheme for key managers who are not members of the Board.

16.5 Internal control over financial reporting, risk management and implementation of the internal audit function in the Company

The Company's Board is responsible for the implementation and maintenance of effective internal control systems, risk management, compliance and internal audit functions.

Due to the limited scale of operations of Stalexport Autostrady S.A. and a small number of people employed in the Company, no organisational units responsible for the performance of tasks in particular systems and functions referred to in Recommendation No. III.R.1. of the Best Practice of Listed Companies (BPLC 2016) were separated from the organisational structure of Stalexport Autostrady S.A., except for the compliance function for which a Compliance Officer was appointed in the Company. The Compliance Officer reports directly to the President of the Board and can report directly to the Supervisory Board of Stalexport Autostrady S.A.

In addition, the Company has decided to voluntarily adopt the following documents and procedures applicable in the Atlantia S.p.A. Group:

- Code of Ethics,
- A reporting procedure that applies in the event of a breach of the principles set out in the Code of Ethics,
- Compliance Program,
- Anti-Corruption Policy.

The above-mentioned documents have been accepted for use with the reservation that they are valid without any changes, unless their provisions are contrary to the provisions of the Polish law.

All the above-mentioned documents are available on the Company's website (www.stalexport-autostrady.pl).

In the remaining scope, i.e. control and internal audit and risk management, particular functions and tasks are performed by members of the Board of Stalexport Autostrady S.A. in accordance with the division of competences.

These tasks are performed by individual members of the Board within the division of tasks and responsibilities between the members of the Board of Stalexport Autostrady S.A. resulting from the Company's Organisational Regulations.

Moreover, in accordance with the provisions of the Organisational Regulations (Art. 8), internal control in the Company is carried out systematically by teams appointed to examine particular issues, in periods safeguarding the proper functioning of the Company.

In particular, once a year, on the basis of a resolution of the Supervisory Board, an audit is carried out to verify the compliance of the Company's operations with applicable regulations (Compliance Audit). A report on the conducted audit is prepared and presented to the Board and then to the Supervisory Board at its next meeting. In this report, recommendations resulting from a given audit, as well as information on the implementation of recommendations from the previous audit, are presented to the Board and the Supervisory Board.

In 2018, as in previous years, the Supervisory Board commissioned an audit of the Company's compliance with the applicable regulations (Compliance Audit) which did not reveal any irregularities in this respect. A similar inspection in the current year is planned for September.

This year, in accordance with the audit plan approved by the Supervisory Board on 31 May 2019, the Compliance Audit will be conducted by 31 October 2019, and the relevant report on the results of the audit will be presented to the Supervisory Board by 30 November 2019.

Furthermore, in accordance with its rights under the Commercial Companies Code (Art. 382), the Company's Articles of Association and the Regulations of the Supervisory Board (Art. 2), the Supervisory Board exercises constant supervision over the Company's operations in all areas of its business.

The tasks and scope of activity of the Supervisory Board are specified in Section 19 of the Regulations of the Supervisory Board.

Pursuant to Art. 22 of the Rules of the Supervisory Board, the Supervisory Board or its individual members acting on the basis of a delegation of the Supervisory Board have the right to control the full scope of the Company's activities, in particular:

- examine all documents of the Company,
- demand reports and explanations from the Board and employees,
- review the state of the Company's assets.

The following committees operate within the Supervisory Board: The Remuneration Committee and the Audit Committee, acting as advisory and opinion-forming bodies for the Supervisory Board, on the basis of Regulations constituting annexes to the Regulations of the Supervisory Board.

Every year, the Supervisory Board of Stalexport Autostrady, acting in accordance with BPLC 2016 applied by the Company, including in particular principle No. II.Z.10.1, assesses the Company's standing, including assessing the internal control, risk management and compliance systems and the internal audit function. This assessment covers all significant control mechanisms, including in particular those relating to financial and operational reporting.

The Board of Stalexport Autostrady is responsible for the internal control system and its effective functioning. The system of internal control and risk management in relation to the process of preparing financial statements is implemented through the procedures of preparing and approving financial statements binding in Stalexport Autostrady. It allows for ongoing monitoring of the status of liabilities and control over the level of costs and achieved results. Financial data constituting the basis for financial statements and periodic reports come from the IMPULS accounting and financial system in which documents are registered in accordance with the Company's accounting policy based on the International Accounting Standards.

The financial statements are prepared by the financial and accounting staff under the control of the Company's Chief Accountant, and then verified by the Vice-President of the Board – Chief Financial Officer in cooperation with the Director for Finance Management, and their final content is approved by the Board in the form of a resolution.

Financial statements approved by the Board are audited by a certified auditor appointed by the Supervisory Board of the Company. Then, pursuant to Art. 18(2)(1) of the Company's Articles of Association, the Supervisory Board – following the recommendation of the Audit Committee – annually assesses the audited financial statements of the Company and the Group in terms of their consistency with the books and documents, as well as with the actual state of affairs, and informs the shareholders about the results of such assessment in its annual report.

The Board of Stalexport Autostrady is responsible for the management of the Company's material risks, and it identifies these risks on an ongoing basis.

The Supervisory Board shares the view of the Board expressed in the Board's Reports on the operations of the Stalexport Autostrady S.A. and its Group in 2018, that the basic risks and threats as well as external and internal factors significant for the activities of Stalexport Autostrady can be divided into three basic areas, i.e. related to the following:

- execution of the A4 Katowice–Kraków motorway project,
- office space lease and investing cash resources held,
- and all the activities carried out by the Company.

The first area is dominated by economic and financial risks and factors related to the general economic situation and the current situation on the construction works market, as well as political and legal risks.

The economic situation in Poland primarily affects the number of vehicles using the A4 motorway (this factor affects mainly the traffic of heavy goods vehicles), and thus the level of revenue from toll collection generated by the Concessionaire. The Group mitigates this risk by applying an appropriate (optimal) pricing policy and undertakes actions aimed at improving the quality of customer service on the motorway section managed by the Group through the ongoing replacement of toll collection facilities, enabling customers to diversify the methods of payment for using the motorway.

In the case of the construction works market, a boom in the economy increases the prices of construction services and reduces the effectiveness of the A4 Katowice–Kraków project, and in a period of economic downturn, the Group has the possibility to obtain more favourable conditions for the performance of necessary works, and thus more funds remain at the disposal of the shareholders. The Company is trying to limit the risk in this area through active management, to the extent of its rights granted under the Concession Agreement, of the schedule of planned and implemented construction works.

Institutional and legal instability of the environment regulating the infrastructure sector in Poland is the main factor from the group of political and legal risks. It is done by, inter alia, promoting good practices and solutions aimed at creating an appropriate legal framework for the implementation of infrastructural projects and active participation in the public discussion on

new legislative solutions, the Company tries to counteract these risks. The category of these risks also includes potential actions to change existing laws which may affect the level of revenues and expenses under the A4 Katowice-Kraków project. It is worth noting at this point that the Concession Agreement contains provisions authorising to seek damages from the State Treasury if the public party carries out activities that have a negative impact on the profitability of the A4 Katowice-Kraków project.

Additional risks result from the decision of the Office of Competition and Consumer Protection (hereinafter: OCCP) of 2008, which, inter alia, found that the practice of the Concessionaire which, in the opinion of the OCCP, consisted in "imposing unfair tolls on a toll section of the motorway at the level specified in the price list during the renovation of this section of the motorway causing significant difficulties in vehicle traffic", was an act restricting free competition and ordered its cessation. When carrying out repairs causing significant difficulties in vehicle traffic in the future, the Concessionaire should take into account the provisions of the decision while implementing the policy of determining its toll rates. The Company addressed this risk by putting in place and for use the following documents: (i) "Rules of conducting works on the motorway causing difficulties in vehicle traffic and (ii) Rules of applying discounts to motorway toll rates in the case of conducting construction/renovation works between toll plazas resulting in failure to meet the motorway standard.

In the area of office space lease and investing cash resources held, the risks related to the economic situation and the investment climate as well as the market interest rate risk should be mentioned.

The current economic situation in Poland has a direct impact on the office space rental market, and thus on the amount of vacant (unrented) space and the level of rents. The Company mitigates this risk by applying a flexible pricing policy and other measures aimed at increasing the attractiveness of office space and improving the security of its users. In addition, the Company constantly conducts activities aimed at attracting new tenants.

Due to the structure of revenues and the nature of the business activity, the financial performance of the Company is burdened with interest rate risk. This risk results from the volatility of financial markets and is reflected in changes in the price of money. Stalexport Autostrady reduces this risk by diversifying the periods for which the accumulated funds are invested.

The aforementioned institutional and legal instability of the environment does not only concern the implementation of the A4 Katowice–Kraków project, but also the entire activity of the Company and its Group, with particular emphasis on the fact that Stalexport Autostrady operates as a public company.

The Company tries to counteract these risks through ongoing monitoring of changes in legal regulations (domestic and EU), the use of advice from companies specializing in a given field, participation of the Board and employees responsible for a given area of the Company's activity in trainings and conferences devoted to new regulations and implementation of appropriate procedures and good practices both at the level of the Company and the entire Group.

As indicated in the document "Reports and assessments of the Supervisory Board of Stalexport Autostrady S.A. with its registered office in Mysłowice for 2018" approved by the Supervisory Board on 28 February 2019, the Audit Committee of the Supervisory Board:

a) monitored the effectiveness of the systems and functions referred to in principle III.Z.1 in accordance with principle III.Z.5, and the Supervisory Board made an annual assessment of the effectiveness of these systems and functions;

b) positively assesses the functioning of the internal control system and the material risk management system.

Moreover, since the Company has not separated an individual unit performing the internal audit function, and the tasks in the discussed scope are performed within individual organizational divisions, the Audit Committee and the Supervisory Board stated in the above-mentioned document that due to the type and size of activity conducted by the Company, the solution applied so far has been and still is fully sufficient, and as at the date of preparing the report there is no need to organisationally separate the audit function in the Company.

17. Headcount

17.1. Information on the number and structure of employment

ISSUER

Headcount in the Issuer's company

| Status as at | Employment contract | Contract of mandate | Contract of commission | Cooperation contract |
|--------------------------|---------------------|---------------------|------------------------|----------------------|
| 31 December 2016 | 24 | 4 | 0 | 0 |
| 31 December 2017 | 24 | 4 | 0 | 0 |
| 31 December 2018 | 25 | 4 | 0 | 0 |
| Prospectus approval date | 26 | 4 | 0 | 0 |

Source: the Issuer

In 2018, the average number of employees on contracts for a specified period of time of was 1.33 persons.

Headcount under employment contracts in the Issuer's company by structure of education

| Education | 2018 | | 2017 | | 2016 | |
|-------------------------|-----------|------------|-----------|------------|-----------|------------|
| | Headcount | (%) | Headcount | (%) | Headcount | (%) |
| Primary | 0 | 0 | 0 | 0 | 0 | 0 |
| Vocational | 0 | 0 | 0 | 0 | 1 | 4 |
| Secondary comprehensive | 2 | 8 | 2 | 8 | 2 | 8 |
| Post-secondary | 0 | 0 | 0 | 0 | 0 | 0 |
| University | 23 | 92 | 22 | 92 | 21 | 88 |
| TOTAL: | 25 | 100 | 24 | 100 | 24 | 100 |

Source: the Issuer

Headcount under employment contracts in the Issuer's company by main categories

| Department | 2018 | | 2017 | | 2016 | |
|----------------------|-----------|------------|-----------|------------|-----------|------------|
| | Headcount | (%) | Headcount | (%) | Headcount | (%) |
| Blue collar workers | 0 | 0 | 0 | 0 | 1 | 4 |
| White collar workers | 18 | 72 | 17 | 71 | 17 | 71 |
| Mid-level managers | 6 | 24 | 6 | 25 | 5 | 21 |
| Board Members | 1 | 4 | 1 | 4 | 1 | 4 |
| TOTAL: | 25 | 100 | 24 | 100 | 24 | 100 |

Source: the Issuer

Headcount under employment contracts in the Issuer's company by age structure

| Years | 2018 | | 2017 | | 2016 | |
|---------------|-----------|------------|-----------|------------|-----------|------------|
| | Headcount | (%) | Headcount | (%) | Headcount | (%) |
| 19-30 | 0 | 0 | 1 | 4.17 | 1 | 4.17 |
| 31-40 | 9 | 36 | 8 | 33.33 | 7 | 29.17 |
| 41-50 | 9 | 36 | 8 | 33.33 | 8 | 33.33 |
| 51-60 | 6 | 24 | 6 | 25 | 6 | 25 |
| 61 + | 1 | 4 | 1 | 4.17 | 2 | 8.33 |
| TOTAL: | 25 | 100 | 24 | 100 | 24 | 100 |

Source: the Issuer

Staff turnover in the Issuer's company

| Years | Persons hired | Persons redundant |
|-------|---------------|-------------------|
| 2016 | 4 | 1 |
| 2017 | 3 | 3 |
| 2018 | 1 | 0 |

Source: the Issuer

Most of the Issuer's employees work in Mysłowice, and therefore the split by geographical areas is immaterial.

STALEXPORT AUTOSTRADA MAŁOPOLSKA S.A.

Headcount in SAM

| Status as at | Employment contract | Contract of mandate | Contract of commission | Cooperation contract |
|--------------------------|---------------------|---------------------|------------------------|----------------------|
| 31 December 2016 | 46 | 2 | 0 | 0 |
| 31 December 2017 | 48 | 1 | 0 | 0 |
| 31 December 2018 | 53 | 1 | 0 | 0 |
| Prospectus approval date | 56 | 1 | 0 | 0 |

Source: the Issuer

In 2018, the average number of employees on contracts for a specified period of time of was 4.58 persons.

Headcount under employment contracts in SAM by structure of education

| Education | 2018 | | 2017 | | 2016 | |
|-------------------------|-----------|------------|-----------|------------|-----------|------------|
| | Headcount | (%) | Headcount | (%) | Headcount | (%) |
| Primary | 0 | 0 | 0 | 0 | 0 | 0 |
| Vocational | 0 | 0 | 0 | 0 | 1 | 2.17 |
| Secondary comprehensive | 2 | 4 | 2 | 4 | 2 | 4.35 |
| Post-secondary | 9 | 17 | 6 | 13 | 6 | 13.04 |
| University | 42 | 79 | 40 | 83 | 37 | 80.44 |
| TOTAL: | 53 | 100 | 48 | 100 | 46 | 100 |

Source: the Issuer

Headcount under employment contracts in SAM by main activity categories

| Department | 2018 | | 2017 | | 2016 | |
|------------|-----------|-----|-----------|-----|-----------|-----|
| | Headcount | (%) | Headcount | (%) | Headcount | (%) |

| | | | | | | |
|----------------------|-----------|------------|-----------|------------|-----------|------------|
| Blue collar workers | 0 | 0 | 0 | 0 | 1 | 2 |
| White collar workers | 41 | 77 | 36 | 75 | 34 | 74 |
| Mid-level managers | 9 | 17 | 9 | 19 | 8 | 17 |
| Board Members | 3 | 6 | 3 | 6 | 3 | 7 |
| TOTAL: | 53 | 100 | 48 | 100 | 46 | 100 |

Source: the Issuer

Headcount under employment contracts in SAM by age structure

| Years | 2018 | | 2017 | | 2016 | |
|---------------|-----------|------------|-----------|------------|-----------|------------|
| | Headcount | (%) | Headcount | (%) | Headcount | (%) |
| 19-30 | 4 | 7.55 | 4 | 8 | 4 | 8.70 |
| 31-40 | 20 | 37.74 | 18 | 38 | 16 | 34.78 |
| 41-50 | 18 | 33.96 | 15 | 31 | 15 | 32.61 |
| 51-60 | 9 | 16.98 | 10 | 21 | 9 | 19.56 |
| 61 + | 2 | 3.77 | 1 | 2 | 2 | 4.35 |
| TOTAL: | 53 | 100 | 48 | 100 | 46 | 100 |

Source: the Issuer

Staff turnover in SAM

| Years | Persons hired | Persons redundant |
|-------|---------------|-------------------|
| 2016 | 9 | 1 |
| 2017 | 5 | 3 |
| 2018 | 6 | 1 |

Source: the Issuer

Most of the employees work in Mysłowice, and therefore the split by geographical areas is immaterial.

VIA4 S.A.

Headcount in VIA4

| Status as at | Employment contract | Contract of mandate | Contract of commission | Cooperation contract |
|--------------------------|---------------------|---------------------|------------------------|----------------------|
| 31 December 2016 | 238 | 0 | 0 | 0 |
| 31 December 2017 | 251 | 0 | 0 | 0 |
| 31 December 2018 | 239 | 1 | 0 | 0 |
| Prospectus approval date | 247 | 1 | 0 | 0 |

Source: the Issuer

In 2018, the average number of employees on contracts for a specified period of time of was 94.08 persons.

Headcount under employment contracts in VIA4 by structure of education

| Education | 2018 | | 2017 | | 2016 | |
|-------------------------|------------|------------|------------|------------|------------|------------|
| | Headcount | (%) | Headcount | (%) | Headcount | (%) |
| Primary | 14 | 6.17 | 16 | 6.37 | 18 | 7.56 |
| Vocational | 137 | 56.38 | 143 | 56.97 | 138 | 57.98 |
| Secondary comprehensive | 32 | 13.17 | 31 | 12.35 | 21 | 8.82 |
| Post-secondary | 14 | 5.76 | 16 | 6.37 | 14 | 5.88 |
| University | 42 | 18.52 | 45 | 17.93 | 47 | 19.75 |
| TOTAL: | 239 | 100 | 251 | 100 | 238 | 100 |

Source: the Issuer

Headcount under employment contracts in VIA4 by main activity categories

| Department | 2018 | | 2017 | | 2016 | |
|----------------------|-----------|-------|-----------|-------|-----------|-------|
| | Headcount | (%) | Headcount | (%) | Headcount | (%) |
| Blue collar workers | 54 | 22.22 | 59 | 23.51 | 59 | 24.79 |
| Cashiers | 139 | 59.26 | 147 | 58.57 | 137 | 57.56 |
| White collar workers | 39 | 15.64 | 38 | 15.14 | 35 | 14.71 |

| | | | | | | |
|--------------------|------------|------------|------------|------------|------------|------------|
| Mid-level managers | 6 | 2.47 | 6 | 2.39 | 6 | 2.52 |
| Board Members | 1 | 0.41 | 1 | 0.40 | 1 | 0.42 |
| TOTAL: | 239 | 100 | 251 | 100 | 238 | 100 |

Source: the Issuer

Headcount under employment contracts in VIA4 by age structure

| Years | 2018 | | 2017 | | 2016 | |
|---------------|------------|------------|------------|------------|------------|------------|
| | Headcount | (%) | Headcount | (%) | Headcount | (%) |
| 19-30 | 37 | 15.23 | 44 | 17.53 | 44 | 18.49 |
| 31-40 | 66 | 28.81 | 75 | 29.88 | 75 | 31.51 |
| 41-50 | 71 | 29.63 | 77 | 30.68 | 72 | 30.25 |
| 51-60 | 56 | 22.63 | 48 | 19.12 | 43 | 18.07 |
| 61 + | 9 | 3.70 | 7 | 2.79 | 4 | 1.68 |
| TOTAL: | 239 | 100 | 251 | 100 | 238 | 100 |

Source: the Issuer

Staff turnover in VIA4

| Years | Persons hired | Persons redundant |
|-------|---------------|-------------------|
| 2016 | 44 | 26 |
| 2017 | 57 | 44 |
| 2018 | 19 | 31 |

Source: the Issuer

Most of the employees work in Mysłowice, and therefore the split by geographical areas is immaterial.

BIURO CENTRUM SP. Z O.O.

Headcount in Biuro Centrum

| Status as at | Employment contract | Contract of mandate | Contract of commission | Cooperation contract |
|------------------|---------------------|---------------------|------------------------|----------------------|
| 31 December 2016 | 29 | 2 | 0 | 0 |

| | | | | |
|--------------------------|----|---|---|---|
| 31 December 2017 | 26 | 5 | 0 | 0 |
| 31 December 2018 | 27 | 3 | 0 | 0 |
| Prospectus approval date | 27 | 3 | 0 | 0 |

Source: the Issuer

In 2018, Biuro Centrum had no employees on contracts for a specified period of time.

Headcount under employment contracts in Biuro Centrum by structure of education

| Education | 2018 | | 2017 | | 2016 | |
|-------------------------|-----------|------------|-----------|------------|-----------|------------|
| | Headcount | (%) | Headcount | (%) | Headcount | (%) |
| Primary | 0 | 0 | 0 | 0 | 0 | 0 |
| Vocational | 8 | 30 | 8 | 30 | 9 | 31 |
| Secondary comprehensive | 10 | 37 | 9 | 35 | 11 | 38 |
| Post-secondary | 0 | 0 | 0 | 0 | 0 | 0 |
| University | 9 | 33 | 9 | 35 | 9 | 31 |
| TOTAL: | 27 | 100 | 26 | 100 | 29 | 100 |

Source: the Issuer

Headcount under employment contracts in Biuro Centrum by main activity categories

| Department | 2018 | | 2017 | | 2016 | |
|---------------------|-----------|------------|-----------|------------|-----------|------------|
| | Headcount | (%) | Headcount | (%) | Headcount | (%) |
| Blue collar workers | 18 | 67 | 17 | 65 | 19 | 66 |
| Engineering staff | 0 | 0 | 0 | 0 | 0 | 0 |
| Administration | 5 | 18 | 5 | 20 | 5 | 17 |
| Management | 4 | 15 | 4 | 15 | 5 | 17 |
| TOTAL: | 27 | 100 | 26 | 100 | 29 | 100 |

Source: the Issuer

Headcount under employment contracts in Biuro Centrum by age structure

| Years | 2018 | | 2017 | | 2016 | |
|---------------|-----------|------------|-----------|------------|-----------|------------|
| | Headcount | (%) | Headcount | (%) | Headcount | (%) |
| 19-30 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31-40 | 11 | 41 | 11 | 42 | 12 | 41 |
| 41-50 | 4 | 15 | 3 | 12 | 4 | 14 |
| 51-60 | 10 | 37 | 11 | 42 | 8 | 28 |
| 61 + | 2 | 7 | 1 | 4 | 5 | 17 |
| TOTAL: | 27 | 100 | 26 | 100 | 29 | 100 |

Source: the Issuer

Staff turnover in Biuro Centrum

| Years | Persons hired | Persons redundant |
|-------|---------------|-------------------|
| 2016 | 3 | 4 |
| 2017 | 3 | 6 |
| 2018 | 1 | 0 |

Source: the Issuer

Most of the employees work in Katowice, and therefore the split by geographical areas is immaterial.

Stalexport Autoroute S.à r.l. has no employees.

Petrostal S.A. in liquidation has no employees.

17.2. Information on the Issuer's shares and options for shares held by members of administrative, management, and supervisory bodies

The President of the Board of the Issuer – Emil Wąsacz holds 59,000 shares in the Issuer's share capital, with the total nominal value of PLN 44,250, representing 0.02% of the Issuer's share capital and authorising to exercise voting rights attached to 0.02% of the overall number of votes at the General Meeting.

Members of the Board, Supervisory Board, or connected entities are not entitled to share options.

17.3. Description of any arrangements for involving the employees in the capital of the Issuer

According to the best of the Issuer's knowledge, there are no arrangements for involving the employees in the share capital of the Issuer.

18. Material shareholders

18.1. Information on persons other than a member of the administrative, management or supervisory bodies who, directly or indirectly, have interest in the Issuer's capital or voting rights that are notifiable under the Issuer's national law

A material shareholder of the Issuer, other than members of the administrative, management or supervisory bodies is:

Atlantia S.p.A. with its registered office in Rome, holding 151,323,463 Issuer's shares, representing 61.20% of the Issuer's share capital and authorising to 61.20% of voting rights at the Company's General Meeting.

| Shareholder | No. of shares (pcs.) | Stake in the share capital (%) | Share in the total number of votes (%) |
|-----------------|----------------------|--------------------------------|--|
| Atlantia S.p.A. | 151,323,463 | 61.20 | 61.20 |

Source: Issuer (the Company's own elaboration based on the notifications from its shareholders pursuant to Art. 69 and 69a in relation to Art. 87 of the Public Offering Act)

18.2. Information on other voting rights held by major shareholders in the Issuer

According to the best of the Issuer's knowledge, there are no agreements or arrangements between the Issuer's shareholders as regards exercising voting rights, and therefore the possibility of exercising control over the Issuer, nor is there a legal presumption in this respect.

18.3. Information on the parent entity in relation to the Issuer, or the entity controlling the Issuer, the character of that control, and existing mechanisms to prevent its abuse

The parent entity in relation to the Issuer is Atlantia S.p.A. with its registered office in Rome, holding 151,323,463 Issuer's shares, representing 61.20% of the Issuer's share capital and authorising to 61.20% of voting rights at the Company's General Meeting.

Apart from Atlantia S.p.A. with registered office in Rome, there is no other parent or controlling entity in relation to the Issuer.

The Issuer's Articles of Association do not modify the general regulations regarding protection of minority shareholders or preventing abuse of control over the Issuer by the majority shareholder. The Issuer's Articles of Association do not provide any special mechanisms for preventing abuse of the dominant position in relation to the Issuer.

The mechanisms preventing the abuse of control over the Issuer by the majority shareholder result from the applicable law and include in particular:

- 1) the right of the shareholder or shareholders in a listed company to appeal against the resolutions of its general meeting, in the method provided for in Art. 422–427 of the CCC;
- 2) the right of the shareholder or shareholders in a listed company to request information during or outside of its general meeting, in the method provided for in Art. 428–429 of the CCC;
- 3) the right of the shareholder or shareholders in a listed company, representing at least 1/5 of the share capital in the company to request that the next general meeting should elect the supervisory board by way of voting in separate groups, in the method provided for in Art. 385 (3–9) of the CCC;
- 4) the right of the shareholder or shareholders in a listed company to request that a general meeting should be called or that the agenda for the next general meeting of the public company includes adopting a resolution on the appointment of a special purpose auditor;
- 5) the obligations related to disclosing the holdings of shares in a public company and the obligations related to exceeding, by a given entity of the specified share in the overall number of votes in a public company, however exceeding the thresholds of 33% and 66% may only occur as a result of announcing the call for subscriptions for sale or exchange of shares in a public company (Art. 69-70 and Art. 73-74 of the Offering Act);
- 6) the right of minority shareholders to request repurchase of shares in the public company held by them by other shareholders in that public company, if the share in the overall number of votes has reached or exceeded 90% (Art. 83 of the Offering Act).

18.4. Description of all arrangements known to the Issuer, the implementation of which in the future may cause changes in the methods of control over the Issuer

The Issuer is not aware of any arrangements, the implementation of which may cause changes in the methods of control over the Issuer.

19. The Issuer's transactions with connected entities that are material to the Issuer

Shown below are the transactions with related entities for the period from 1 January 2016 to the date of approval for the prospectus.

According to the Issuer, the transactions with related entities are made on arm's length terms.

The list of main related entities (subsidiaries and affiliates of the Issuer and the parent entity):

- Atlantia S.p.A,
- Stalexport Autostrada Małopolska S.A.,
- VIA4 S.A.,
- Stalexport Autoroute S.á r.l.,
- Biuro Centrum Sp. z o.o.,
- Autogrill Polska Sp. z o.o. - Autogrill Polska Sp. z o.o. – this company, via AUTOGRILL EUROPE, is a part of the group of companies EDIZIONE SRL, to which the Issuer also belongs (via Atlantia S.p.A.).

The connected entities of the Issuer also include members of the bodies managing and supervising the Issuer and their family members:

- Emil Wąsacz – President of the Board,
- Mariusz Serwa – Vice-President of the Board,
- Roberto Mengucci – Chairman of the Supervisory Board,
- Aleksander Galos – Vice-Chairman of the Supervisory Board,
- Stefano Rossi – Secretary of the Supervisory Board,
- Marco Pace – Member of the Supervisory Board,
- Nicola Bruno – Member of the Supervisory Board,
- Flavio Ferrari – Member of the Supervisory Board.

Transactions concluded by the Issuer with its related entities in the period 1 January 2016 – 31 December 31 2016 (data in PLN '000, status as at 31 December 2016)

| Related entity | Type of transaction | Sale to related entities | Purchases from related entities | Receivables from related entities | Obligations to related entities |
|-----------------------------|------------------------------------|--------------------------|---------------------------------|-----------------------------------|---------------------------------|
| Atlantia S.p.A | settlement of business trips costs | | | | 18 |
| Autogrill Polska Sp. z o.o. | rent | 57 | | | 10 |
| Biuro Centrum Sp. z o.o. | rent | 221 | | 8 | |
| Biuro Centrum Sp. z o.o. | IT Services | 56 | | | |

| | | | | | |
|---------------------------------------|---------------------------------------|--------------|--------------|--------------|-----------|
| Biuro Centrum Sp. z o.o. | services related to estate management | | 3,101 | | 62 |
| Biuro Centrum Sp. z o.o. | food services | | 2 | | |
| Biuro Centrum Sp. z o.o. | investment expenses | | 742 | | |
| Stalexport Autostrada Małopolska S.A. | rent | | 26 | | 3 |
| VIA4 S.A. | IT Services | 180 | | 18 | |
| VIA4 S.A. | financial services | 230 | | 122 | |
| VIA4 S.A. | lease | 290 | | 5,509 | |
| Total | | 1,034 | 3,869 | 5,657 | 93 |

Source: the Issuer

Transactions concluded by the Issuer with entities connected with the Issuer in the period 01.01.2017 – 31.12.2017 (data in PLN '000, status as at 31.12.2017)

| Related entity | Type of transaction | Sale to related entities | Purchases from related entities | Receivables from related entities | Obligations to related entities |
|---------------------------------------|--|--------------------------|---------------------------------|-----------------------------------|---------------------------------|
| Atlantia S.p.A | settlement of costs of business trips | | | | 17 |
| Autogrill Polska Sp. z o.o. | rent | 57 | | | 10 |
| Biuro Centrum Sp. z o.o. | rent | 214 | | 8 | |
| Biuro Centrum Sp. z o.o. | IT Services | 45 | | | |
| Biuro Centrum Sp. z o.o. | Services related to real estate management | | 3,080 | | 61 |
| Biuro Centrum Sp. z o.o. | Food services | | 2 | | |
| Stalexport Autostrada Małopolska S.A. | rent | | 26 | | 3 |
| VIA4 S.A. | IT Services | 180 | | 19 | |
| VIA4 S.A. | financial services | 245 | | 129 | |

| | | | | | |
|--------------|-------|------------|--------------|--------------|-----------|
| VIA4 S.A. | lease | 230 | | 5,710 | |
| Total | | 971 | 3,106 | 5,866 | 91 |

Source: the Issuer

Transactions concluded by the Issuer with entities connected with the Issuer in the period 1 January 2018 – 31 December 2018 (data in PLN '000, status as at 31 December 2018)

| Related entity | Type of transaction | Sale to related entities | Purchases from related entities | Receivables from related entities | Obligations to related entities |
|---------------------------------------|---------------------------------------|--------------------------|---------------------------------|-----------------------------------|---------------------------------|
| Atlantia S.p.A | settlement of business trips costs | | | | 17 |
| Autogrill Polska Sp. z o.o. | rent | 30 | | | 10 |
| Biuro Centrum Sp. z o.o. | rent | 214 | | 2 | |
| Biuro Centrum Sp. z o.o. | services related to estate management | | 3,137 | | 158 |
| Biuro Centrum Sp. z o.o. | | | 4 | | |
| Biuro Centrum Sp. z o.o. | investment expenses | | 383 | | 471 |
| Stalexport Autostrada Małopolska S.A. | rent | | 26 | | 3 |
| VIA4 S.A. | IT Services | 192 | | 21 | |
| VIA4 S.A. | financial services | 260 | | 134 | |
| VIA4 S.A. | lease | 221 | | 4,879 | |
| Total | | 917 | 3,546 | 5,036 | 659 |

Source: the Issuer

Transactions concluded by the Issuer with entities connected with the Issuer in the period January 1, 2019 – Date of this Prospectus (data in PLN '000, status as at 30 May 2019)

| Related entity | Type of transaction | Sale to related entities | Purchases from related entities | Receivables from related entities | Obligations to related entities |
|----------------------|------------------------------------|--------------------------|---------------------------------|-----------------------------------|---------------------------------|
| Atlantia S.p.A | settlement of business trips costs | | | | 17 |
| Autogrill Polska Sp. | rent | 5 | | | 11 |

| | | | | | |
|---------------------------------------|---------------------------------------|------------|--------------|--------------|------------|
| z o.o. | | | | | |
| Biuro Centrum Sp. z o.o. | rent | 91 | | 25 | |
| Biuro Centrum Sp. z o.o. | services related to estate management | | 1,280 | 63 | 342 |
| Stalexport Autostrada Małopolska S.A. | rent | | 11 | | 3 |
| VIA4 S.A. | IT Services | 85 | | 21 | |
| VIA4 S.A. | financial services | | | | |
| VIA4 S.A. | lease | 78 | | 4,244 | |
| Total | | 259 | 1,291 | 4,353 | 373 |

Source: the Issuer

The Issuer advises that in the period covered by the historical financial information until the Date of the Prospectus, the Issuer did not grant any loans to the subsidiaries.

The Issuer advises that in the period covered by the historical financial information until the Date of the Prospectus, the Issuer did not receive any loans from the subsidiaries.

The Issuer advises that in the period covered by the historical financial information until the Date of the Prospectus, the Issuer did not effect, with the subsidiaries, any transactions related to creating the Issuer's Group of Companies.

Remuneration and other benefits paid to members of the Issuer's supervising and management bodies

| | 1 January 2019 – Date of the Prospectus (PLN '000) | 1 January 2018 – 31 December 2018 (PLN '000) | 01.01.2017 – 31.12.2017 (PLN '000) | 01.01.2016 – 31.12.2016 (PLN '000) |
|--|--|--|--|--|
|--|--|--|--|--|

Board of the Company

| | | | | |
|----------------------------|---------|--------|--------|----------|
| Emil Wąsacz ¹ | 252.232 | 667.35 | 667.10 | 2,735.91 |
| Mariusz Serwa ² | 90.798 | 196.18 | 169.22 | 490.82 |

Supervisory Board of the Company

| | | | | |
|---------------------------------|--------|-------|----|-------|
| Roberto Mengucci ³ | - | - | - | - |
| Aleksander Galos ⁴ | 17.552 | 38 | 38 | 36.15 |
| Stefano Rossi ⁵ | - | - | - | - |
| Tomasz Dobrowolski ⁶ | 17.202 | 29.85 | - | - |
| Flavio Ferrari ⁷ | - | - | - | - |
| Marco Pace ⁸ | - | - | - | - |
| Massimo Sonogo ⁹ | - | - | - | - |
| Tadeusz Władyka ¹⁰ | - | 5.33 | 32 | 31.26 |

Nicola Bruno¹¹

¹period of office: 25 October 2000 - till now²period of office: 1 January 2013 – present³period of office: 24 July 2009 – present⁴period of office: 29 March 2008 – present⁵period of office: 14 April 2016 - present⁶period of office: 26 January 2018 – present⁷period of office: 26 January 2018 – present⁸period of office: 14 April 2016 – present⁹period of office: 14 April 2016 – present¹⁰period of office: 24 May 2006 – 24 August 2006 and 28 March 2008 - 26 January 2018¹¹period of office: 3 April 2019 - present

Source: the Issuer

The amounts of remuneration presented in the table above include:

- 1) A payment of PLN 173,650 under annual bonus paid in 2018 in relation to 2017, which was included in the provision made against 2017. The provision against 2018 included the provision for annual bonus for the Board for 2017, in the amount of PLN 207,320 and additionally the provision for payment of the three-year incentive scheme (covering the period from January 2016 to December 2018) in the amount of PLN 1,025,400.
- 2) A payment of PLN 176,130 under annual bonus paid in 2017 in relation to 2016, which was included in the provision made against 2016. The provision against 2017 included the provision for annual bonus for the Board for 2017, in the amount of PLN 199,000 and additionally the provision for payment of the three-year incentive scheme (covering the period from January 2016 to December 2018) in the amount of PLN 1,025,400.
- 3) A payment of PLN 179,780 under annual bonus paid in 2016 in relation to 2015, which was included in the provision made against 2015 and the payment of PLN 2,386,070 under the three-year incentive scheme, which was included in the provision made against the period from 2013 to 2015. The provision against 2016 included the provision for annual bonus for the Board for 2016, in the amount of PLN 199,000 and additionally the provision for payment of the three-year incentive scheme (covering the period from January 2016 to December 2018) in the amount of PLN 1,025,400.

20. Financial information related to the assets and equity and liabilities of the Issuer, its financial standing and profit and loss

The Issuer presents in the Prospectus the following financial information audited by a certified auditor:

- consolidated financial statements of the Issuer's Group for the period from 1 January 2018 to 31 December 2018, including the comparative data covering the period from 1 January 2017 to 31 December 2017.
- consolidated financial statements of the Issuer's Group for the period from 1 January 2017 to 31 December 2017, including the comparative data covering the period from 1 January 2016 to 31 December 2016.

The financial statements were drawn up according to the requirements of the International Financial Reporting Standards, which were approved by the European Union ("EU IFRS") and other applicable regulations. EU IFRS contain all International Accounting Standards ("IAS"), International Financial Reporting Standards ("IFRS") and related Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") except for Standards and Interpretations that await approval by the European Union, as well as Standards and Interpretations that have been approved by the European Union but have not yet come into force.

The information on the opinions from certified auditors on the consolidated financial statements of the Issuer's Group are included in point 20.3 of Chapter III of the Prospectus.

In the Prospectus, the Issuer presents an interim condensed consolidated financial statement for the period of 3 months, ending on 31 March 2019, including comparative data, which was not audited or reviewed by a certified auditor.

The condensed interim consolidated financial statements were prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union and other applicable regulations. The condensed interim consolidated financial statements do not contain all the information required for annual financial statements and should be analysed together with the consolidated financial statements of the Group as at and for the financial year ended 31 December 2018.

20.1. Historical financial information and certified auditor's reports for the last 3 financial years

The Issuer incorporated in the Prospectus by reference the consolidated financial statements whose list is included in appendix 4 hereto. These include:

- consolidated financial statement for the period from 1 January 2017 to 31 December 2017, including the comparative data covering the period from 1 January 2016 to 31 December 2016, which was published in the interim report on 2 March 2018.
- consolidated financial statement for the period from 1 January 2018 to 31 December 2018, including the comparative data covering the period from 1 January 2017 to 31 December 2017, which was published in the interim report on 1 March 2019.

The documents incorporated in a prospectus by reference meet the condition under Art. 28(2) of Regulation 809/2004 – they were drawn up in Polish language.

20.2. Pro forma financial information

According to the Issuer's Board, there are no premises for preparing pro forma financial information (i.e. material financial obligations or transactions that could cause a material change in income, assets, or financial result), and therefore, the Issuer does not include pro forma financial information in the Prospectus.

20.3. Financial statements

The consolidated financial statements of the Issuer's Group were audited by a certified auditor.

The certified auditor did not decline to prepare a report for historical financial information. The opinion on the historical financial information, included in the Prospectus, expressed by the certified auditor did not contain any qualifications or clauses for limitation of liability.

The certified auditor did not decline to express his opinion on the Issuer's financial statements, which act as the basis for preparing consolidated financial statements. The opinions on the Issuer's financial statements, expressed by the certified auditor did not contain any reservations or explanations.

Apart from the consolidated financial statements of the Issuer's Group, no other information included in the Prospectus were audited by authorised certified auditors.

The data included in point 5.2 of Chapter III of the Prospectus (Investments), 8.1 of Chapter III of the Prospectus (Fixed Assets) and in point 3.2 of Chapter IV of the Prospectus (Capitalisation and Indebtedness) are not taken from financial statements audited by a certified auditor and were prepared by the Issuer based on the accounts for the needs of this Prospectus.

The Prospectus contains an interim condensed consolidated financial statement for the period of 3 months, ending on 31 March 2019, including comparative data, which was not audited or reviewed by a certified auditor.

20.3.1. Independent auditor's opinion on the financial statement for the financial years 2016-2018

The Issuer incorporated into the Prospectus references to the published opinions on consolidated financial statements: their list is included in Appendix 4 hereto.

The documents incorporated in the Prospectus by reference meet the condition under Art. 28(2) of Regulation 809/2004 – they were drawn up in Polish language.

20.4. Auditing annual historical financial information

The most recent financial information audited by a certified auditor are from 2018.

20.5. The date of the most recent financial information

The most recent financial statement, audited by a certified auditor, is the consolidated financial statement of the Issuer's Group for the period of 12 months, ending on 31 December 2018. The Issuer also published an interim condensed consolidated financial statement for the period of 3 months, ending on 31 March 2019, including comparative data, which was not audited or reviewed by a chartered auditor.

20.6. Interim financial and other information

In the Prospectus, the Issuer presents an interim condensed consolidated financial statement for the period of 3 months, ending on 31 March 2019, including comparative data.

20.6.1 Certified auditor's review report – interim financial information of the Issuer's Group

In the Prospectus, the Issuer does not present the interim financial information that would be reviewed by a certified auditor.

20.6.2 Interim condensed consolidated financial statement of the Issuer's Group

The Issuer incorporated in the Prospectus reference to the published interim condensed consolidated financial statement for the period of 3 months, ending on 31 March 2019, including comparative data. The list of attached reports is included in Appendix 4 hereto.

20.7. Dividend policy

20.7.1. Description of the Issuer's policy regarding dividend payment and any limitations in this respect

Dividend is paid pursuant to the provisions of the CCC. The Articles of Association do not provide for any limitations or privileges with regard to the right to dividend. The Issuer does not have a dividend policy in place and did not publish any information on the dividend payment policy.

The time frames for making decisions on dividend payment

According to the applicable regulations, the body authorised to adopt a resolution on profit distribution (or on covering the loss) and on dividend payment is the Ordinary General Meeting, which should be held within six months of the end of the financial year. As the Issuer's financial year is the calendar year, the Issuer's Ordinary General Meeting should be held by the end of June.

Method of announcing information on dividend collection

The information on dividend collection shall be announced by way of current reports.

Persons entitled to the dividend

Persons whose accounts have shares registered as at the dividend date.

The conditions for collecting the dividend, the date on which the right to dividend is given and the consequences of the failure to exercise the right on time

According to Art. 348(4) of the CCC, the Ordinary general meeting in the Issuer specifies in the resolution the date of determination of the right to dividend (in CCC regulations called the "dividend date") and dividend payment date. The dividend date may be set for the date occurring not earlier than five days and not later than three months of the date of adopting the resolution. The dividend payment date may be set during the next three months of the date of the resolution.

Dividends are recognised at the acquisition of rights to receive them by the shareholders. Dividend payments to the Company's shareholders are recognised as obligation in the financial statement of the Company in the period when they were approved by the shareholders in the Company.

According to Art. 127 of Chapter IV Chapter 13 Sub-chapter 4 of UTP Detailed Exchange Trading Rules, the Issuer must immediately notify the WSE of adopting a resolution on using the profits for dividend payment to shareholders, the amount of the dividend, the number of shares that entitle to a dividend, the value of the dividend per one share, the date

of determining the right to dividend and dividend payment date. Additionally, Art. 106(1) of KDPW's Detailed Rules of Operations required the Issuer to advise KDPW of the amount of the dividend per one share, the date of determination of the right to dividend (specified in the provisions of the Commercial Companies Code as "dividend date") and the date of dividend payment. According to Art. 106(2) of KDPW's Detailed Rules of Operations, the dividend payment date may fall on the fifth day after the date of determining the right to a dividend at the earliest. It should also be taken into account that according to Art 5(1) of NDS Rules, the period of limitation shall exclude days considered off work under applicable regulations and Saturdays, subject to(2), however, the method of calculating the deadlines shall not apply to payments made to NDS.

20.7.2. Dividend per share for each financial year of the period covered by the historical financial information

On 13 April 2017, the Ordinary general meeting in the Company decided to distribute net profit of Stalexport Autostrady S.A. for the financial year 2016 in the amount of PLN 180,747,149.87 in the following way:

- a) PLN 136,239,985.73 to be appropriated to supplementary capital;
- b) PLN 44,507,164.14 to be appropriated for the payment of dividends to the Company's shareholders which meant that the dividend per share equalled PLN 0.18.

On April 4, 2018, the Ordinary general meeting in the Company decided to distribute net profit of Stalexport Autostrady S.A. for the financial year 2017 in the amount of PLN 73,208,489.51 in the following way:

- a) PLN 1,502,502.84 to be appropriated to supplementary capital;
- b) PLN 71,705,986.67 to be appropriated for the payment of dividends to the Company's shareholders which meant that the dividend per share equalled PLN 0.29.

On 3 April 2019, the Ordinary General Meeting of the Company made a distribution of the net profit of Stalexport Autostrady S.A. for the financial year 2018 in the amount of PLN 4,431,996.31, by appropriating the same in whole to supplementary capital and decided to pay dividend to the shareholders of the Company from funds accumulated in the Company's supplementary capital in the amount of PLN 91,486,948.51 which means that the dividend per share is PLN 0.37. The dividend date was set on April 18, 2019 and the dividend payment date on 20 May 2019. On 20 May 2019, the Issuer's bank account was debited with the dividend amount.

20.7.3. The Issuer's intentions regarding dividend payment in the future

The Company does not publish any information on its dividend payment policy.

The payment of high dividends by the Issuer requires the Issuer's profit to be in an appropriate amount which is in fact mainly driven by a positive result produced by the Company on its financial activities.

Such positive result on the Issuer's financial activities is, first and foremost, dependent on the level of dividends received by the Issuer from its subsidiaries (through Stalexport Autoroute), mainly SAM and VIA4.

The provisions of the Concession Agreement and the Loan Agreement condition the possibility of dividend payments to SAM shareholder(s), among others, on the completion of a particular stage of construction works, on reaching minimum values of debt service indicators and on ensuring coverage of reserve accounts in the required amount.

20.8. Legal and arbitration proceedings

According to the statement from the Board of the Issuer, as at the approval date for the Prospectus, no legal, administrative, or arbitration proceedings are underway, nor governmental proceedings, to which the Issuer or its subsidiaries are a party, that may have a material impact on the financial position or profitability of the Issuer or the Group of Companies.

The Issuer considers material proceedings to be such, in which the amount disputed exceeds 10% of the Issuer's equity, i.e. PLN 41,632,700 and the proceedings which due to their specific character or significance for the Issuer's operations should be presented in the Prospectus.

According to the Issuer's knowledge, as at the Prospectus Date, there is no material risk of any potential material proceedings occurring in the future, which could impact the financial position or profitability of the Issuer or the Issuer's Group of Companies.

20.9. Significant changes in the financial and economic position of the Issuer from the closing date of the last reporting period

According to the Issuer's Board, after the balance sheet date of 31 December 2018, there were no material changes in financial or economic standing, except for the following:

On 4 February 2019, an agreement was concluded with Pavimental Polska Sp. z o.o. for the implementation of the contract for the replacement of surface in the years 2019-2020. The contracted amount is PLN 49,689,000. Under the agreement, a total of 42.4 km of the A4 Katowice-Kraków section motorway will be renovated.

21. Additional information

21.1. The Issuer's share capital

21.1.1. The amount of the issued share capital

The Issuer's share capital as at the balance sheet date of the last audited balance sheet presented in the Historical Financial Information (i.e. as at 31 December 2018) was at PLN 185,446,517.25 (one hundred eighty five million four hundred forty six thousand five hundred and seventeen zloty twenty-five grosz) and was divided into 247,262,023 (two hundred forty-seven thousand two hundred sixty two and twenty-three) shares with the nominal value of PLN 0.75 (seventy-five grosz) each, including:

- a) 8,341,030 series A ordinary bearer shares,
- b) 492,796 series B ordinary bearer shares,
- c) 4,000,000 series D ordinary bearer shares,
- d) 94,928,197 series E ordinary bearer shares,
- e) 50,000,000 series F ordinary bearer shares,
- f) 89,500,000 series G ordinary bearer shares.

As at the Prospectus Date, the Issuer's share capital amounts to PLN 185,446,517.25 (one hundred eighty five million four hundred forty six thousand five hundred and twenty five grosz) and is divided into 247,262,023 (two hundred forty seven million two hundred sixty two thousand twenty three) shares with a nominal value of PLN 0.75 (seventy five grosz) each, including:

- a) 8,341,030 series A ordinary bearer shares,
- b) 492,796 series B ordinary bearer shares,
- c) 4,000,000 series D ordinary bearer shares,
- d) 94,928,197 series E ordinary bearer shares,
- e) 50,000,000 series F ordinary bearer shares,
- f) 89,500,000 series G ordinary bearer shares.

The nominal value of one share of the Issuer is at PLN 0.75 (seventy-five grosz).

All shares issued by the Issuer are fully paid-up.

The Issuer's shares were paid in cash, except for series E shares and Tranche I of Series F shares totalling 15,840,622 shares, which were taken up in exchange for an in-kind contribution.

Series E shares, issued under the resolution of the Extraordinary General Meeting of the Company of 27 November 2002, are intended for creditors who went into an arrangement as part of the conversion of receivables due to them from the Company. They were paid for by non-cash contribution in the form of the above receivable, totalling PLN 189,856,394.00. The nominal value of shares and the issue price were at PLN 2 per one series E share.

As part of issuing series F shares (50,000,000 shares), two tranches of shares were issued:

- Tranche I of series F shares for the consortium banks (15,840,622 ordinary bearer shares with nominal value of PLN 2 each)
- Tranche II of series F shares for Autostrade S.p.A. (34,159,378 ordinary bearer shares with nominal value of PLN 2 each).

Series F shares of Tranche I and series F shares of Tranche II were issued pursuant to the authorisation given to the Board of the Company from the General Meeting to increase the share capital as part of the target equity by the maximum amount of PLN 100,000,000.

The issue price of Tranche I of series F shares was at PLN 2.2458 – for one series F share. Tranche I of series F was allocated to Consortium Banks (i.e. ING Bank Śląski S.A. with registered office in Katowice, Bank Millennium S.A. with registered office in Warsaw, Bank Gospodarki Żywnościowej S.A. with registered office in Warsaw, Bank Handlowy w Warszawie S.A., BOŚ S.A. with registered office in Warsaw, PKO Bank Polski S.A. with registered office in Warsaw, Bank Pekao S.A. with registered office in Warsaw, Kredyt Bank S.A. with registered office in Warsaw, Bank Zachodni WBK S.A. with registered office in Wrocław) and was covered by non-cash contributions totalling PLN 31,681,244.00 – in the form of receivables due to Consortium Banks from the Company under repayment guarantee provided by the Company to Walcownia Rur Jedność sp. z o.o. for main and auxiliary loans granted to Walcownia Rur Jedność sp. z o.o. by the above banks.

Tranche II series F shares were issued pursuant to the Investment Agreement with Autostrade S.p.A. and the provisions of the Board resolution No. 82/2006 of June 26, 2006. On June 26, 2006, an agreement was signed for taking up shares as part of private subscription between the Company and Autostrade S.p.A. As part of Tranche II series F shares issue, the Company issued in total 34,159,378 ordinary bearer shares with nominal value of PLN 2 each. All Tranche II series F shares were taken up at the issue price of PLN 2 per one share and were paid for with cash.

Share capital increase as a result of the issue of 15,840,622 Tranche I series F shares was registered with the District Court in Katowice, Commercial Department of the National Court Register on 6 July 2006, while the share capital increase as a result of the issue of 34,159,378 Tranche II series F shares was registered with the District Court in Katowice, Commercial Department of the National Court Register on July 26, 2006.

In the resolution dated 4 April 2011, the Issuer's OGM adopted a resolution on decreasing the Company's share capital by way of amending the Company's Articles of Association by reducing the nominal value of shares in order to cover the losses from previous years, according to which the Company's share capital was reduced by PLN 309,077,528.75, i.e. from PLN 494,524,046.00 to PLN 185,446,517.25 by reducing the nominal value of each share by PLN 1.25, i.e. from PLN 2 to PLN 0.75.

As at 1 January 2018 and 31 December 2018, the Issuer had 157,762,023 (in words: one hundred fifty-seven million seven hundred sixty-two thousand and twenty-three) shares traded in the primary market of Warsaw Stock Exchange.

In the period covered with Historical Financial Information, there was no situation in which over 10% of the share capital would be paid with assets other than cash.

The Issuer holds no shares in the target equity.

21.1.2. Number and main characteristics of shares not representing equity

The Issuer did not issue any shares that do not represent equity.

21.1.3. Number, book value, and nominal value of the Issuer's shares held by the Issuer, other persons on its behalf, or the Issuer's subsidiaries

Neither the Issuer, other persons on its behalf, nor the Issuer's subsidiaries hold the Issuer's shares.

21.1.4. The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.

On 21 December 1996, the Extraordinary general meeting adopted resolution No. 1 on the issue of bonds convertible to shares. Pursuant to the above resolution, on 3 April 1997, the Company issued 50,000 bonds convertible to shares with nominal value of USD 1,000 each, with a total value of USD 50,000,000. In relation to the issue of bonds convertible to shares, the Extraordinary General Meeting of the Company made resolution No. 2 on increasing the share capital by at the maximum amount of PLN 40,000,000 by issuing a maximum of 4,000,000 series C shares with nominal value of PLN 10.00 each. Series C shares were to be taken up solely by the entities which will decide on exchanging the held shares to series C shares. According to the provisions of resolution No. 1, the bonds could be converted to series C shares after six months of the date of issuing the bonds, however, not earlier than before admitting series C shares to public trading. Based on that resolution, a period was set, during which a statement could be submitted on converting bonds to series C shares. The period was between 15 October 1997 and 31 March 2002 (the date of 31 March 2002 was the deadline for repurchasing the bonds).

None of the bondholders submitted a statement on converting bonds to series C shares by the deadline set.

The receivable of bondholders to the Issuer under the issue of bonds was included in the list of receivables in the Company's arrangement proceedings.

Pursuant to resolution No. 1 of the Extraordinary Meeting of Bondholders on 10 May 2002 regarding the change of terms of issuing convertible bonds, Citicorp Trustee Company Limited was committed by the bondholders to make a subscription for series E shares, intended for creditors who went into an arrangement with STALEXPORT S.A. as part of the programme of converting their receivables from the Company.

Citicorp Trustee Company Limited, acting as the trustee of the bondholders, took up 28,498,809 series E shares, with a total nominal value of PLN 56,997,618.00. The remaining part of obligations that were not converted into stocks was repaid by the Issuer according to the provisions of the arrangement concluded with the Issuer's creditors, which became final on 5 July 2002. The decision of the District Court in Katowice of 8 April 2009 deemed the arrangement to be completed.

Apart from those indicated below, the Issuer did not issue any convertible securities, exchangeable securities or securities with warrants.

21.1.5. Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.

The Issuer's Articles of Association do not include any provisions regarding the (authorised) target capital.

The Issuer's Articles of Association do not include any obligations to increase the Issuer's share capital.

21.1.6. Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate.

According to the best of the Issuer's knowledge, the Issuer's share capital is not subject to any options.

21.1.7. A history of share capital, highlighting information about any changes, for the period covered by the historical financial information

In the period covered by the historical financial information, i.e. from 1 January 2016 to 31 December 2018, as well as until the Prospectus Date, the share capital did not change.

21.2. Memorandum and articles of association

21.2.1. Description of the object and purpose of the Issuer's operations

The object of the Issuer's core operations is construction of roads and motorways (42.11.Z).

Other operations of the Issuer, according to Polish Classification of Activities, include:

1. Computer programming activities (62.01.Z),
2. Computer consultancy activities (62.02.Z),
3. Computer facilities management activities (62.03.Z),
4. Other information technology and computer service activities (62.09.Z),
5. Financial leasing (64.91.Z),
6. Buying and selling of own real estate (68.10.Z),
7. Rental and operating of own or leased real estate (68.20.Z),
8. Management of real estate on a fee or contract basis (68.32.Z),
9. Activities of head office and holding companies, excluding financial holding companies (70.10.Z).

21.2.2. Provisions of the Issuer's articles of association, statutes, charter or bylaws with respect to the members of the administrative, management and supervisory bodies

Board

The Board consists of 1 to 3 members. As at the Prospectus Date, the Board of the Company consists of two persons – the President of the Board and Vice President of the Board. The President of the Board is appointed by the Supervisory Board, and other Board Members are appointed by the Supervisory Board at the request of the President of the Board. According to Article 10(6) of the Articles of Association, the person appointed for the President of the Board should be a

Polish citizen with domicile in the Republic of Poland. Members of the Board are appointed for a joint, three-year term, and their mandates expire on the date of the General Meeting that approves the financial statements for the last full financial year of acting in the function of a Board Member.

The Board conduct the Company's affairs and represent it, and its discretions cover all affairs that are not reserved to statutory competencies of the Company's Supervisory Board and the General Meeting. The right of a Board Member to represent the Company refers to all matters in court and otherwise of the Company.

In relation to Arti. 11(2) of the Company's Articles of Association, the Board adopts its decisions by way of resolution or without adopting resolutions. The form of a resolution is required in the case a decision is made in the following cases:

- 1) purchasing or selling real estate or its part, and perpetual usufruct or participation in it, with the provision that if the value of the transaction exceeds five million PLN, a consent from the Supervisory Board is required.
- 2) incurring obligations, including loans, guarantees, etc. with value above one million PLN,
- 3) convening general meetings and approving draft resolutions for those meetings,
- 4) purchasing, taking up, and selling shares in other companies,
- 5) creating a branch or representative office abroad,
- 6) collective redundancies,
- 7) adopting an investment plan, selling or leasing the company and the set of its tangibles and intangibles, and establishing the right to use it.

The Company's Board may also make resolutions in all cases it deems significant and material in the scope that represents the object of Company's business and with regard to operating the Company. The resolutions of the Board are adopted by absolute majority, and in the case of an equal number of votes cast, the vote of the President of the Board is decisive.

The meetings of the Company's Board are held as required, but at least once a month. The Board Meetings are convened by the President of the Board or during his/her absence, by the appointed Board Member – on his/her own initiative, or at the written request of each of the Board Members. The Meetings of the Board may be also convened at the request of the Supervisory Board or its Chairman. A Meeting convened at the request of the Supervisory Board or a Board Member should be held immediately, but not later than within 7 days of the date of filing the request. A Board Meeting should be notified sufficiently in advance, so as to reach each of the Board Members. The participation of the Board Members in meetings is obligatory.

In justified cases, a resolution can be adopted without holding a meeting, by circulation, if the Board Members sign the resolution. In other cases, the current decisions are made by the individual Board Members, according to the division of discretions in the Company's Organisational Rules, subject to the principle of appropriate representation if it is necessary to make statements on behalf of the Company.

For the Board resolutions to be valid, it is necessary to notify all Board Members of the meeting.

If the Board consists of many persons, the President of the Board acting solely, two Board members in office acting jointly, or one Member of the Board jointly with a commercial proxy shall be authorised to make representations on behalf of the Company.

The organisation and method of performing the activities by the Board of the Company are specified in the rules approved by the Supervisory Board, published on the Company's website at: www.stalexport-autostrady.pl

Supervisory Board

The Supervisory Board of the Issuer consists of 5 to 9 members, including the Chairman and his/her Deputy. The number of persons making up the Supervisory Board in a given term is determined by the General Meeting. As at the Prospectus Date, the Issuer's Supervisory Board consists of seven members. The term of the Supervisory Board is three years and it is a shared term. The mandates of Supervisory Board Members expire on the date of the general meeting that approved the financial report for the last full financial year of acting in the function of a Supervisory Board Member.

Members of the Supervisory Board are appointed and dismissed by the General Meeting. Members of the Supervisory Board elect the Chairman among themselves, who in turn requests the appointment of Chairman's Deputy.

At its first meeting, the Supervisory Board elect, in a secret vote, the Chairman of the Supervisory Board, his/her deputy and secretary, and during the next meeting, they make additional appointments, if necessary. The Supervisory Board may dismiss the Chairman, his/her deputy or secretary from the function served.

The Supervisory Board exercises an on-going supervision of the Company's operations in all areas of its activity. The specific duties of the Supervisory Board include:

- 1) assessment of the Board report on operations and the financial statements for the past financial year with regard to their consistency with the accounting records, documents, and actual state of affairs,

- 2) assessment of the Board's requests regarding profit distribution or loss coverage,
- 3) providing the General Meeting with an annual written report with results of assessments referred to in points, 1 and 2
- 4) approving the rules of the Board of the Company,
- 5) appointing and dismissing the individual or all members of the Board,
- 6) entering into agreements with Board Members, including determining remuneration and other terms of acting in the function of a Board Member,
- 7) determining remuneration for a member of the Supervisory Board delegated to on-going individual supervision if such authorisations are granted by the General Meeting,
- 8) suspending, for important reasons, the individual or all Board Members,
- 9) delegating Supervisory Board Members to temporarily perform the activities of Board Members who are unable to perform their activities,
- 10) approving reduced headcount, if its nature is that of a group redundancy in the meaning of the regulations,
- 11) selecting the audit company to audit the financial statements,
- 12) approving the purchase or sale of real estate, perpetual usufruct or share in estate of value exceeding five million PLN,
- 13) approving the Board's purchasing and taking up shares in other companies, with individual amount exceeding one million PLN or 25% of the share capital of such company,
- 14) approving setting up of a branch or representative office abroad,
- 15) approving the investment plan for the Company and Stalexport Autostrady Group of Companies,
- 16) handling and issuing opinions for cases that are to be the object of resolutions at the General Meeting, including in particular draft resolutions presented by the Board at the General Meetings,
- 17) approving the granting of guarantees, and for incurring other off-balance sheet exposures, whose individual amount exceeds five million PLN,
- 18) approving, at the Board's request, the issue of bonds other than convertible and with pre-emptive rights,
- 19) approving, at the Board's request, the transfer of rights and obligations under permits and concessions granted to the Company by relevant administration authorities,
- 20) issuing opinions, at the Board's request, regarding sale and lease of the company and the set of its tangibles and intangibles, and establishing the right to use it,
- 21) approving, at the Board's request, the sale of shares in companies for which Stalexport Autostrady S.A. is the parent entity,
- 22) approving the participation of Board Members in boards or supervisory boards of companies from outside of the Company's Group.

The Supervisory Board performs its tasks collectively, however, it may delegate its individual members to act independently in the specified supervisory activities.

The Supervisory Board performs its tasks and exercises its powers during the meetings. Supervisory Board meetings should be convened on the as-needed basis, at least three times during a financial year. The Chairman of the Supervisory Board or his/her deputy are obliged to convene the meeting at the request of the Board or a Member of the Supervisory Board, with the proposed meeting agenda indicated, within two weeks of the date of the request's receipt.

The Supervisory Board adopts resolutions with an absolute majority of votes, i.e. with the number of votes that exceeds a half of all valid votes cast, with the presence of at least a half of the Supervisory Board Members present.

Members of the Supervisory Board may participate in making resolutions of the Supervisory Board by casting their votes in writing through another member of the Supervisory Board, excluding cases introduced to the meeting agenda during a Supervisory Board meeting. The Members of the Supervisory Board may also participate in adopting resolutions in writing or using the means of direct remote communication, provided all members of the Supervisory Board are notified of the wording of the draft resolution.

The rules of the Company's Supervisory Board, approved by the Supervisory Board, specifying in details its organisation and method of performing the activities is published on the Company's website at: www.stalexport-autostrady.pl

21.2.3. A description of the rights, preferences and restrictions attaching to each class of the existing shares

The rights and obligations related to the Issuer's shares are specified in the provisions of the Commercial Companies Code, the Articles of Association, and other regulations. In order to obtain a more detailed information, use the advice of persons authorised to provide legal assistance.

All Shares of the Issuer are ordinary bearer shares. The Shares are not classified as preferred.

PROPERTY RIGHTS ATTACHED TO THE COMPANY'S SECURITIES

The Company's shareholders are entitled to the following property rights:

Right to dividend, that is, a share in the Company's profit, shown in the financial statements, audited by a statutory auditor, appropriated by the General Meeting for distribution to shareholders (Art. 347 of the CCC). Profit is divided in relation to the number of shares. The Articles of Association do not provide for any privileges with regard to this right, which means that the dividend is the same per each share. According to Art. 348(2) of the CCC, the shareholders who are entitled to dividend for a given financial year are those who were entitled to shares on the day of adopting the resolution on distribution of profit. The dividend date is set by the Ordinary general meeting for the date occurring not earlier than five days and not later than three months of the date of adopting the resolution (Art. 348(4) of the CCC). When establishing the dividend date, the General Meeting should, however take into account the regulations of the National Depository for Securities (NDS) and of Warsaw Stock Exchange (WSE). The dividend payment date may be set during the next three months of the date of the resolution.

The Issuer must notify NDS of the amount of the dividend per one share, and of the dividend date and payment date, by sending immediately, but not later than 5 days before the dividend date, a resolution of the Company's authority that is relevant in such cases. The payment date may fall on the fifth day after the dividend date at the earliest.

Not later than 5 days before the dividend date, the Issuer also provides:

- to the National Depository, via a dedicated website of the National Depository, the information on the number of treasury shares, for which the dividend will not be paid, and the number of the account, in which those shares are registered with the National Depository,
- participants maintaining securities accounts for the issuer's treasury shares, for which the dividend will not be paid – the information specifying the number of those shares.

If, by the above deadline, the Issuer is unable to specify the number of treasury shares, for which the dividend will not be paid, it will be obliged to provide that information to the National Depository and relevant participants by the dividend date at the latest.

NDS provides the above information to all direct participants, who determine the number of securities that entitle to a dividend, held in the accounts maintained by them. NDS determines the number of securities whose owners are entitled to a dividend, registered in the accounts kept with the National Depository for the individual direct users.

The participants send to NDS the information indicating:

- the amount of cash that should be provided to the participant in relation to dividend payment;
- the total amount of corporate income tax due, which should be collected by the Issuer on the part of the dividend which is to be paid out via the participant,
- the number of corporate income taxpayers who are entitled to dividends, excluding those whose identity has not been disclosed (anonymous taxpayers).

On the date of the payment, the Issuer is obliged to make funds available to NDS to fulfill the right to dividend in the cash account or bank account indicated by NDS.

As a result of adopting the resolution on allocation of profit to be distributed, shareholders acquire the claim for dividend payment. The claim for dividend payment becomes due on the date indicated in the resolution of the General Meeting and is subject to the statute of limitation under the general rules. The provisions of the law do not specify the date after which the right to dividend expires.

The application of the rate resulting from the double taxation convention concluded by the Republic of Poland, or not collecting such tax in line with such an agreement in the case of dividend income is possible exclusively after presenting to the entity obliged to deduct the flat rate income tax the certificate of residence issued by relevant tax administration. The obligation of providing the certificate applies to a foreign entity obtaining relevant income from Poland. The certificate of residence is mainly for the payer to determine whether the rate (or exemption) agreed in the international convention is to be applied, or due to the existing doubts, the tax should be deducted in the amount laid down by law. In the latter case, if a non-resident proves that the provisions of the international convention were applicable in relation to him/her, providing for a reduced national rate (including up to a total exemption), he/she will be able to claim an overpayment and return of unduly collected tax, directly from the tax office. Besides, there are no other limitations or special procedures related to dividends in the case of shareholders who are not tax residents.

The amount to be distributed between the shareholders cannot exceed the profit from the last financial year, increased by the undistributed profit from preceding years and by the amounts transferred from the supplementary and reserve

capital, which may be allocated for dividend payment. This amount should be decreased by the uncovered losses, treasury shares and the amounts from the profit for the last financial year that according to the law or the Articles of Association should be allocated to the supplementary and reserve capital (Art. 348 (1) of the CCC). The regulations fail to contain other provisions on the dividend rate or method of its calculation, frequency and the accumulated or non-accumulated character of payments.

The Issuer's Articles of Association do not provide for authorising the Board for payment of an advance for the anticipated dividend.

The Issuer's shares have no other right to share in the Issuer's profit attached.

Priority right to subscribe for new shares in relation to the number of shares already held (pre-emptive right)

With the requirements referred to in Art. 433 of the CCC being met, a Shareholder may be deprived of that right, partly or in full, in the interest of the company, under a resolution of the General Meeting made by a majority of at least four-fifth of shares; the regulation on the requirement of achieving at least a majority of at least 4/5 votes is not applicable when the resolution on the share capital top up provides that the new shares are to be fully taken up by a financial institution (underwriter), with an obligation to offer the shares to shareholders in order to allow them to exercise the pre-emptive right at the terms specified in the resolution and when the act resolution reads that the new shares are to be taken up by an underwriter in the case the shareholders holding the pre-emptive right fail to take up a part or all of the shares offered to them; depriving the shareholders of the pre-emptive right shares may take place if it was announced in the agenda for the general meeting.

Right to participate in the Company's assets remaining after satisfying or securing creditors in the event of its liquidation (Art. 474 CCC)

The Company's Articles of Association do not provide for privileges in this respect.

Right to transfer shares

The Articles of Association do not provide for any limitations regarding transferring the Issuer's shares.

Right to establish a pledge or a right to use on any shares held

The Company's Articles of Association do not provide for any limitations regarding establish a pledge or a right to use on the shares held. It is, however noted, that in line with the provisions of Art. 340(3) of the CCC, in the period when the shares of a public company, over which a pledge or right to use was established, are recorded in the securities account kept by the authorised entity in line with the provisions on trade in financial instruments, the voting rights under those shares is due to the shareholder.

Right to redeem shares

The Company's shares may be redeemed with the shareholder's consent by way of purchasing the shares by the company, under terms specified in the resolution of the General Meeting (§ 8 of the Articles of Association).

Right to convert shares

Converting registered shares to bearer shares or vice versa may take place at the shareholder's request, unless the act or articles of association provide otherwise (Art. 334(2) of the CCC). In line with Art. 7 of the Company's Articles of Association, all shares of the Company are bearer shares, and therefore converting them to registered shares is not permitted.

RIGHTS RELATED TO PARTICIPATION IN THE COMPANY (CORPORATE RIGHTS)

The Company's shareholders are entitled to the following corporate rights:

Right to participate in the General Meeting (Art. 412 of the CCC) and right to vote at the General Meeting (Art. 411(1) of the CCC).

The right to participate in the general meeting of a public company is due only to persons who are shareholders in the company 16 days before the general meeting (the date of registration for the participation in the general meeting). Those entitled under registered shares and temporary certificates are entitled to participate in the general meeting of a public company if they are entered to the share register on the day of registration for participation in the general meeting. Bearer shares in the form of a document give the right to attend the general meeting of a public company, provided that the share documents are submitted to the company not later than on the date of registering the participation in the general meeting and are not be taken back before the end of that day. Instead of shares, a certificate may be submitted, issued as a proof of submitting the shares to a notary, a bank or an investment company with registered office or branch in the European Union or a state that is a party to the European Economic Area agreement, indicated in the announcement of the general meeting. The certificates indicate the numbers of share documents and confirm that the share documents will not be issued before the date of registering participation at the general meeting.

At the request of a holder of dematerialised bearer shares in a public company, notified not earlier than after the announcement of the general meeting and not later than on the first business day after the day of registering the participation in the general meeting, the entity maintaining the securities account issues a registered certificate on the right to participate in the general meeting.

The certificate of the right to participate in the general meeting contains the following:

- company (name), registered office, address, and the seal of the issuer, including the number of the certificate,
- number of shares,
- type and code of shares,
- company (name), registered office, and address of the company who issued the shares,
- nominal value per share,
- name and surname or company (name) of the person entitled,
- domicile (place of residence) and the address of the person entitled,
- the purpose of issuing the certificate,
- date and place of issuing the certificate,
- signature of a person authorised to issue the certificate.

Each share gives the right for one vote on the General Meeting. The shares are not classified as preferred in terms of voting.

The voting right in the increased share capital is due from the date of registering that capital top up regardless of whether the shares were paid in full before registering the share capital, or only in part.

A shareholder may participate in the General Meeting and exercise his/her voting rights in person or via a proxy. Neither the right to establish a proxy, nor the number of proxies may be restricted. According to Art. 411³ of the CCC, a shareholder may vote differently under each of the shares held. A proxy may represent more than one shareholder and vote differently under shares of each shareholder. Shareholders in a public company holding shares recorded in a collective account may establish separate proxies to exercise rights under shares recorded in that account. The power of attorney to participate in the general meeting of a public company and exercising voting rights must be given in writing or in electronic form. A Board member and the company's employee cannot act as proxies at a general meeting, however, this restriction does not apply to a public company.

Right to convene the Extraordinary General Meeting

Shareholders representing at least half of the share capital or at least half of the total votes in the Company may convene an extraordinary general meeting. The shareholders elect the chairman of that meeting (Art. 399(3) of the CCC).

Right to request that a General Meeting be convened with individual cases included in the agenda

The right to request convening an Extraordinary General Meeting and to request for including individual cases in the agenda. In line with Art. 400(1) of the CCC, this right is due to a shareholder or shareholders representing at least one-twentieth of the share capital. If the Extraordinary General Meeting is not convened within two weeks of presenting the Board with a request, the registry court may authorise the shareholders presenting such a request to convene the Extraordinary General Meeting (Art. 400(3) of the CCC).

Right to request certain matters be included in the agenda of the next General Meeting, granted to shareholders holding at least one-twentieth of the Company's share capital. The request should contain rationale or draft resolutions relating to the proposed agenda item (Art. 401(1) of the CCC).

.Right to appeal against resolutions of the General Meeting on terms and conditions laid down in Art. 422-427 of the CCC. A resolution of the general meeting that is contrary to the articles of association or good practices and threatens the interest of the company or aims to act to the detriment of the shareholder may be appealed against by way of filing an action against the Company for repealing the resolution.

The right for filing an action for revoking the resolution of the General Meeting is due to:

- the board, the supervisory board, and the individual members of those bodies,
- a shareholder, who voted against the resolution, and after its adoption requested that his/her objection – the requirement to vote does not apply to holders of non-voting shares,
- a shareholder who has not been admitted to participate in the general meeting for no legitimate reasons,
- shareholders who were absent at the general meeting, only in the case of the general meeting being convened defectively or if a resolution that was not included in the agenda is adopted.

In the case of a public company, the deadline for bringing an action is one month of the date or receipt of the message on the resolution, however not later than three months of the date of adopting the resolution.

The entities indicated above are entitled to bring an action against the company for declaring the resolution of the general meeting that is contrary to the act to be void. The action for declaring invalidity of the resolution of the general

meeting in the company should be brought within thirty days of the date of its announcement, however not later than within a year of the date of adopting the resolution.

Right to request the election of the Supervisory Board by way of voting in separate groups. In line with Art. 385(3) of the CCC, at the request of shareholders representing at least one-fifth of the share capital, the election of the Supervisory Board should be done at the next General Meeting by way of voting in separate groups.

Right to request an expert to examine any specific issue related to the foundation of a public company or to running its business (auditor for special matters). A resolution in this respect is adopted by the General Meeting at the request of a shareholder or shareholders with minimum voting power of 5% at the General Meeting. If the General Meeting does not adopt the resolution in line with the content of the request, as referred to in Art. 84(1) of the Public Offering Act or adopts such an act in breach of Art. 84(4) of the Public Offering Act, the requesters may apply to the registry court for assigning the indicated entity as an auditor for special matters within 14 days of the resolution's adoption.

Right to obtain information on the Company in the scope and method specified in the regulations, in particular in line with Art. 428 of the CCC, during the meeting of the General Meeting, the Board is obliged to provide a shareholder, at his/her request, with information on the Company, if it is justified for the sake of assessing the matter being discussed. A shareholder who was declined to be revealed the required information during the General Meeting and who demanded that his/her objection be recorded in the minutes, may apply to the registry court to require the Board to provide the information (Art. 429(1) of the CCC).

Right to a registered deposit certificate issued by an entity keeping a securities account, in accordance with the provisions of the Trading Act (Art. 328(6) of the CCC).

At the request of a securities account holder, the entity maintaining the account issues in writing, separately for each type of securities, a registered deposit certificate.

The certificate confirms the mandate to exercise the rights under securities indicated in its wording, which are not or cannot be exercised exclusively based on the records in the securities account.

The certificate includes:

- company (name), registered office and address of the company issuing the certificate and its number,
- the number of securities,
- type and code of the security,
- company (name), registered office and address of the issuer,
- nominal value of the security,
- full name or name and registered office and the address of the holder of securities account,
- information on the existing limitations in terms of transferring securities or on the encumbrances established over them,
- date and place where the certificate was issued,
- the purpose of issuing the certificate,
- validity date of the certificate,
- if a previously issued certificate, relating to the same securities, was invalid, destroyed or lost before its validity date – indicating it is a new certificate document,
- a signature of the person authorised to issue the certificate on behalf of the issuer, with the stamp of the issuer.

Right to request copies of the Management Report on the Company's operations and financial statements along with a copy of the Supervisory Board's report and the auditor's opinion no later than 15 days prior to the General Meeting (Art. 395(4) of the CCC).

Right to view the list of shareholders entitled to participate in the General Meeting in the Board's premises and to request a copy of the list against reimbursement of the costs of its preparation (Art. 407(1) of the CCC).

The list of shareholders authorised to participate in the general meeting, signed by the board, containing full names or company names of the authorised parties, their place of residence (domicile), the number, type, and numbers of shares and the corresponding number of votes, should be displayed on the Board's premises for three business days before the general meeting is held. A shareholder in a public company may request the list of shareholders, free of charge, by e-mail, by providing the address to which it should be sent (Art. 407(1)1 of the CCC).

Right to request a copy of motions on issues covered by the agenda within one week prior to the General Meeting (Art. 407(2) of the CCC).

Right to submit an application for checking the attendance list at the General Meeting by a commission composed of at least three persons elected for this purpose. The request may be submitted by shareholders with at least one-tenth of the

share capital represented at that General Meeting. The requesters have the right to elect one member of the commission (Art. 410(2) of the CCC).

Right to view the book of minutes and to request copies of resolutions certified by the Board (Art. 421(3) of the CCC). The book should state the correctness of how the general meeting was convened and its ability to adopt resolutions, list the resolutions adopted, and for each resolution: provide the number of shares against which valid votes were cast, the percentage share of those shares in the share capital, the total number of valid shares, number of votes “for,” “against,” and “abstaining” and the objections voiced. The report should be appended with an attendance list with signatures of participants of the general meeting. The evidence of convening a general meeting should be appended by the board to the book of minutes (421(Art. 2) of the CCC).

Right to file a suit to repair damage caused to the company under the rules specified in Art. 486 and 487 of the CCC, if the company fails to file such suit to repair such damage within one year from detecting the act causing such damage.

If the suit is deemed unjustified, and the plaintiff, by filing it acted in bad faith or committed gross negligence, is obliged to repair the damage done to the defendant.

Right to inspect the documents and to demand access, free of charge, to extracts of documents referred in Art. 505(1) of the CCC (in the case of merging companies), in Art. 540(1) of the CCC (in the case of demerging a company) and in Art. 561(1) of the CCC (in the case of a transformation of a company).

Right to review the share register and demand an excerpt of the list upon the reimbursement of the costs of its preparation (Art. 341(7) of the CCC). The Board is obliged to maintain a register of registered shares and temporary certificates (share register), to which the full name or the company name should be entered, as well as the registered office and address of the shareholder, or address for service, the amount of payments made, and, at the request of an authorised person, an entry on transferring shares to another person including the entry date.

Right to demand that the trading company that is a shareholder in the Issuer provides information on whether it remains in a controlling or subsidiary relationship with respect to a specified trading company or cooperative that is a shareholder in the Issuer or whether such a relationship has ceased. The shareholder may also request that the number of shares or votes that the trading company held is disclosed, including also as a pledgee, user, or pursuant to arrangements with other persons. The request for information and replies should be made in writing (Art. 6(4) and (6) of the CCC)

21.2.4. Description of what action is necessary to change the rights of holders of the shares, indicating where the conditions are more significant than is required by law

In line with the provisions of the Commercial Companies Code, a company may issue shares with special rights, and grant an individually marked shareholder with personal rights, which at the latest expire on the date when the entitled person ceases to be the company's shareholder.

Preference shares, except for non-voting shares, should remain registered. The preference may be related to voting right, the right to dividend or division of the property in the case the company is liquidated. In the case of preference with regard to voting right, one share cannot be granted more than two votes and if such a share is changed into a bearer share, or in the case of disposing of it in breach of the stipulated terms, the preference expires. The preference shares with regard to dividend may grant a dividend to the entitled party, which is not higher than by half as compared to the dividend to be paid to shareholders entitled under junior shares (this does not apply to non-voting shares) and they do not use the priority of satisfaction before other shares (does not apply to non-voting shares). In relation to the preferred shares with regard to dividend, the voting right (non-voting shares) may be excluded, also, a shareholder entitled under non-voting shares, who was not paid a full or partial dividend in a given financial year, may be granted the right of profit compensation in the next years, but not later than within the next three financial years.

Granting special rights may be made conditional on meeting additional provisions to the company, expiry of a deadline, or materialisation of a condition. A shareholder may exercise the special rights granted to him/her in relation to the preferred share after the end of the financial year in which his/her contribution was fully made to cover the share capital.

Personal rights, as indicated above, may be granted only individually to a specific shareholder and may be related to the right to appoint or dismiss Board members, supervisory board, or the right to receive the specific benefits from the company. Granting special personal rights may be made conditional on performing specific provisions, expiry of a deadline, or materialisation of a condition. The rights granted to a shareholder personally should apply relevant limitations regarding the scope and exercising rights under preference shares. As at the Prospectus Date, the shareholders have no personal rights.

The changes of the rights of shareholders described above, i.e. issuing shares with special rights and granting an individual, specific shareholder with personal rights require introducing relevant provisions in the articles of association in order to become valid. In the case of the Issuer, introducing any of them would require amending the Articles of Association. In line with Art. 430(1) of the CCC, amending the Articles of Association requires a resolution of the general meeting and making an entry in the register. Additionally, such a resolution should include the indication of preference shares or a relevant marking of the entity to which the personal rights are granted, the type of preference, or suitably the type of personal right and the possible additional terms which must be met in order to be granted preference of shares or

respectively personal right. A resolution on amending the articles of association is adopted by the majority of $\frac{3}{4}$ votes, however, the resolution regarding the change of the articles of association that increases the benefits of shareholders or reduces the rights granted personally to individual shareholders in line with Art. 354 of the CCC requires consent of all shareholders, to which it applies (Art. 415(3) of the CCC). An amendment of the articles of association that is not related to increase or decrease of share capital should be notified to registry court within three months of the date of its adoption.

21.2.5. The rules governing the manner in which annual general meetings and extraordinary general meetings of shareholders are convened, including the rules of admission

The General Meeting may be ordinary or extraordinary.

An Ordinary General Meeting is held within 6 months of the end of each financial year. An Extraordinary General Meeting may be held at any date in line with the applicable procedures if the authorities or persons authorised to convene General Meetings find it advisable.

A General Meeting is convened by an announcement made at least twenty-six days prior to the date of the meeting on the company's website and in a method specified for the submission of current information in accordance with the Offering Act.

The General Meeting is convened by the Company's Board. The Supervisory Board has the right to convene an Ordinary General Meeting if the Board of the Company does not convene it within the deadline, and an Extraordinary General Meeting if it deems it appropriate. A shareholder or shareholders representing at least $\frac{1}{20}$ (one-twentieth) of share capital may request calling an Extraordinary General Meeting (§20 of the Company's Articles of Association).

A General Meeting is opened by the Chairman of the Supervisory Board or his/her deputy or another member of the Supervisory Board, and in the case of absence of the members of the Supervisory Board – the President of the Board or person appointed in writing by the Board, after which the Chairman is elected from among the persons entitled to participate in the General Meeting (Art. 23(1) of the Company's Articles of Association).

The General Meeting may adopt resolutions only related to matters included in the agenda, unless the entire share capital is represented, and none of the present objects to adopting a resolution.

In line with Art. 21(3) of the Company's Articles of Association, to remove an item from the agenda or discontinue handling of a case included in the agenda at the shareholders' request requires adopting a resolution of the general meeting, following a prior consent expressed by all shareholders present who filed such a request, supported by at least 75% of the votes at the general meeting.

Resolutions of the General Meeting require in particular:

- 1) to be approved after reviewing the Board report on the Company's operations and the financial statement for the previous financial year,
- 2) profit distribution or loss coverage,
- 3) discharging the members of the Board and members of the Supervisory Board of their duties,
- 4) sale or lease of the company or its organised part and establishing limited property rights over it,
- 5) issuing convertible bonds or bonds with pre-emptive rights,
- 6) reviewing and approving the Financial Statements of Stalexport Autostrady Group,
- 7) amending the Company's articles of association, including changing the Company's core business or decreasing the share capital, as well as redeeming shares,
- 8) significantly changing the Company's core business,
- 9) dissolving and liquidating the Company,
- 10) merging, demerging, or transforming the Company,
- 11) appointing Supervisory Board members after prior establishment of the number of its members for a given term and their dismissing,
- 12) establishing the rules of remuneration for the appointed members of the Supervisory Board.

Except for the cases specified in the Commercial Companies Code and in the Company's Articles of Association, an absolute majority of votes is required for the resolutions to become valid.

The General Meetings are held in the Company's head office or in Katowice.

A shareholder has the right to participate in the General Meeting and exercise his/her voting rights in person or via a proxy. The power of attorney to participate and exercise voting rights at the General Meeting must be given in writing or in electronic form. Granting a power of attorney in electronic form does not require a secure electronic signature using a valid qualified certificate.

The details of participation, course, and taking minutes of the Company's General Meetings are specified in the Rules of the General Meeting established by the Supervisory Board, dated 15 April 2010, published in the Company's website at: www.stalexport-autostrady.pl.

21.2.6. A brief description of any provision of the Issuer's memorandum, articles of association, or rules that would have an effect of delaying, deferring or preventing a change in control of the Issuer

The Issuer's articles of association do not contain any provisions that could have an effect of delaying, deferring or preventing a change in control of the Issuer

21.2.7. An indication of the articles of association, or rules of the Issuer, if any, governing the ownership threshold above which shareholder ownership must be disclosed

The Articles of Association do not contain any provisions governing the ownership threshold above which shareholder ownership must be disclosed.

21.2.8. A description of the conditions imposed by the memorandum, articles of association, and its rules governing changes in the capital, where such conditions are more stringent than is required by law

The Company's Articles of Association do not specify any terms that are subject to changes of share capital in a way that is more stringent than the provisions of the CCC.

22. Material contracts other than contracts entered into in the ordinary course of business

Material contracts concluded by the Issuer or members of the Issuer's Group include contracts of value exceeding 10% of the Issuer's equity, i.e. PLN 34,946,000 and which are material for the Issuer's operations.

Loan Agreement dated 28 December 2005 ("the Loan Agreement") concluded between SAM and Bank Consortium ("the Lender").

On 28 December 2005 Stalexport Autostrada Małopolska S.A. entered in a Loan Agreement with the Bank Consortium currently consisting of:

- Bank Pekao S.A.,
- FMS Wertmanagement AöR,
- KfW IPEX-Bank GmbH,
- Portigon AG,
- BGŻ BNP Paribas S.A.

The object of the agreement is granting a loan of up to PLN 380 m to finance the A4 toll motorway project on the section Kraków-Katowice (i.e. construction works as part of Stage II and refinance of construction works as part of Stage I).

The period of the loan's availability ended on 30 September 2010. The nominal amount of the incurred loan was at PLN 360 m.

The lending term is 15 years. The Loan Agreement provided for a one year's grace period.

On 27 May 2008, SAM entered, with WestLB Bank Polska S.A., Bank Polska Kasa Opieki S.A., DEPFA Bank plc. into agreements for Interest Rate Swap hedging transactions, which allowed it to change the streams of interest payments based on the variable 6M WIBOR rate to streams of interest payments based on a fixed rate. Currently, the parties to that agreement include BGŻ BNP Paribas S.A., Bank Pekao S.A. and FMS Wertmanagement AöR.

In 2018, SAM repaid the loan in the total amount of PLN 40,889,000. As at 31 December 2018, the balance of SAM's obligations under the Loan Agreement is approximately at PLN 77.72 m.

The value of the obligations of the Issuer's Group under that facility will be reduced in the years to follow along with the schedule of repayments until 2020.

The Loan Agreement provides for establishing a Collateral Agent, i.e. a bank exercising the rights of the Lender. On 17 June 2014, the Collateral Agent was changed from WESTLB AG, branch in London (currently Portigon AG) to FM Bank PBP S.A. (currently Nest Bank S.A.).

The key collaterals for the Loan Agreement include:

- 1) registered pledge on tangible assets of SAM, for FM Bank PBP S.A. (currently Nest Bank S.A.), acting as the Collateral Agent in the meaning of the Loan Agreement and the Concession Agreement;

- 2) pledge over the account of Stalexport Autoroute S.à r.l. pursuant to the agreement made between Stalexport Autoroute S.à r.l. and the Collateral Agent on 22 March 2006;
- 3) pledge on shares in Stalexport Autoroute S.à r.l. for FM Bank PBP S.A. (currently Nest Bank S.A.), acting as the Collateral Agent in the meaning of the Loan Agreement and the Concession Agreement. The pledge covers all shares in Stalexport Autoroute S.à r.l.;
- 4) registered pledge on shares of Stalexport Autostrada Małopolska S.A. with registered pledge in Mysłowice for FM Bank PBP S.A. (currently Nest Bank S.A.), acting as the Collateral Agent in the meaning of the Loan Agreement and the Concession Agreement. The pledge was established over all shares of Stalexport Autostrada Małopolska S.A.;
- 5) registered pledge on shares of VIA4 S.A., for FM Bank PBP S.A. (currently Nest Bank S.A.), acting as the Collateral Agent in the meaning of the Loan Agreement and the Concession Agreement. The pledge includes 275 bearer shares of VIA4 S.A., with nominal value of PLN 1,000 each, i.e. with the total nominal value of PLN 275,000. The shares represent 55% of the share capital in VIA4 S.A. and provide 55% of the overall voting rights at the general meeting of the company's shareholders.

According to the knowledge of the Issuer, SAM correctly services the obligations under the Loan Agreement it concluded.

23. Third party information and statement by experts and declarations of any interest

23.1. Information about the experts

The Prospectus does not include any declarations or reports from persons described as experts. For that reason, the Prospectus does not include any additional information on experts and their possible involvement in the Issuer.

23.2. Confirmation that information sourced from third parties has been accurately reproduced. Indication of the sources of such information

The Prospectus uses information sourced from third parties. The Issuer represents that the information was accurately reproduced and that to the degree he is aware and in which he can assess it based on the information published by third parties, there was no omission of facts that would make the reproduced information inaccurate or misleading.

24. Documents on display

The Issuer advises that in the period of validity of this Prospectus, the following documents:

- The Prospectus;
- The Issuer's Articles of Association;
- Rules: of the Board, Supervisory Board, General Meeting, Audit Committee, and Remuneration Committee of the Issuer;
- Consolidated financial statements of the Issuer's Group for the period: i) from 1 January 2016 to 31 December 2016, ii) from 1 January 2017 to 31 December 2017, and iii) from 1 January 2018 to 31 December 2018 including opinions of the certified auditor;
- The interim condensed consolidated financial statement for the period of 3 months, ending on 31 March 2019, including comparative data;

will be available in the Issuer's head office and electronically at the Issuer's website at: www.stalexport-autostrady.pl.

Standalone financial statements of the Issuer's subsidiaries for the period: i) from 1 January 2016 to 31 December 2016, ii) from 1 January 2017 to 31 December 2017, and iii) from 1 January 2018 to 31 December 2018 will be available during the validity period of this Prospectus in the Issuer's head office.

25. Information on holdings

Stalexport Autostrada Małopolska S.A. **with registered office in Mysłowice at ul. Piaskowa 20, 41-404 Mysłowice.** The company is entered in the commercial register kept with the District Court for Katowice, VIII Commercial Department of the National Court Register under the number: 0000026895.

The share capital of the Company is at PLN 66,753,000.00. The Issuer holds, via Stalexport Autoroute S.à. r.l. with its registered office in Luxembourg, 66,753 shares with total nominal value of PLN 66,753,000.00, representing 100% of the company's share capital and 100% of votes at the general meeting.

The company's core business consists in management and operation of A4 motorway Katowice-Kraków.

The members of the board and supervisory board are persons connected with the Issuer:

- Emil Wąsacz – President of the Board at SAM, is a President of the Issuer's Board,
- Emil Wąsacz – Vice President of the Board at SAM, is a Vice President of the Issuer's Board,
- Flavio Ferrari – Member of the Supervisory Board at SAM, is a Member of the Supervisory Board of the Issuer,
- Stefano Rossi – Member of the Supervisory Board at SAM, is a Member of the Supervisory Board of the Issuer.

There are economic ties between the company and the Issuer. On 5 October 2013, the Issuer entered with the company into an agreement for lease of commercial premises with usable space of 41.39 m² at ul. Piaskowa 20 in Mysłowice.

As at 31 May 2019, the company holds provisions of PLN 5,983,000, which were raised with the purpose of replacing the road surface for A4 motorway Katowice-Kraków and PLN 293,198,000 for investment expenditures as part of Stage II, as well as short-term provisions of PLN 23,964,000 for replacing the road surface and PLN 58,584,000 for the works as part of Stage II.

The Issuer paid up all shares in the company.

For the last financial year, the company generated a profit of PLN 175,128,000.

Last year, the Issuer did not receive a dividend under the shares held.

The Issuer has obligations towards the company of PLN 3,000 under lease of office space. The Issuer has no receivables from the company.

Stalexport Autoroute S.à. r.l. with its registered office in Luxembourg, Route d'Esch 412F, 1471 Luxembourg.

The share capital of the Company is at EUR 56,149,500. The Issuer holds 2,245,980 shares with total nominal value of EUR 56,149,500, representing 100% of the company's share capital and 100% of votes at the general meeting.

The entity, in order to comply with the terms of the Loan Agreement that provides financing for SAM activities, holds shares in SAM and VIA4.

Creating this entity was one of the main conditions for achieving a financial closure by SAM S.A., i.e. effective entering into a long-term Credit Agreement with the Bank Consortium.

The members of the Board of the company are not connected with the Issuer. The company has no Supervisory Board.

There are no economic ties between the company and the Issuer.

The Company has no provisions.

The Issuer paid up all shares in the company.

For the last financial year, the company generated a profit of PLN 16,996,215.31 (EUR 3,983,254.57).

For the shares held, in the last financial year, the Issuer received a dividend of PLN 4,400,000 (in the form of a financial income) and PLN 9,200,000 (in the form of a flow). In 2019, the Issuer received a dividend for the financial year 2018, in the amount of PLN 10,908,000.

The Issuer has no obligations or receivables to the company.

VIA4 S.A. with registered office in Mysłowice at ul. Piaskowa 20, 41-404 Mysłowice. The company is entered in the commercial register kept with the District Court for Katowice, VIII Commercial Department of the National Court Register under the number: 0000162861.

The share capital of the Company is at PLN 500,000. The Issuer holds, via Stalexport Autoroute S.à. r.l. with its registered office in Luxembourg, 275 shares with total nominal value of PLN 275,000, representing 55% of the company's share capital and 55% of votes at the general meeting.

The company's core business consists in maintenance and toll collection on A4 motorway Katowice-Kraków.

The members of the Board are persons connected with the Issuer:

- Mariusz Serwa – a member of the supervisory board of the company, is a Vice President of the Issuer's Board,
- Flavio Ferrari – Member of the supervisory board of the company, is a Member of the Supervisory Board of the Issuer.

There are economic ties between the company and the Issuer:

- lease agreements (the Issuer acts as a lessor for VIA4 S.A., mainly of machinery, equipment, means of transport, which are used for maintenance of the motorway),
- service agreement dated 26 June 2018 for maintenance of computer hardware including software.

As at 31 May 2019, the company had provisions of PLN 277,044.00, which were raised with the purpose of settling the income tax (deferred income tax provision).

The Issuer paid up all shares in the company.

For the last financial year, the company showed a profit of PLN 11,760,000.

For the shares held, the Issuer received in the last financial year a dividend of PLN 6,554,639.04, including PLN 1,674,750 of an advance dividend for 2018. The dividend was paid first to Stalexport Autoroute S.à r.l., and then Stalexport Autoroute S.à r.l. paid the dividend to the Issuer.

As at 31 May 2019, the Issuer has trade receivables from the company in the amount of PLN 20,900 and under financial lease at PLN 4,243,700. The Issuer has no obligations to the company.

Biuro Centrum Spółka z o.o. with registered office in Katowice, at ul. Mickiewicza 29, 40-085 Katowice. The company is entered in the Register of Entrepreneurs kept with the District Court for Katowice under the NCR number: 0000087037.

The share capital of the company is at PLN 80,000. The Issuer holds 65 shares with total nominal value of PLN 32,500, representing 40.63% of the company's share capital and 40.63% of votes at the general meeting.

The company's business consists in management of real estate on a fee or contract basis.

The members of the board are persons connected with the Issuer:

- Katarzyna Bijak – deputy chairman of the supervisory board – she is the daughter of the President of the Board of the Issuer and an employee of the Issuer.

There are economic ties between the company and the Issuer:

- estimate of the cost of maintaining the facility at ul. Mickiewicza 29 in Katowice,
- estimate of the cost of maintaining the parking space behind Rawa,
- operating agreement from 2000,
- lease agreements.

As at 31 May 2019, the company had provisions of PLN 261,723.67, which were raised with the purpose of: retirement benefits (PLN 43,784.00), disability benefits (PLN 1,364.00), equivalent for unused annual leave (PLN 125,320.00), bonuses (PLN 81,760.47), provisions for costs (PLN 9,495.20).

The Issuer paid up all shares in the company.

For the last financial year, the company generated a profit of PLN 576,282.06.

Last year, the Issuer received a dividend under the shares held, in the amount of PLN 170,830.73.

As at 31 May 2019, the Issuer had receivables from Biuro Centrum of PLN 88,000 and obligations to Biuro Centrum of PLN 342,000.

Petrostal S.A. in liquidation with registered office in Warsaw. The Company is entered to the Register of Entrepreneurs under NCR number: 0000149301. Under the decision of a registry court of 21 March 2011, the company's address was deleted from the register.

The share capital of the company is at PLN 2,050,500.00. The Issuer holds 1367 shares with total nominal value of PLN 2,050,500.00, representing 100% of the company's share capital and 100% of votes at the general meeting.

The Company conducts no operations. The Company has no authority representing it.

There are no economic ties between the company and the Issuer.

The Company has no provisions.

The Issuer paid up all shares in the company.

Last year, the Issuer did not receive a dividend under the shares held.

The Issuer has no receivables or obligations to the company.

CHAPTER IV – SECURITIES NOTE

1. Persons responsible

1.1. Indication of all persons responsible

Persons responsible for the information included in this Prospectus are indicated in point 1 of Chapter III – Registration Document of the Prospectus.

1.2. Declaration of persons responsible

The declarations of persons responsible for the information included in this Prospectus are indicated in point 1 of Chapter III – Registration Document of the Prospectus.

2. Risk factors of significant importance for securities offered or admitted to trading

Risk factors, which are significant for securities offered or accepted for trade are indicated in Chapter II of the Prospectus.

3. Key information

3.1. Working Capital Statement

The Issuer hereby represents that to the best of its knowledge the level of working capital is sufficient to cover the needs related to continuing operations of the Issuer's Group at least during the next 12 months from the date of approval of the Prospectus. Working capital should be regarded as the ability of the Issuer's Group to gain access to cash and other available liquid assets in order to timely repay its current liabilities.

3.2. Capitalisation and indebtedness

The table below presents the information on the Issuer's capitalisation and indebtedness as at 31 May 2019.

| | |
|--|--------------|
| Total short-term liabilities and accruals (PLN '000): | 4.812 |
| guaranteed | |
| secured | |
| unguaranteed, unsecured | 4.812 |
| a) loans | |
| b) trade liabilities | 707 |
| c) obligations under remuneration | 337 |
| d) taxes, customs, insurances and other | 223 |
| e) other liabilities and accruals | 216 |
| f) obligations under lease | 121 |
| g) employee benefit obligations | 3,208 |
| Total long-term liabilities (PLN '000): | 3,559 |
| guaranteed | |
| secured | |
| unguaranteed, unsecured | 3,559 |
| a) trade liabilities | |
| b) obligations under lease | 3,029 |

| | |
|---|-----------------|
| c) other provisions | |
| d) employee benefit obligations | 530 |
| e) deferred tax provision | |
| f) future periods' income – including subsidies | |
| equity | 268,455 |
| a) basic capital | 185,447 |
| b) treasury shares | |
| c) supplementary capital from share issue | 7,430 |
| d) retained earnings | 10,634 |
| e) supplementary capital | 64,662 |
| f) equity instruments revaluation reserve | 282 |
| net indebtedness | -190,990 |
| a) Cash and cash equivalents | 188,228 |
| b) Short-term investments | 1,668 |
| c) Liquidity (A+B) | 189,896 |
| d) Other short-term financial receivables, including under leases | 1,495 |
| e) Short-term loans and advances | |
| f) Other short-term financial liabilities, including under leases | 121 |
| g) Short-term financial indebtedness (E+F) | 121 |
| h) Short-term net financial indebtedness (G-D-C) | -191,270 |
| i) Other long-term financial receivables, including under leases | 2,749 |
| j) Long-term bank loans | |
| k) Bonds issued | |
| l) Other long-term financial obligations, including under leases | 3,029 |
| m) Long-term financial indebtedness (J+K+L) | 3,029 |
| n) Long-term net financial indebtedness (M-I) | 280 |
| o) Net financial indebtedness (H+N) | -190,990 |

Source: the Issuer

Contingent and indirect liabilities

| Item | Currency |
|------------------------|----------------|
| Performance guarantee* | PLN 23,671,000 |
| Total | PLN 23,671,000 |

*According to the requirements of the banks providing the loan for adjustment and operations of concession section of A4 motorway Katowice-Kraków, Shareholders in VIA4 S.A. (and the Issuer) jointly provided a guarantee of correct and timely performance by VIA4 S.A. of all duties and obligations resulting from the operating agreement dated 22 March 2006, concluded between VIA4 S.A. and SAM.

Source: the Issuer

3.3. Interest of natural and legal persons involved in the issue

Not applicable. The Prospectus has not been prepared in connection with the issue/offer of securities.

3.4. Reasons for the offer and use of proceeds

Not applicable. Prospectus has not been prepared in connection with the issue/offer of securities.

4. Information concerning the securities to be offered or admitted to trading

4.1. Description of the type and the class of the securities offered or admitted to trading

Pursuant to the Prospectus, the Company aims to seek admission to the trading in the regulated market operated by Warsaw Stock Exchange 89,500,000 (eighty-nine million five hundred thousand) series G ordinary bearer shares with nominal value of PLN 0.75 (seventy-five grosz) each.

The intention of the Issuer is to furnish the Admitted Shares with the same ISIN code as all the Issuer's other shares traded on the regulated market (main market) operated by the WSE, i.e. ISIN code PLSTLEX00019.

4.2. Legislation under which the securities offered or admitted to trading have been created

In line with Art. 431(1) of the CCC in relation to Art. 430 of the CCC, the share capital top up requires an amendment of the articles of association. Amending the articles of association requires a resolution of the general meeting and making an entry in the register. Such a resolution, in order to become effective, must be adopted by the majority of three-fourths of the votes cast. Notification of a resolution on the top up of the Company's share capital for registration should be made within six months of its adoption, and in the case of new issue of shares as part of a public offering described in a prospectus, based on the regulations on public offering and the terms of introducing financial instruments to organised trading, and on public companies – within 12 months from the date of approval of the prospectus, and no later than after one month of the date of assigning shares, provided that the request for approval of the prospectus was submitted four months before the date of adopting the resolution to increase the share capital (Art. 431(4) of the CCC).

4.3. Indication as to whether the securities offered or admitted to trading are registered or bearer securities and whether they have a dematerialised form

The Shares Admitted to trading in a regulated market are ordinary bearer shares. Admitted Shares are dematerialised pursuant to the agreement with Krajowy Depozyt Papierów Wartościowych S.A., ul. Książęca 4, 00-498 Warsaw.

4.4. Currency of issued securities,

The Issuer's shares were issued in Polish zlotys (PLN).

4.5. Description of the rights attached to the securities, including any limitations of those, and procedures of exercising those rights

The rights and obligations related to the Issuer's securities are specified in the provisions of the Commercial Companies Code, the Articles of Association, and other regulations. In order to obtain a more detailed information, use the advice of persons or entities authorised to provide legal assistance services.

Property rights attached to the Company's shares

The following property rights are attached to the Company's shares:

Right to dividend, that is, a share in the Company's profit, shown in the financial statements, audited by a statutory auditor, appropriated by the General Meeting for distribution to shareholders (Art. 347 of the CCC). Profit is divided in relation to the number of shares. The Articles of Association do not provide for any privileges with regard to this right, which means that the dividend is the same per each Share. Shareholders who are entitled to dividend for a given financial year are those who were entitled to shares as at the dividend date. The dividend date in a public company is determined by the General Meeting and may be set for the date occurring not earlier than five days and not later than three months of the date of adopting the resolution on dividend payment (Art. 348(4) of the CCC). The dividend is paid on the date specified in the GM resolution. The dividend payment date may be set during the next three months of the dividend date. When determining the dividend date and the dividend payment date, the General Meeting should, however, take into account the regulations of the National Depository for Securities (NDS) and of Warsaw Stock Exchange (WSE).

The Issuer must notify NDS of the amount of the dividend per one share, and of the dividend date and payment date via the notification form on a dedicated website of the National Depository for Securities. The payment date may fall on the fifth day after the dividend date at the earliest.

NDS provides the above information to all direct participants, who determine the number of securities that entitle to a dividend, held in the accounts maintained by them. The participants send to NDS the information on: the amount of funds that should be provided to the participant in relation to the dividend payment, the total amount of corporate income tax due, which should be collected by the Issuer on the part of the dividend which is to be paid out via the participant, the number of corporate income taxpayers who are entitled to dividends.

According to Art. 112(1) of KDPW's Detailed Rules of Operations, on the date of dividend payment, the Issuer is obliged to make funds available to NDS to fulfil the right to dividend by 11.30 a.m. to the cash account or bank account indicated by NDS.

Additionally, pursuant to Art. 26 of the WSE Rules, issuers of securities admitted to trading are obliged to immediately advise WSE of the intention to issue financial instruments, for which they want to apply for admission to trading and exercise the rights under securities already listed, and about the decisions made in this regard, and agree with the WSE those decisions to the extent that they may affect the organisation and manner of conducting activities related to stock exchange trading, including activities related to listing shares with pre-emptive rights or right to dividend, mergers, demergers or transformation of the issuer, or a change in the nominal value of the issuer's financial instruments.

As a result of adopting the resolution on allocation of profit to be distributed, shareholders acquire the claim for dividend payment. The claim for dividend payment becomes due on the date indicated in the resolution of the General Meeting and is subject to the statute of limitation under the general rules. The provisions of the law do not specify the date after which the right to dividend expires.

In line with rule IV.Z.16 of chapter IV of "Good Practices of WSE Listed Companies 2016," the date of determining the right to dividend and the date of dividend payment should be agreed so as the time in between those two dates does not exceed 15 Business Days. Setting a longer period between those dates required justification. The claim for dividend payment becomes due on the date indicated in the resolution of the General Meeting and is subject to the statute of limitation under the general rules. The provisions of the law do not specify the date after which the right to dividend expires.

The dividend and other income from participation in the profit of legal persons with domicile in Poland, acquired by a foreign shareholder (either a natural or legal person) are subject to a flat rate taxation at 19% of the income made, unless a double taxation convention concluded by Poland with the country of residence or management of the shareholder who is a legal person or with the country of residence of the shareholder who is a natural person provides otherwise.

The flat rate income tax (with the relevant rate applied) is collected by the taxpayer, and then forwarded by him to the account of a relevant tax office. The payer of this tax is obliged to submit to the tax office a declaration on the tax collected and prepare information on payments made and the tax collected, which is sent to the shareholder and the tax office.

The payer of the tax on income (revenues) due to dividend payment received by the shareholders taxpayers who are natural persons and legal persons are entities maintaining securities accounts for the taxpayers, if the payment of the benefit for the taxpayer is effected via those entities.

The application of a tax rate under a relevant double taxation convention or failure to charge the tax in line with such convention is acceptable only if the place of the registered office (management) or residence of a foreign shareholder is documented with a certificate of residence provided by that shareholder, issued by a relevant tax administration authority. In principle, the obligation to provide a certificate to a company paying a dividend or other income from participation in the profits of legal persons is fulfilled by a foreign entity which receives revenues from sources located in Poland. As indicated above, the certificate of residence is for the payer to determine whether the rate (or exemption) agreed in the relevant international convention can be applied, or the tax should be deducted in the amount specified in the corporate income tax act. In the latter case, if a foreign shareholder proves that the provisions of the relevant double taxation convention were applicable in relation to him/her, providing for a reduced national tax rate (including up to a total exemption), he/she will be able to claim an overpayment and return of unduly collected tax, directly from the tax office.

The amount to be distributed between the shareholders cannot exceed the profit from the last financial year, increased by the undistributed profit from preceding years and by the amounts transferred from the supplementary and reserve capital, which may be allocated for dividend payment. This amount should be decreased by the uncovered losses, treasury shares and the amounts from the profit for the last financial year that according to the act or the Articles of Association should be allocated to the supplementary and reserve capital (Art. 348(1) of the CCC). The regulations do not contain other provisions on the dividend rate or method of its calculation, frequency and the accumulated or non-accumulated character of payments.

The Issuer's Articles of Association do not entitle the Board for payment of an advance for the anticipated dividend.

The Issuer's shares have no other right to share in the Issuer's profit attached.

Pre-emptive rights in subscription offers for securities of the same class. In line with Art. 433(1) of the CCC, shareholders have a pre-emptive right to acquire new shares pro rata to the number of shares held (pre-emptive right). If the Company issues securities convertible to shares, the shareholders also have the pre-emptive right to those securities. In the interest of the Company, the General Meeting may, by way of a resolution, deprive shareholders of the pre-emptive right to shares in whole or in part. Adoption of such a resolution requires a 4/5 majority of votes cast. In line with Art. 433(2) of the CCC, depriving shareholders of pre-emptive rights to shares may occur if it was announced in the agenda. Adopting

a resolution to exclude the pre-emptive right is not necessary if the resolution to increase the capital provides that the new shares are to be taken up in full by a financial institution (underwriter), with the obligation to offer them subsequently to the shareholders to enable them to exercise their pre-emptive right under the conditions set out in the resolution. Pursuant to this provision, adopting a resolution on depriving of the pre-emptive right is also not required when the resolution on capital increase provides that new shares are to be taken up by the underwriter in the event that the shareholders holding the pre-emptive right do not take up some or all of the shares offered to them.

Right to participate in the Company's assets remaining after satisfying or securing creditors in the event of its liquidation. According to Art. 474(1) of the CCC, the division of assets remaining after satisfying or securing creditors may not take place before the end of the year from the date of the last announcement on the opening of liquidation and summoning creditors. This property is divided among the shareholders pro rata to payments made to the share capital by each of them. The Company's Articles of Association do not provide for any privilege in this respect.

Right to dispose of the shares held. The Company's Articles of Association do not provide for any restrictions in this respect.

Right to encumber the Shares held with a pledge or usufruct. The Company's Articles of Association do not provide for any restrictions in this respect. However, in the period when the shares of a public company over which a pledge or usufruct was established, are recorded in the securities account kept by authorised entities in line with the provisions on trade in financial instruments, the voting rights under those shares is due to the shareholder (Art. 340(3) of the CCC).

Right to redeem shares. The Company's shares may be redeemed with the shareholder's consent by way of purchasing the shares by the company, under terms specified in the resolution of the General Meeting (§ 8 of the Articles of Association).

Corporate rights attached to the Company's Shares

The following corporate rights are attached to the Company's Shares:

The right to participate in the General Meeting (Art. 412 of the CCC) and to vote at the GM (Art. 411(1) of the CCC). The right to participate in the GM of a public company is due only to persons who are shareholders in the Company 16 days before the date of the GM (the date of registration for the participation in the GM) (Art. 406¹ of the CCC), who requested the entity maintaining the securities account to issue a personal certificate of the right to participate in the General Meeting (Art. 406³ of the CCC). Each share entitles to one vote at the GM (Art. 411 of the CCC).

Those entitled under registered shares and temporary certificates are entitled to participate in the general meeting of a public company if they are entered to the share register on the day of registration for participation in the general meeting. Bearer shares in the form of a document give the right to attend the general meeting of a public company, provided that the share documents are submitted to the company not later than on the date of registering the participation in the general meeting and are not be taken back before the end of that day. Instead of shares, a certificate may be submitted, issued as a proof of submitting the shares to a notary, a bank or an investment firm with registered office or branch in the European Union or a state that is a party to the European Economic Area agreement, indicated in the announcement of the general meeting. The certificates indicate the numbers of share documents and confirm that the share documents will not be issued prior to the expiry of the date of registering participation at the general meeting.

At the request of a holder of dematerialised bearer shares in a public company, notified not earlier than after the announcement of the general meeting and not later than on the first business day after the day of registering the participation in the general meeting, the entity maintaining the securities account issues a registered certificate on the right to participate in the general meeting.

The certificate of the right to participate in the general meeting contains the following:

- company (name), registered office, address, and the seal of the issuer, including the number of the certificate,
- number of shares,
- type and code of shares,
- company (name), registered office, and address of the company who issued the shares,
- nominal value of shares,
- name and surname or company (name) of the person entitled,
- domicile (place of residence) and the address of the person entitled,
- the purpose of issuing the certificate,
- date and place of issuing the certificate,
- signature of a person authorised to issue the certificate.

In line with the provisions of Art. 340 Art. 3 of the CCC, in the period when the shares of a public company, over which a pledge or usufruct was established, are recorded in the securities account kept by the authorised entity in line with the provisions on trade in financial instruments, the voting rights under those shares is due to the shareholder.

The right to vote at the General Meeting (Art. 411(1) of the CCC). A shareholder may participate in the General Meeting and exercise his/her voting rights in person or via a proxy. Neither the right to establish a proxy, nor the number of proxies may be restricted. According to Art. 411³ of the CCC, a shareholder may vote differently under each of the shares held. A proxy may represent more than one shareholder and vote differently under shares of each shareholder. Shareholders in a public company holding shares recorded in a collective account may establish separate proxies to exercise rights under shares recorded in that account. Shareholders in a public company holding shares recorded in

more than one securities account may establish separate proxies to exercise rights under shares recorded in each of these accounts. The power of attorney to participate in the general meeting of a public company and exercising voting rights must be given in writing or in electronic form. A board member and the company's employee cannot act as proxies at a general meeting, however, this restriction does not apply to a public company.

Right to request the Extraordinary General Meeting to be convened and to request any specific issues to be included in the agenda, granted to shareholders representing at least one-twentieth of the Company's share capital (Art. 400(1) of the CCC). Such request should be submitted to the Board in writing or electronically.

If the Extraordinary General Meeting is not convened within two weeks of presenting the Board with a request, the registry court may authorise the shareholders presenting such a request to convene the Extraordinary General Meeting (Art. 400(3) of the CCC).

The right to convene an Extraordinary General Meeting is given to shareholders representing at least half of the share capital or at least half of the total votes in the Company. The shareholders elect the chairman of that meeting (Art. 399(3) of the CCC).

Right to request certain matters be included in the agenda of the next General Meeting, granted to shareholders holding at least one-twentieth of the Company's share capital (Art. 401(1) of the CCC)

The right to submit, on 21 days before the set date of the General Meeting, a request that specific matters be included in the agenda of that meeting, is given to shareholders holding at least one-twentieth of the Company's share capital (Art. 401(1) of the CCC). The request should contain rationale of the draft resolutions relating to the proposed agenda item (Art. 401(1) of the CCC).

Right to report to the Company in writing, or using means of electronic communication, draft resolutions related to the matters introduced to the agenda of the General Meeting or matters that are to be introduced to the agenda, given to shareholders representing at least one-twentieth of the share capital (Art. 401(4) of the CCC).

Right to propose, during the General Meeting, draft resolutions related to matters introduced to the meeting agenda.

Right to appeal against the resolutions of the General Meeting according to the rules specified in Art. 422–427 of the CCC.

A resolution of the general meeting that is contrary to the articles of association or good practices and threatens the interest of the company or aiming to act to the detriment of the shareholder may be appealed against by way of filing an action against the Company for repealing the resolution.

The right for filing an action for revoking the resolution of the General Meeting is due to:

- the board, supervisory board, and the individual members of those bodies,
- a shareholder, who voted against the resolution, and after its adoption requested that his/her objection – the requirement to vote does not apply to holders of non-voting shares,
- a shareholder who has not been admitted to participate in the general meeting for no legitimate reasons,
- shareholders who were absent at the general meeting, only in the case of the general meeting being convened defectively or if a resolution that was not included in the agenda is adopted.

In the case of a public company, the deadline for bringing an action is one month of the date or receipt of the message on the resolution, however not later than three months of the date of adopting the resolution.

The entities indicated above are entitled to bring an action against the company for declaring the resolution of the general meeting that is contrary to the act to be void. The action for declaring invalidity of the resolution of the general meeting in the company should be brought within thirty days of the date of its announcement, however not later than within a year of the date of adopting the resolution.

Right to request the election of the Supervisory Board by way of voting in separate groups: in line with Art. 385(3) of the CCC, at the request of shareholders representing at least one-fifth of the share capital, the election of the Supervisory Board should be done at the next General Meeting by way of voting in separate groups.

Right to require that a certain matter related to establishing a public company or managing its affairs be examined by an expert (auditor for special matters): a resolution in this respect is adopted by the General Meeting at the request of a shareholder or shareholders with minimum voting power of 5% at the GM (Art. 84 and 85 of the Offering Act). To do that, Shareholders may request convening an Extraordinary GM or request including the case for adopting this resolution in the meeting agenda for the next GM. If the GM does not adopt the resolutions according to the content of the request or adopts it in breach of Art. 84(4) of the Public Offering Act, the requesters may apply to the Registry Court for assigning the indicated entity as an auditor for special matters within 14 days of the resolution's adoption.

Right to obtain information on the Company in the scope and method specified in the regulations, in particular in line with Art. 428 of the CCC, during the meeting of the GM, the Board is obliged to provide a shareholder, at his/her request, with information on the Company, if it is justified for the sake of assessing the matter being discussed. A shareholder who was declined to be revealed the required information during the GM and who demanded that his/her objection be recorded in the minutes, may apply to the Registry Court to require the Board to provide the information (Art. 429 of the CCC).

Right to a registered deposit certificate, issued in line with the regulations on trading in financial instruments, is due to a shareholder in a public company is entitled, who holds dematerialised shares and the right of that shareholder to a registered certificate on the right to participate in the general meeting of a public company (Art. 328(6) of the CCC).

Right to request issuing excerpts from the Board's report on the operations of the company and financial statements including an excerpt of the Supervisory Board report and audit report at least 15 days before the General Meeting (Art. 395(4) of the CCC).

Right to review, on the Board's premises, the list of shareholders authorised to participate in the General Meeting and demand an excerpt of the list upon the reimbursement of the costs of its preparation (Art. 407(1) of the CCC). A shareholder may also request to receive the list of shareholders, free of charge, by e-mail, by providing the address to which it should be sent (Art. 407(1¹) of the CCC).

Right to request issuing an excerpt of the notions in cases included in the meeting agenda a week before the General Meeting (Art. 407(2) of the CCC).

Right to request checking the attendance list at the General Meeting by a commission appointed for that purpose, consisting of at least three persons. The request may be submitted by shareholders with at least one-tenth of the share capital represented at that General Meeting. The requesters have the right to elect one member of the commission (Art. 410(2) of the CCC).

Right to review the book of minutes and request issuing excerpts of resolutions certified by the Board (Art. 421(3) of the CCC).

The book should state the correctness of how the general meeting was convened and its ability to adopt resolutions, list the resolutions adopted, and for each resolution: provide the number of shares against which valid votes were cast, the percentage share of those shares in the share capital, the total number of valid shares, number of votes "for," "against," and "abstaining" and the objections voiced. The report should be appended with an attendance list with signatures of participants of the general meeting and the list of shareholders voting by correspondence or otherwise using the means of electronic communication. The evidence of convening a general meeting are appended by the Board to the book of minutes (Art. 421(2) of the CCC).

Right to file a suit to repair damage caused to the company under the rules specified in Art. 486 and 487 of the CCC, if the company fails to file such suit to repair such damage within one year from detecting the act causing such damage. If the suit is deemed unjustified, and the plaintiff, by filing it acted in bad faith or committed gross negligence, is obliged to repair the damage done to the defendant.

Right to inspect the documents and to demand access on the Company's premises, free of charge, to extracts of documents referred in Art. 505(1) of the CCC (in the case of merging companies), in Art. 540(1) of the CCC (in the case of demerging a Company) and in Art. 561(1) of the CCC (in the case of a transformation of a Company).

Right to review the share register and demand an excerpt of the list upon the reimbursement of the costs of its preparation (Art. 341(7) of the CCC).

The Board is obliged to maintain a register of registered shares and temporary certificates (share register), to which the full name or the company name should be entered, as well as the registered office and address of the shareholder, or address for service, the amount of payments made, and, at the request of an authorised person, an entry on transferring shares to another person including the entry date.

Right to demand that the trading company that is a shareholder in the Issuer provides information on whether it is in a controlling or subsidiary relationship with respect to a specified trading company or cooperative that is a shareholder in the Issuer or whether such a relationship has ceased. The shareholder may also request that the number of Shares or votes that the trading company held is disclosed, including also as a pledgee, user, or pursuant to arrangements with other persons. The request for information and replies should be made in writing (Art. 6(4) and (6) of the CCC).

Right to convert shares – converting registered shares to bearer shares or vice versa may take place at the shareholder's request, unless the act or articles of association provide otherwise (Art. 334(2) of the CCC). In line with Art. 7 of the Company's Articles of Association, all shares of the Company are bearer shares, and therefore converting them to registered shares is not permitted.

4.6. Basis of issue of offered or admitted securities

Resolution No 2

of the Extraordinary General Meeting

of STALEXPORT S.A. [Joint Stock Company] with its registered office in Katowice

dated 14 February 2007

regarding an increase in the share capital of the Company

1. Acting pursuant to Article 430(1) and (5), Article 431(1), Article 432(1) and Article 433(2) of the Polish Companies and Partnerships Code, the Extraordinary General Meeting of STALEXPORT S.A. with its registered office in Katowice, resolves to increase the share capital of the Company by PLN 179,000,000 (in words: one hundred and seventy-nine million zlotys), i.e. from PLN 315,524,046 (in words: three hundred and fifteen million five hundred and twenty-four thousand forty-six zlotys) up to the amount of PLN 494,524,046 (in words: four hundred and ninety-four million five hundred and twenty-four thousand forty-six zlotys), by issuing 89,500,000 (in words: eighty-nine million five hundred thousand) new series G bearer shares with a nominal value of PLN 2.00 (in words: two zlotys).
2. The issue price of series G shares is PLN 2.2458 (in words: two zlotys 2458/10000).
3. The new shares will participate in dividend to which the right arises as of the date the shares are created and issued or recorded on the subscriber's securities account.
4. The shares will be offered to the public, with the existing shareholders being deprived of their pre-emptive rights, to qualified investors who will jointly meet the following criteria:
 - a. The investor's annual revenues from the operation of toll motorways in 2005 and 2006 were not lower than EUR 2,500,000,000 (in words: two billion five hundred million);
 - b. The investor holds a relevant governmental license for the construction and operation, directly or through its subsidiaries, of a total of at least three thousand kilometres of toll motorways in the European Union;
 - c. The investor has experience in applying, jointly with the Company, for projects for the operation and construction of motorways in Poland;
 - d. The investor has been engaged in the business of operating toll motorways at least since 1970;
 - e. The investor will subscribe for all of the shares offered.
5. The Supervisory Board is authorised to set the opening and closing dates of the subscription.
6. Contributions to pay for the subscribed shares will be made in cash.
7. Accordingly, the content of Art. 6 of the Company's Articles of Association is amended to read as follows: "The share capital of the Company amounts to PLN 494,524,046 (in words: four hundred and ninety-four million five hundred and twenty-four thousand forty-six 00/100 zlotys)", and the content of Art. 7(1) of the Company's Articles of Association is amended to read as follows: "The share capital of the Company is divided into 247,262,023 (two hundred and forty-seven million two hundred and sixty-two thousand twenty-three) ordinary bearer shares with a nominal value of PLN 2.00 (two 00/100 zlotys) each, including 8,341,030 (eight

million three hundred and forty-one thousand thirty) series A shares numbered from A 000.000.001 to A 008.341.030, 492,796 (four hundred and ninety-two thousand seven hundred ninety-six) series B shares numbered from B 008.341.031 to B 008.833.826, 4,000,000 (four million) series D shares numbered from D 008.833.827 to D 012.833.826, 94,928,197 (ninety-four million nine hundred and twenty-eight thousand one hundred and ninety-seven) series E shares numbered from E 12.833.827 to E 107.762.023, 50,000,000 (fifty million) series F shares numbered from F 107.762.024 to F 157.762.023 and 89,500,000 series G shares numbered from G 157.762.024 to G 247.262.023.”

8. The Supervisory Board is authorised to draft a uniform text of the Company's Articles of Association, as amended by this resolution.

Management Board's opinion

regarding the deprivation of the existing Shareholders of their pre-emptive rights with respect to series G numbered from 157.762.024 to G 247.262.023 and the proposed issue price

The Board of STALEXPORT S.A. with its registered office in Katowice, acting pursuant to Article 433(2) of the Polish Companies and Code, presents its opinion regarding the deprivation of the existing shareholders of their pre-emptive rights with respect to series G shares and the method of determining the issue price of series G shares numbered from G 157.762.024 to G 247.262.023.

For several years, the Board of STALEXPORT S.A. has systematically pursued the “2002 programme of implementation of strategy of STALEXPORT S.A. in the years 2002–2007 as part of arrangement proceedings.”

As per the approved plan, the repayment of arrangement and off-arrangement liabilities is the most important task of the Company. The arrangement proceedings which covered claims amounting to PLN 605 m and the restructuring of off-arrangement liabilities amounting to PLN 251 m allowed for the continued existence of STALEXPORT S.A. The Company repays its arrangement and off-arrangement liabilities on a regular basis. 14 out of 20 arrangement instalments have been repaid to date.

Additionally, an off-arrangement liability to the State Treasury under the guarantees issued in respect of Huta Ostrowiec (ca. PLN 78 m) still remains outstanding. Its repayment will commence in the second semester of 2008. Interest is repaid on a regular basis. *To the best knowledge of the Board*, a contingent liability to the State Treasury under the guarantees issues in respect of WRJ Sp. z o.o., which remains outstanding as of today, is estimated at a maximum of ca. PLN 88 m.

Such considerable financial burdens affect the reduction of the Company's capitals which results in a lack of capacity to expand business and credit rating. Based on the analysis of the existing situation of the STALEXPORT Group, it should be stated that the major tasks for subsequent years which, if fulfilled, are expected to increase the value of the Company shares, are as follows:

- development of the motorway business so as it becomes the core business of the Company, and
- repayment of the restructured liabilities.

The above-mentioned objectives will be achieved subject to the satisfaction of, inter alia, the following basic conditions:

- increasing own funds,
- recovering credit rating,
- recovering market and business credibility to such an extent as to enable expansion into the motorway market.

According to the Board, the Company's equity does not warrant the achievement of the business objectives planned by the Company. The scale of the Company's needs suggests that the necessary proceeds can only be obtained by issuing new shares to be offered to an external investor who would contribute to the Company not only the necessary funds, but also other assets, including in particular experience and market credibility that are relevant for ensuring the dynamic growth of the Company's motorway business.

The issue of series G shares will bring an inflow of funds in excess of PLN 200 m which, once fused with strategic business support obtained from an entity specialised and experienced in the operation of motorways, should provide the Company with solid business foundations and dynamic growth prospects for the motorway business, as well as allow the Company to pay off "historic" liabilities.

Pursuant to a draft of General Meeting resolution regarding an increase in the share capital of the Company, 89,500,000 series G shares will be offered to the public, with the existing shareholders being deprived of their pre-emptive rights, to qualified investors who will jointly meet the following criteria:

- a. The investor's annual revenues from the operation of toll motorways in 2005 and 2006 were not lower than EUR 2,500,000,000 (in words: two billion five hundred million);
- b. The investor holds a relevant governmental licence for the construction and operation, directly or through its subsidiaries, of a total of at least three thousand kilometres of toll motorways in the European Union;
- c. The investor has experience in applying, jointly with the Company, for projects for the operation and construction of motorways in Poland;
- d. The investor has been engaged in the business of operating toll motorways at least since 1970;
- e. The investor will subscribe for all of the shares offered.

By depriving the existing shareholders of their pre-emptive rights and offering the shares to qualified investors meeting the above-mentioned criteria, STALEXPORT S.A. seeks to strengthen its market position by incorporating in its business investors having experience and position in the motorway industry both in Poland and worldwide. To that end, the Company has provided a number of objective criteria to be met by the investor. These include economic criteria, such as a specific level of annual revenues set at two billion five hundred million Euro, which is to warrant the stability of the investor's financial situation and the potential for the development of future highway projects in Poland, as well as substantive criteria assuming a high level of experience and commitment of the investor in the highway industry. To that effect, the Company expects the investor to provide supporting documents regarding its business covering the period from at least 1970 and to hold a relevant governmental licence for the construction and operation, directly or through subsidiaries, of a total of at least three thousand kilometres of toll motorways within the European Union. In addition, another key criterion is the investor's prior experience in applying, jointly with the Company, for the operation and construction of motorways in Poland, which is to ensure consistent cooperation in future highway projects in which STALEXPORT S.A. intends to participate.

The industry investor's experience in implementing highway projects will be much desirable in the context of the anticipated expansion of the highway network in Poland. Only entities demonstrating strong equity and relevant qualifications will be in a position to compete in tenders organised in connection with the expansion and subsequent operation of the national highway network. For this reason, only with the support of an industry investor with strong equity will the Company be in a position to effectively compete on the market. In addition, in the future, the presence of an industry shareholder with broad experience in a number of international infrastructure projects will enable STALEXPORT S.A. to expand regionally.

Also, while assessing the perspective of the Company's operation, and also taking into account the amount of outstanding liabilities, the Supervisory Board has decided that more efforts are needed to secure the funds necessary for the continued existence of the Company. In the Supervisory Board's opinion, this should be achieved, inter alia, by taking actions aimed at obtaining funds from the capital market, including in particular acquiring a strategic investor.

Failure to take the above actions may interfere with the repayment of liabilities thereby creating the risk of the Company going bankrupt and to-date restructuring effects becoming futile.

Providing the Company with capital injections by subscribing to series F shares by AUTOSTRADA S.p.A. has already had a positive impact on the increase in the price of the Company shares which has been maintained since the first rumours suggesting that AUTOSTRADA S.p.A. might make investments in Poland spread out. As such, since 30 December 2005 the share price increased from PLN 1.64 per share to PLN 4.42 per share as of 1 February 2007.

As of 30 September 2006 the (consolidated) book value per share amounted to PLN 1.14 (compared to PLN 0.31 as of 31 December 2005). The increase in the book value of the Company shares was primarily attributable to capital injections that AUTOSTRADA S.p.A. provided to the Company in July 2006 and to bank debts being converted into the share capital.

Accordingly, the Board proposes that in the offer addressed to qualified investors meeting the criteria related to the industry character of the investor, series G shares be offered at the same price at which the shares were converted by banks converting the debts owed to them by the Company into capital, i.e. at an issue price of PLN 2.2458 per share.

The increase in the share price of STALEXPORT S.A. is primarily attributable to the Company regaining investor confidence following the investment made by AUTOSTRADA S.p.A. It can therefore be expected that further capital involvement of industry investors will result in a further increase in the value of the Company shares. In turn, loss of confidence of industry investors and their possible exit from capital investments in STALEXPORT S.A. may trigger a sudden collapse of the Company's price to the detriment of all its shareholders and, above all, of the Company itself and its creditors.

Therefore, it should be considered that restricting the existing shareholders in exercising their pre-emptive rights with respect to series G shares numbered from G 157.762.024 to G 247.262.023 is in the interest of the Company and, as such, does not conflict with the interests of the Company shareholders, and setting the issue price of the shares concerned at PLN 2.2458 (in words: two 2458/10000 zlotys) per share is expedient and economically justified.

Resolution No 3
of the Extraordinary General Meeting
of STALEXPORT S.A. with its registered office in Katowice
dated 14 February 2007

regarding the application for admission of series G shares (numbered from G 157.762.024 to G 247.262.023) for trading on a regulated market and their dematerialisation and the authorisation of the Board to execute with Krajowy Depozyt Papierów Wartościowych S.A. a securities registration agreement referred to in Article 5 of the Act of 29 July 2005 on Trading in Financial Instruments

Acting pursuant to Article 27(2)(3) of the Act of 29 July 2005 on Public Offering and Conditions for the Introduction of Financial Instruments to the Organised Trading System, and on Public Companies, and Article 5(8) of the Act of 29 July 2005 on Trading in Financial Instruments, the Extraordinary General Meeting:

- 1) grants consent for filing an application for admission to trading on a regulated market on the Warsaw Stock Exchange and dematerialisation of series G shares (numbered from G 157.762.024 to G 247.262.023) issued as part of the increase of the Company's share capital,
- 2) authorises the Company's Management Board to execute with the National Depository for Securities an agreement for registration of series G shares (numbered from G 157.762.024 to G 247.262.023), issued as part of the increase of the Company's share capital, with the securities depository,
- 3) resolves that the admission of series G shares to trading on the Warsaw Stock Exchange, as referred to in paragraph 1 hereof, will not take effect prior to 14 February 2008.

Resolution No 20

of the 18th General Meeting

of Stalexport Autostrady Spółka Akcyjna with its registered office in Katowice

dated 4 April 2011

regarding a reduction in the Company's share capital by amending the Company's Articles of Association by reducing the nominal value of shares to cover retained losses

The 18th Annual General Meeting of Stalexport Autostrady S.A. with its registered office in Katowice, acting pursuant to Article 430(1) and Articles 455(1) and (2) of the Polish Companies and Code read together with Article 457(1)(2) thereof and Article 24(1)(7) of the Company's Articles of Association, resolves as follows:

Article 1

The share capital of the Company is reduced by PLN 309,077,528.75 (in words: three hundred and nine million seventy-seven thousand five hundred and twenty-eight 75/100 zlotys), i.e. from the amount of PLN 494,524,046.00 (in words: four hundred and ninety-four million five hundred and twenty-four thousand forty-six 00/100 zlotys) to PLN 185,446,517.25 (in words: one hundred and eighty-five million four hundred and forty-six thousand five hundred and seventeen 25/100 zlotys

) by reducing the nominal value of each share by PLN 1.25 (in words: one 25/100 zlotys), i.e. from PLN 2.00 (in words: two 00/100 zlotys) to PLN 0.75 (in words: 75/100 zlotys).

Article 2

The reduction in the Company's share capital referred to in Article 1 is effected to cover retained losses of the Company.

Article 3

The reduction in the Company's share capital referred to in Article 1 is registered without giving effect to the procedure notifying the creditors of the share capital reduction since the said reduction in the Company's share capital is aimed at compensating for the losses referred to in Article 457(1)(2) of the Polish Companies and Code.

Article 4

In relation to the content of Article 1 hereof, Articles 6 and 7 of the Company's Articles of Association are replaced by the following:

Article 6

The share capital of the Company amounts to PLN 185,446,517.25 (one hundred and eighty-five million four hundred and forty-six thousand five hundred and seventeen 25/100 zlotys)."

Article 7

"The share capital of the Company is divided into 247,262,023 (two hundred and forty-seven million two hundred and sixty-two thousand twenty-three) ordinary bearer shares with a nominal value of PLN 0.75 (75/100 zlotys) each, including 8,341,030 (eight million three hundred and forty-one thousand thirty) series A shares numbered from A 000.000.001 to A 008.341.030, 492,796 (four hundred and ninety-two thousand seven hundred and ninety-six) series B shares numbered from B 008.341.031 to B 008.833.826, 4,000,000 (four million) series D shares numbered from D 008.833.827 to D 012.833.826, 94,928,197 (ninety-four million nine hundred and twenty-eight thousand one hundred and ninety-seven) series E shares numbered from E 12.833.827 to E 107.762.023, 50,000,000 (fifty million) series F shares numbered from F 107.762.024 to F 157.762.023 and 89,500,000 (eighty-nine million five hundred thousand) series G shares numbered from G 157.762.024 to G 247.262.023.

All Company shares are bearer shares."

Article 8

The Annual General Meeting of the Company authorises the Company's Supervisory Board to determine a uniform version of the amended Articles of Association.

Article 9

The resolution enters into force upon adoption with effect from the date the reduction in the share capital and amendments to the Company's Articles of Association are registered with the Register of Businesses of the National Court Register.

Thirteen Shareholders or their representatives, holding and representing 177,221,609 shares (accounting for 71.67% of the share capital) participated in an open vote, with 177,221,609 valid votes being cast, including 177,221,609 votes "for", with no "against" or "abstained" votes.

4.7. Expected issue date of the securities

Not applicable. Prospectus has not been prepared in connection with the issue/offer of securities.

4.8. Description of any restrictions on the free transferability of securities

4.8.1 Restrictions arising under the articles of association

The Issuer's Articles of Association do not provide for any restrictions on the transferability of the Issuer's securities.

4.8.2 Restrictions resulting from the Trading in Financial Instruments Act, the Public Offering Act and conditions for introducing instruments to organised trading, and on public companies and the MAR Regulation

Admission of securities to trading in a regulated market and trading in the Issuer's securities as a public company will be subject to restrictions arising from the Offering Act and the Trading Act, as well as directly applicable Regulation of the European Parliament and the Council (EU) No. 596/2014 of April 16, 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC. Pursuant to Art. 19(1)(1) and (2) of the Trading Act, unless the Act provides otherwise:

- securities included in an approved prospectus may be traded on a regulated market only after they have been admitted to such trading,
- making a public offer, subscription or sale based on this offer, subject to the exceptions provided for in the Offering Act, requires intermediation of an investment company.

Pursuant to the MAR Regulation, persons discharging managerial responsibilities may not make any transactions on their own account or on the account of a third party in the issuer's shares or debt instruments or derivative instruments or any other related financial instruments in a blackout period, i.e. 30 days prior to publishing periodic reports. The Issuer may authorise transactions during the blackout period: (i) on a case-by-case basis due to exceptional circumstances such as serious financial hardship; (ii) because of the characteristics of the transaction in question made as part of employee stock ownership schemes, savings schemes, qualifications or rights to shares, or transactions in which a benefit associated with a given security does not change or the characteristics of related transactions. Pursuant to the MAR Regulation, persons discharging managerial responsibilities, persons closely related to persons discharging managerial responsibilities, are obliged to notify about transactions made on their own account in shares or debt instruments of that issuer or derivative rights or any other related financial instruments admitted to trading on the regulated market as well as in the alternative trading system and organised trading platforms. Covered persons inform the issuer and the PFSA; the issuer gives information about the transaction to the public. Issuers: (i) inform persons discharging managerial responsibilities about their obligations regarding notification of transactions, (ii) prepare a list of all persons discharging managerial responsibilities and persons closely related to them. Persons discharging managerial responsibilities inform persons closely related to them about their obligations regarding notification of transactions. The MAR Regulation does not define amounts of administrative fines imposed for breach of obligations, but defines common requirements for EU Member States by indicating the upper limits of sanctions which are significantly higher than those currently applicable in Polish law (individuals – EUR 500,000, legal entities – EUR 1 m).

In accordance with Art. 69 of the Offering Act, each party:

- who reached or exceeded 5%, 10%, 15%, 20%, 25%, 33%, 33⅓%, 50%, 75% or 90% of the total number of votes in a public company, or
- held at least 5%, 10%, 15%, 20%, 25%, 33%, 33 1/3%, 50%, 75% or 90% of the total number of votes in this company, and as a result of reducing this share achieved respectively 5%, 10%, 15%, 20%, 25%, 33%, 33⅓%, 50%, 75% or 90% or less of the total number of votes, or
- who is affected by the change in the share held so far over 10% of the total number of votes, by at least 2% of the total number of votes in a public company whose shares are admitted to trading in the official stock

exchange market or by at least 5% of the total number of votes in a public company, whose shares are admitted to trading in another regulated market, or

- who has been affected by a change in the already held share of over 33% of the total number of votes by at least 1% of the total number of votes,

is obliged to immediately notify the PFSA and the company, not later than within 4 business days from the day on which they learned of the change in the share in the total number of votes or was able to find out about it with due diligence ensured, and in the event of a change resulting from the purchase or sale of shares of a public company in a transaction concluded on a regulated market or in an alternative trading system - not later than within 6 trading days from the date of the transaction, with session days as determined by the company operating the regulated market or by the entity organizing the alternative system of trading in the regulations in accordance with the provisions of the Trading Act and announced by the PFSA by publication on its website. The notification should contain information about the date and type of event causing a change in the share to which the notification relates, as well as of subsidiaries of the notifying shareholder, holding shares in the company, and about the persons referred to in Art. 87(1)(3)(c). of the Offering Act. The notification should also contain information on the number of shares held before the change in share and their percentage share in the company's share capital and the number of votes under these shares and their percentage share in the total number of votes, the number of currently held shares and their percentage share in the share capital and about the number of votes from these shares and their percentage share in the total number of votes, with the provision that if the entity holds shares of various types, the notification should contain the information listed in this sentence separately for each type. The notification should also contain information on the number of votes under shares, calculated in the manner specified in Art. 69b(2) of the Offering Act, to which they are entitled or obliged to acquire as the holder of financial instruments referred to in Art. 69b(1)(1) of the Offering Act and financial instruments referred to in Art. 69b(1)(2) of the Offering Act, which are not effected solely through cash settlement, the type or name of these financial instruments, their expiration date and the date or deadline when the shares will or may be acquired, as well as the number of votes under the shares calculated in the method specified in Art. 69b(3) of the Offering Act, to which the financial instruments referred to in Art. 69b(1)(2) of the Offering Act relate, the type or name of these financial instruments, the date of expiry of those financial instruments and the total number of votes indicated pursuant to Art. 69(1)(2), (7) and (8) of the Offering Act and its percentage share in the total number of votes. The notification may be prepared in English. The obligation to make a notification does not arise if, after settlement in the securities depository of several transactions concluded on a regulated market or in an alternative trading system on the same day, a change in the share in the total number of votes in a public company at the end of the settlement day does not cause or exceed the threshold of the total number of votes associated with these obligations. The obligations specified in Art. 69 of the Offering Act also apply to the entity which has reached or exceeded a certain threshold of the total number of votes in connection with the occurrence of a legal event other than a legal act or an indirect acquisition of shares in a public company.

In addition, the obligations set out in Art. 69 of the Offering Act arise when the voting rights are related to securities acting as collateral. This does not apply if the entity for which the collateral was established has the right to exercise voting rights and declares its intention to exercise that right – in this case the voting rights are considered to belong to the entity for which the collateral was established.

The obligations specified in Art. 69 of the Offering Act also apply to the entity which has reached or exceeded a certain threshold of the total number of votes in connection with the purchase or sale of financial instruments, which after their maturity unconditionally entitle or oblige their holder to purchase shares associated with voting rights, already issued by the issuer, or which relate to the issuer's shares directly or indirectly and have economic effects similar to those of the financial instruments set out in point 1, regardless of whether these instruments are exercised by cash settlement. In the case of financial instruments referred to in Art. 69b(1) of the Offering Act, the number of votes held in a public company corresponds to the number of votes arising from shares which the holder of these financial instruments is entitled or obliged to purchase. In the case of financial instruments referred to in Art. 69b(1)(2) of the Offering Act, which are effected by cash settlement only, the number of votes held in a public company related to these financial instruments corresponds to the product of the number of votes resulting from shares to which these financial instruments refer directly or indirectly, and delta of a given type of financial instrument. The delta value is determined in accordance with Commission Delegated Regulation (EU) 2015/761 of 17 December, 2014 supplementing Directive 2004/109/EC of the European Parliament and of the Council in relation to certain regulatory technical standards applicable to significant holdings. Obligations referred to in Art. 69 of the Offering Act also arise in the case of exercising the right to acquire shares in a public company, despite prior notification in accordance with Art. 69b(1) of the Offering Act, if as a result of the purchase of shares, the total number of votes resulting from shares of the same issuer reaches or exceeds the thresholds for the total number of votes in a public company specified in Art. 69 of the Offering Act.

Exceeding 33% of the total number of votes in a public company may occur, subject to paragraph 2, only as a result of the announcement of a call to subscribe for the sale or exchange of shares in this company in the amount ensuring achieving 66% of the total number of votes, except for cases where exceeding 33% of the total number of votes is due to the announcement of the call referred to in Art. 74 (Art. 73(1) of the Offering Act).

In the event that the threshold of 33% of the total number of votes has been exceeded as a result of an indirect purchase of shares, subscription for a new issue shares, acquisition of shares as a result of a public offering or as a non-cash contribution to the company, combination or division of the company, as a result of amendments the company's articles of association, expiration of the preference attached to shares or the occurrence of a legal event other than a legal

transaction, the shareholder or entity that has indirectly acquired shares is obliged, within 3 months of exceeding 33% of the total number of votes, to:

- announce a call to subscribe for the sale or exchange of shares in this company in the number that will cause achieving 66% of the total number of votes, or
- to sell the shares in a number allowing to reach no more than 33% of the total number of votes

unless, within that period, the share of a shareholder or entity that indirectly acquired shares in the total number of votes is reduced to no more than 33% of the total number of votes, as a result of an increase in the share capital, a change in the company's statute or the expiry of the preference for its shares (Art. 73(2) of the Offering Act).

The obligation referred to in Art. 73(2) of the Offering Act also applies if the 33% threshold of the total number of votes in a public company was exceeded as a result of inheritance, after which the share in the total number of votes has increased further, except that the period for fulfilling this obligation starts on the date on which the event occurred resulting in an increase of the share in the total number of votes (Art. 73(3) of the Offering Act).

Exceeding 66% of the total number of votes in a public company may only take place, subject to(2), as a result of announcing a call to subscribe for the sale or exchange of all other shares of this company (Art. 74(1) of the Offering Act).

If the threshold of 66% of the total number of votes is exceeded as a result of indirect purchase of shares, taking up new issue shares, purchase of shares as a result of a public offering or as part of their in-kind contribution to the company, merger or division of the company, as a result of changes in the company's articles of association, expiry of the preference for shares or occurrence of a legal event other than a legal act, the shareholder or entity which indirectly purchased the shares is obliged, within 3 months of exceeding 66% of the total number of votes, to announce a call to subscribe for the sale or exchange of all other shares of the company, unless the share of the shareholder or entity that indirectly purchased shares decreases in this period to the total number of votes not exceeding 66% of the total number of votes, as a result of an increase in the share capital, a change in the company's statute or the expiry of its preference.

A shareholder who, within 6 months after the call announced in accordance with Art. 74(1) or (2) of the Offering Act, has acquired at a price higher than the price specified in the call, subsequent shares of this company, otherwise than as part of calls or in performance of the obligation referred to in Art. 83 of the Offering Act, is obliged, within one month of the purchase, to pay a price difference to all the persons who have sold shares under the call, excluding persons from whom shares have been purchased at a reduced price in the case referred to in Art. 79(4) of the Offering Act (Art. 74(3) of the Offering Act). The provisions of Art. 74(3) of the Offering Act shall apply accordingly to the entity which indirectly purchased shares of a public company.

The obligation referred to in Art. 74(2) of the Offering Act also applies if the threshold of 66% of the total number of votes in a public company has been exceeded as a result of inheritance after which the share in the total number of votes has increased further provided that a period to comply with this obligation counts from the date of an event resulting in the increase in the share in the total number of votes (Art. 73(3) of the Offering Act).

In accordance with Art. 75(2) of the Offering Act, the obligations specified in Art. 73 of the Offering Act do not arise in the case of acquisition of shares from the State Treasury as a result of an initial public offering and within 3 years from the date of completion of the sale of shares by the State Treasury as a result of an initial public offering.

In accordance with Art. 75(3) of the Offering Act, the obligations referred to in Art. 73 and Art. 74 of this Act do not arise in the case of purchasing shares:

- of a company whose shares are introduced exclusively to the alternative trading system or are not subject to organised trading,
- from an entity belonging to the same group of companies, in this case Art. 5 of the Offering Act is not applicable;
- under the procedure specified in the bankruptcy law and enforcement proceedings,
- in accordance with the contract for establishing financial collateral concluded by authorised entities under the conditions set out in the Act of 2 April 2004 on Certain Financial Collateral,
- encumbered with a pledge in order to satisfy a pledgee authorised under other acts to satisfy their claims, consisting in taking ownership of the subject of the pledge,
- by inheritance, except in the cases referred to in Art. 73(3) and Art. 74(5) of the Offering Act,
- in forced restructuring.

According to Art. 75(4) of the Offering Act, no shares encumbered with a pledge may be traded, until expiration of the pledge, except when the purchase of these shares takes place in the performance of an agreement on establishing a financial collateral within the meaning of the Act of 2 April 2004 on Certain Financial Collaterals.

In accordance with Art. 76(1) of the Offering Act, in exchange for shares being the subject of a call to subscribe, in the case of a call referred to in Art. 73 of the Offering Act, only shares of another company, depositary receipts, mortgage bonds, which are dematerialised or bonds issued by the State Treasury may be purchased. In exchange for shares being the subject of a call to subscribe for shares, in the case of a call referred to in Art. 74 of the Offering Act, only

dematerialised shares of another company or other dematerialised transferable securities giving the right to vote in the company may be acquired. If all other company shares are to be the subject of the call, the call must provide for the possibility of selling the shares by the entity responding to the call, at a price determined in accordance with Art. 79(1-3) of the Offering Act.

Pursuant to Art. 77(1) of the Offering Act, the announcement of a call takes place after the establishment of security in the amount of not less than 100% of the value of shares to be the subject of the call. The establishment of collateral should be documented by a certificate from a bank or other financial institution providing collateral or intermediating in its provision. The call is announced and carried out through an entity conducting brokerage activity in the territory of the Republic of Poland, which is obliged, not later than 14 Business Days before the start of the subscription, to concurrently notify the intention of its announcement to PFSA and the company operating the regulated market on which given shares are listed and attach the content of the call to it (Art. 77(2) of the Offering Act). Withdrawal from the announced call offer is unacceptable, unless after its announcement another entity has announced a call for the same shares, and withdrawal from the call for all other shares of the company is permissible only if another entity announced a call for all other shares of this company at a price not lower than in this call (Art. 77(3) of the Offering Act). After the announcement of the call, the entity obliged to announce the summon and the Board of the company to which the call relates shall provide information on this call, together with its content, to the representatives of the company's organisations associating the employees of the company, and in their absence, directly to employees (Art. 77(5) of the Offering Act). If the shares that are the subject of the call are admitted to trading in a regulated market on the territory of the Republic of Poland and in another member state, the entity announcing the call is obliged to ensure in the territory of that country quick and easy access to all information and documents that are disclosed to the public in connection with the call, in a manner specified by the regulations of the Member State (Art. 77(6) of the Offering Act). After receiving the notification, the PFSA may, not later than 3 Business Days before the starting date of the subscription, submit a request to make the necessary changes or additions to the content of the call or provide explanations regarding its content, within the time limit specified in the request, not shorter than 2 days (Art. 78 (1) of the Offering Act). The request from PFSA delivered to the entity conducting brokerage activity in the territory of the Republic of Poland, through which the call is announced and conducted shall be deemed delivered to the entity obliged to announce the call. In the period between the notification referred to above and the end of the call, the entity obliged to announce the summons and its subsidiaries or parent entities, as well as entities that are parties to the agreement concluded with it, related to the acquisition by these entities of shares in a public company or consistent voting at a general meeting regarding important matters of the company may acquire shares of the company to which the call is related only as part of that call and in the manner specified therein and concurrently may not dispose of the shares of the company to which the tender is related, or conclude agreements from which an obligation to sell may arise during the call and may not indirectly purchase the shares of the public company to which the call relates (Art. 77(4) of the Offering Act). After the end of the call, the entity which announced it is obliged to notify, in accordance with the procedure referred to in Art. 69 of the Offering Act, on the number of shares acquired in the call and the percentage share in the total number of votes achieved as a result of the call (Art. 77(7) of the Offering Act).

The share price proposed in the call referred to in Art. 73 and Art. 74 of the Offering Act should be determined according to the rules set out in Art. 79 of the Offering Act.

The obligations listed above, in accordance with the wording of Art. 87 of the Offering Act, also apply to:

- an entity that has reached or exceeded the threshold of the total number of votes specified in the Act in connection with the purchase or sale of depository receipts issued in relation to shares of a public company
- an investment fund, also when reaching or exceeding a given threshold of the total number of votes specified in these provisions occurs in connection with holding shares jointly by:
 - other investment funds managed by the same investment fund company,
 - other investment funds or alternative investment funds created outside the territory of the Republic of Poland, managed by the same entity,
- an alternative investment company – also if achieving or exceeding a given threshold of the total number of votes specified in these regulations occurs in connection with holding shares jointly by:
 - other alternative investment companies managed by the same manager within the meaning of the Investment Funds Act,
 - other alternative investment funds created outside the territory of the Republic of Poland, managed by the same entity,
- the entity for which reaching or exceeding a given threshold of the total number of votes specified in these regulations occurs in connection with holding shares:
 - by a third party on his/her own behalf, which, however, is ordered by or for that entity, excluding shares acquired as part of performing the activities referred to in Art. 69(2)(2) of the Trading Act,
 - as part of performing activities consisting in managing portfolios, which include one or more financial instruments, in accordance with the provisions of the Trading Act and the Investment Funds Act, in the scope of shares included in the managed portfolios of securities, under which this entity as the managing person may exercise the right to vote at the general meeting on behalf of the principals,

- by a third party with whom that entity has concluded an agreement for transfer of the right to exercise voting rights,
- a proxy who, as part of representing the shareholder at the general meeting, has been authorised to exercise voting rights under shares in a public company, if that shareholder has not issued binding instructions regarding the method of voting,
- all entities jointly connected by a written or spoken agreement regarding the acquisition by these entities of shares in a public company or consistent voting at a general meeting or effecting a permanent policy towards the company, even if only one of these entities undertook or intended to take actions that would cause these obligations to arise,
- entities that conclude the agreement referred to above, holding shares in a public company in the number that ensures jointly reaching or exceeding the given threshold of the total number of votes specified in these provisions,
- a proxy other than an investment company, authorised to sell or buy securities on the securities account.

In the cases indicated in Art. 87(1)(5) and (6) of the Offering Act, the obligations may be performed by one of the parties to the agreement, indicated by the parties to the agreement. The existence of the agreement referred to in Art. 87(1)(5) of the Offering Act is assumed in the case of holding shares in a public company by:

- spouses, their ascendants, descendants and siblings, and relatives in the same line or degree, as well as persons in the relationship of adoption, care and guardianship,
- persons remaining in a shared household,
- related entities within the meaning of the Accounting Act.

In addition, the above obligations also arise when the voting rights are related to securities deposited or registered with an entity which may dispose of them at its sole discretion.

The number of votes that gives rise to the obligations listed above includes:

- on the part of the parent company – the number of votes held by its subsidiaries,
- on the part of the proxy authorised to exercise the right to vote if the shareholder has not issued binding instructions regarding the voting – the number of votes under the company's shares included in this power of attorney, the number of votes under all shares, even if exercising voting rights is limited or excluded under the articles of association, agreement, or the regulations,
- on the part of the proxy referred to in Art. 87(1)(7) of the Offering Act, the number of votes held by the principal resulting from shares held in securities accounts, in relation to which the proxy is authorised, is included.

The entity obliged to perform the obligations specified in Art. 73(2) and (3) or Art. 74(2) and (5) of the Offering Act may not, until the date of their performance, directly or indirectly acquire or subscribe for shares in a public company in which it has exceeded the threshold of the total number of votes specified in these regulations.

Pursuant to Art. 90 of the Offering Act in Chapter 4 related to significant holdings in public companies, the tasks related to the organisation of the regulated market are not applied in the case of the acquisition of shares by an investment company for the purpose of implementing specific regulations referred to in Art. 28(1) of the Trading Act.

The provisions of Art. 69-69b of the Offering Act do not apply in the case of a purchase or sale of shares by an investment company in order to carry out the tasks referred to in Art. 90(1) of the Offering Act, which, together with shares already held for this purpose, entitle to exercise less than 10% of the total number of votes in a public company, provided that:

- voting rights attached to these shares are not exercised and
- the investment company, within 4 Business Days from the date of concluding the agreement with the issuer for the delivery of the tasks referred to in sec. 1, shall notify the authority of the home state referred to in Art. 55a of the Offering Act, applicable for the issuer, on the intention to perform tasks related to the organisation of the regulated market and
- the investment company will ensure the identification of shares held to carry out the tasks referred to in par. 1 of the Act.

The provisions of Chapter 4 of the Act, except for Art. 69-69b, Art. 70 and Art. 89 in the scope related to Art. 69 of the Offering Act, shall not be applied when purchasing shares by way of short sale, referred to in Art. 3(47) of the Trading Act.

The provisions of Chapter 4 of the Offering Act do not apply in the case of purchasing shares:

1. as part of a system of securing liquidity for transaction clearing, on the terms set out by:
 - National Depository in the regulations referred to in Art. 50 of the Trading Act;

- the company to which the National Depository has delegated activities in the scope of tasks referred to in Art. 48(2) of the Trading Act, in the regulations referred to in Art. 48(150) of this Act;
 - the company operating the clearing house in the regulations referred to in Art. 68b sec. 2 of the Trading Act.
2. by the National Depository, the company to which the National Depository has delegated the performance of activities in the scope of tasks referred to in Art. 48 sec. 2 of the Trading Act in Financial Instruments and the company operating the clearing house – as part of their transaction clearing.

The provisions of Art. 69-69b of the Offering Act do not apply to the parent entity of the investment fund company, the parent company of the management company and the parent company of the investment company performing the activities referred to in Art. 87(1)(3)(b) of the Offering Act, provided that:

- the investment company, the management company or the investment company exercise the voting rights attached to it in relation to managed portfolios, independent of the parent company;
- the parent company does not directly or indirectly give any instructions as to how to vote at the general meeting of a public company;
- the parent entity provides the PFSA with a declaration of compliance with the conditions referred to in the point above, along with a list of dependent investment fund companies, management companies and investment companies managing portfolios, with an indication of the competent supervisory authorities of these entities.

The above provision shall apply accordingly to the parent entity established in a non-member state conducting operations equivalent to the operations of a management company established in the territory of a member state or which conducts operations involving the management of portfolios of financial instruments.

The conditions referred to in Art. 90(1d)(1) and (2) of the Offering Act are considered to be met if:

- the organisational structure of the parent company and the investment fund or investment company ensures the independence of exercising voting rights under shares in a public company;
- persons deciding on the manner of exercising the voting right by the investment fund or investment company act independently;
- in the event that the parent company has entered into an agreement with the investment fund or investment company to manage a portfolio of financial instruments – independence is maintained in the relationships between that entity and the investment fund or investment company.

The provisions of Art. 69-69b do not apply in the case of purchase or sale of own shares by a public company or an entity acting on its account or on its behalf, provided that the purchase or sale takes place in the manner, time and on the conditions specified in the provisions of the Commission Regulation (EC) No. 2273/2003 of December 22, 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buy-back programmes and stabilisation of financial instruments (Official Journal EU L 336 of December 23, 2003, p. 33, as amended; Official Journal of the EU Polish Special Edition, chapter 6, vol. 6, p. 342), as part of the stabilisation of financial instruments, and that voting rights attached to these shares are not exercised or in any other way used to influence the management of the issuer.

The provisions of Art. 69-69b do not apply in the case of the purchase or sale of financial instruments by a domestic bank, credit institution or investment firm to the trading book within the meaning of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No 648/2012 (Official Journal EU L 176 of 27 June 2013, p. 1, as amended), if:

- the share in the total number of votes associated with the financial instruments held represents less than 5% of the total number of votes, and
- voting rights attached to shares in the trading book are not exercised.

The provisions of chapter 4 of the Offering Act, with the exception of Art. 69-69b, Art. 70 and Art. 89 in the scope related to Art. 69 of the Offering Act, shall not apply if the power of attorney referred to in Art. 87(1)(4) of the Offering Act is granted, in relation to only one general meeting. The notification submitted in connection with the granting or receipt of such a power of attorney should contain information regarding changes in the scope of voting rights after the proxy loses the possibility to exercise voting rights.

In addition, the provisions of Chapter 4 of the Offering Act, with the exception of Art. 69-69b, Art. 70 of the Offering Act and Art. 87(1)(6) and Art. 89(1)(1) of the Offering Act, in the scope related to Art. 69 of this Act, also does not apply in the case of agreements regarding the purchase of shares of a public company or consistent voting at a general meeting regarding important matters of the company, concluded for the protection of the rights of minority shareholders in order to jointly exercise their rights specified in Art. 84 and 85 of the Offering Act and in Art. 385(3), Art. 400(1), Art. 422, Art. 425 and Art. 429(1) of the CCC.

The Trading Act regulates liability for failure to comply with obligations arising from the Trading Act in financial instruments and the Public Offering Act and conditions for introducing financial instruments to organised trading, and on public companies as follows:

- anyone who, contrary to the prohibition referred to in Art. 19(11) of the MAR Regulation, during a closed period, makes transactions on their own account or on the account of a third party, may be subject to a fine from the Commission, by way of a decision, of up to PLN 2,072,800 (Art. 174(1) of the Act),
- anyone, who has not performed or improperly performed the obligation referred to in Art. 19(1-7) of the MAR Regulation, may be subject, by way of a decision from PFSA, to a financial penalty:
 - 1) for natural persons – of up to PLN 2,072,800;
 - 2) for other entities – up to PLN 4,145,600 (Art. 175(1) of the Trading Act).

The Offering Act regulates the liability for failure to comply with the obligations referred to above, as follows:

- in accordance with Art. 89 of the Offering Act, the right to vote under:
- shares of a public company which are the subject of a legal act or other legal event resulting in reaching or exceeding a given threshold of the total number of votes, if reaching or exceeding this threshold was in breach of the obligations set out in Art. 69 of the Act (Art. 89(1)(1) of the Offering Act),
- all shares of a public company, if the threshold of the total number of votes was exceeded in breach of the obligations specified accordingly in Art. 73(1) or Art. 74(1) of the Act (Article 89(1)(2) of the Offering Act),
- shares in a public company acquired in a tender offer at a price established in breach of Art. 79 of the Offering Act (Art. 89(1)(3) of the Offering Act),

may no be exercised, and if it was exercised contrary to the prohibition, it is not included in the calculation of the result of voting on a resolution of the general meeting, subject to the provisions of other acts;

Entity that has exceeded the threshold for the total number of votes, in the case referred to in Art. 73(2) or (3) or Art. 74(2) or (5), may not exercise voting rights on all shares in a public company, unless it performs the obligations set out in these provisions in a timely manner (Art. 89(2) of the Offering Act).

The prohibition of exercising the voting right referred to in Art. 89 sec. 1 point 2 and sec. 2 of the Offering Act, also applies to all shares of a public company held by subsidiaries of a shareholder or entity that purchased shares in breach of the obligations set out in Art. 73(1) or Art. 74(1) of the Offering Act or has not fulfilled the obligations specified in Art. 73(2) or (3) or Art. 74(2) or (5) of the Offering Act (Art. 89(2a) of the Offering Act). In the event of purchase or taking up shares in a public company in breach of the prohibition referred to in Article 77(4)(3) or Art. 88a, or in breach of Art. 77(4)(1) of the Offering Act, the entity that has purchased or taken up shares and its subsidiaries may not exercise voting rights attached to those shares (Art. 89(2b) of the Offering Act).

Voting rights under public company shares exercised in breach of the prohibition referred to in Art. 89(1-2b) of the Offering Act, is not included in the calculation of the result of voting on a resolution of the general meeting, subject to the provisions of other acts (Art. 89(3) of the Offering Act).

In line with Art. 97(1) of the Offering Act, anyone who:

- exceeds the specified threshold of the total number of votes without complying with the conditions referred to in Art. 73 and Art. 74 of the Offering Act,
- fails to comply with the conditions referred to in Art. 76 or 77 of the Offering Act,
- fails to announce the call or fails to carry out the call within the time limit or fails to perform the obligation to sell shares within the time limit in the cases referred to in Art. 73(2) or (3) of the Offering Act,
- fails to announce the call or does not carry out the call within the time limits referred to in Art. 74(2) or (5) of the Offering Act,
- fails to announce the call or does not carry out the call within the time limit referred to in Art. 90a(1) of the Offering Act,
- contrary to the request referred to in Art. 78 of the Offering Act, within the time limit specified therein, fails to introduce necessary changes or additions to the content of the call, or fails to provide explanations regarding its content,
- fails to make a timely payment of the difference in the price of the shares, in the cases specified in Art. 74(3) of the Offering Act,
- in the call referred to in Art. 73, Art. 74 or Art. 91(6), proposes a lower price than determined on the basis of Art. 79 of the Offering Act,
- directly or indirectly purchases or subscribes for shares in breach of Art. 77(4)(1) or (3) or Art. 88a of the Offering Act,

- acquires own shares in violation of the method, time limits and conditions specified in Art. 73, Art. 74, Art. 79 or Art. 91(6) of the Offering Act,
- performs squeeze out in breach of the principles referred to in Art. 82 of the Offering Act,
- fails to comply with the request referred to in Art. 83 of the Offering Act,
- contrary to the obligation specified in Art. 86(1) of the Offering Act fails to provide documents to the auditor for special matters or fails to provide him/her with explanations,
- fails to perform the obligation referred to in Art. 90a(3) of the Offering Act – the acts referred to above are allowed, if acting on behalf of or in the interest of a legal person or an organizational unit without legal personality,
- the acts referred to above are allowed, if acting on behalf of or in the interest of a legal person or an organizational unit without legal personality,

The PFSA may, by way of a decision, impose a fine of up to PLN 1,000,000, but it can be imposed separately for each of the acts specified above and separately for each of the entities included in the agreement regarding their purchase of shares in a public or consistent voting at the general meeting regarding important matters of the company.

In the decision in question, the PFSA may oblige the breaching entity to discontinue or refrain from taking actions constituting the violation or set a deadline for performing the obligation again or to perform the action required under the regulations, the breach of which was the basis for imposing a financial penalty.

Anyone who fails to make the notification referred to in Art. 69-69b of the Offering Act, or makes such notification in breach of the conditions specified in these provisions, may be imposed a fine by PFSA: (1) for natural persons – up to PLN 1,000,000; (2) for other entities – up to PLN 5,000,000 or the amount equivalent to 5% of the total annual revenues shown in the most recent audited financial statement for the financial year, if it exceeds PLN 5,000,000. In the decision in question, the Polish Financial Supervision Authority may set a deadline for performing an obligation again or performing an action required by the regulations, the breach of which was the basis for imposing a financial penalty, and in the event of ineffective expiry of this period, re-issue the decision imposing a financial penalty.

4.8.3 The obligation to notify the intention of concentration under the Act on competition and consumer protection and the liability for failure to comply with this obligation

The Protection of Competition and Consumers Act imposes an obligation on an entrepreneur to notify the intention of concentration to the President of the Office of Competition and Consumer Protection if the total global turnover of entrepreneurs participating in the concentration in the financial year preceding the notification year exceeds the equivalent of EUR 1,000,000,000 or the total turnover of entrepreneurs participating in the concentration in the territory of the Republic of Poland in the financial year preceding the notification year exceeds the equivalent of EUR 50,000,000.

When examining turnovers, the turnover of both entrepreneurs directly participating in the concentration as well as other entrepreneurs from groups of companies to which the entrepreneurs directly participating in the concentration belong (Art. 16 of the Protection of Competition and Consumers Act) is taken into account. The amount denominated in EUR is converted into PLN at the average exchange rate announced by the National Bank of Poland on the last day of the calendar year preceding the year when the intention to concentrate was notified or penalty was imposed (Art. 5 of the Protection of Competition and Consumers Act).

The notification requirement applies to, among others, the intention to effect: takeovers - incl. by purchasing or acquiring shares – direct or indirect control over one or more entrepreneurs by one or more entrepreneurs.

According to the wording of Art. 15 of the Protection of Competition and Consumers Act, concentration by a dependent entrepreneur is considered to be performed by the parent entrepreneur.

The intention of concentration is not subject to the notification:

1) if the turnover of the entrepreneur over which the control is to be taken over in the territory of the Republic of Poland does not exceed in any of the two financial years preceding the notification the equivalent of EUR 10,000,000;

1a) if the turnover of any of the entrepreneurs referred to in Art. 13(2)(1) or (3), did not exceed on the territory of the Republic of Poland in any of the two financial years preceding the notification the equivalent of EUR 10,000,000;

1b) involving taking over control over an entrepreneur or entrepreneurs belonging to one group of companies and at the same time the acquisition of a part of the entrepreneur's property or entrepreneurs belonging to this group of companies – if the turnover of the entrepreneur or entrepreneurs over which the control is to be taken over, and the turnover carried out by the acquired parts of the property do not exceed in total, on the territory of the Republic of Poland, in any of the two financial years preceding the notification the equivalent of EUR 10,000,000;

2) consisting in the temporary acquisition or takeover by a financial institution of shares or interests for resale, if the subject of the institution's business is investing in shares or interests of other entrepreneurs on its own or someone else's account, provided that the resale occurs before the end of the year from the date of acquisition or subscription, and that:

a) the institution does not exercise the rights attached to those shares, except for the right to dividend, or

b) it exercises these rights solely for the purpose of preparing the resale of all or part of the enterprise, its property or those shares or interests.

At the request of a financial institution, the President of the Office of Competition and Consumer Protection may extend the deadline by way of a decision if the financial institution proves that the resale of shares has not been practically possible or economically justified within one year from the date of their acquisition.

3) consisting in the temporary acquisition or takeover by the entrepreneur of shares or interests to secure the claim, provided that they will not exercise the rights under these shares or interests, excluding the right to sell them,

4) occurring in the course of bankruptcy proceedings, except for cases when the person intending to take control is a competitor or belongs to a group of companies to which competitors of the acquired entrepreneur belong or whose property is partially acquired,

5) entrepreneurs belonging to the same group of companies.

Notifications of the intention of concentration are made: jointly by merging entrepreneurs, by the entrepreneur taking over control, jointly by all entrepreneurs participating in establishing a joint entrepreneur or the entrepreneur purchasing a part of another entrepreneur's assets. Antitrust proceedings in the concentration cases should be completed no later than within 2 months of the date of their initiation.

Until the decision of the President of the Office of Competition and Consumer Protection is made or until the expiration of the period in which the decision is to be issued, entrepreneurs whose intention to concentrate is subject to notification are obliged to refrain from proceeding with the concentration.

The President of the Office of Competition and Consumer Protection, by way of a decision, grants consent to the concentration or prohibits the concentration. By granting the consent, the President of the Office for Competition and Consumer Protection may, in the decision, oblige the entrepreneur or entrepreneurs intending to carry out the concentration to meet certain conditions. Decisions of the President of the Office of Competition and Consumer Protection expire if within 2 years of the date of the consent for the concentration, the concentration is not actually made.

4.8.4 Obligation to control concentrations resulting from Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings

The requirements for the control of concentration also arise from the provisions of Council Regulation (EC) No. 139/2004 of 20 January 2004 on Concentration. The above regulation regulates the so-called concentrations with a Community dimension, that is, for undertakings and related entities that exceed certain thresholds for trading in goods and services. Council Regulation on Concentration only covers such concentrations as a result of which there is a permanent change in the ownership structure in the undertaking. Community concentrations are subject to notification to the European Commission before their final completion, and after:

- conclusion of an appropriate agreement,
- announcement of a public offer, or
- acquisition of a majority stake.

The notification of the European Commission may also take place when undertakings have an initial intention to proceed with a concentration with a Community dimension. The notification of the Commission is required to obtain consent for such a concentration.

A concentration of undertakings has a Community dimension when:

- the combined global turnover of all the companies participating in the concentration is more than EUR 5 bn, and
- the total turnover for the European Community of each of at least two companies participating in the concentration is more than EUR 250 m, unless each of the companies participating in the concentration obtains more than two-thirds of its total turnover for the Community in the same member state.

A concentration of undertakings also has a Community dimension where:

- the combined global turnover of all the companies participating in the concentration is more than EUR 2.5 bn,
- in each of at least three member states, the total turnover of all the companies participating in the concentration is more than EUR 100 m,
- in each of at least three member states, the combined turnover of all the undertakings concerned is more than EUR 100 m, of which the aggregate turnover of at least two undertakings participating in the concentration is at least EUR 25 m, and
- the total turnover attributable to the European Community of each of at least two undertakings participating in the concentration amounts to more than EUR 100 m, unless each undertaking participating in the concentration obtains more than two-thirds of its total turnover attributable to the Community in the same Member State.

A concentration is considered not to occur when:

- credit institutions or other financial institutions or insurance companies whose normal activities include transactions and trading in securities, carried out on own account or for the account of others, temporarily hold securities acquired in the enterprise for resale, provided that they do not exercise voting rights in respect of those securities to determine the competitive behaviours of the enterprise or provided that they exercise those rights solely for the purpose of preparing the sale of all or part of that enterprise or its assets, or the sale of such securities, and provided that all such sale takes place within one year of the date of purchase; this period may be extended by the Commission on a request, where such institutions or companies prove that the sale was in principle impossible during that period,
- control is taken over by a person authorised by public authorities in accordance with the law of a member state regarding liquidation, bankruptcy, insolvency, debt cancellation, arrangement or similar proceedings,
- activities specified in par. (1)(b) are carried out by financial holding companies referred to in Article 5(3) of the fourth Council Directive 78/660/EEC of July 25, 1978 established on the basis of Art. 54(3)(g) of the Treaty, on the annual accounts of certain types of companies, however, provided that voting rights in relation to the holding are exercised, in particular in relation to the appointment of members of the management or supervisory bodies of the undertakings in which they hold shares, solely for the purpose of maintaining the full value of these investments, rather than determining directly or indirectly the competitive behaviour of these enterprises.

4.9. Applicable regulations regarding mandatory takeover bids, squeeze-out or sell-out in relation to securities

The mandatory takeover bids, squeeze-out or sell-out binding the Issuer are regulated by the Offering Act.

In accordance with Art. 82 of the Offering Act, a shareholder of a public company, which alone or jointly with its subsidiaries or controlling entities and entities that are parties to the arrangement concluded with it regarding the acquisition of public company shares by these entities or consistent voting at the general meeting regarding important matters of the company, has reached or exceeded 90% of the total number of votes in this company, and is entitled, within three months of reaching or exceeding this threshold, the right to demand from the other shareholders to sell all their shares. Acquisition of shares as a result of a squeeze-out is done without the consent of the shareholder to whom the squeeze-out request is directed. The announcement of a request to sell shares under a squeeze-out occurs after collateral is established of not less than 100% of the value of the shares to be subject to the squeeze-out, and the establishment of the collateral should be documented by a certificate from a bank or other financial institution providing the collateral or intermediating its provision. The squeeze-out is announced and carried out through an entity conducting brokerage activity in the territory of the Republic of Poland, which is obliged, not later than 14 Business Days before the start of the squeeze-out, to concurrently notify the intention of its announcement to PFSA and to the company operating the regulated market on which the shares are listed, and if the company's shares are listed on several regulated markets to – all of these companies. The notification is accompanied by information about the squeeze-out. Withdrawal from a squeeze-out is unacceptable.

Pursuant to Art. 83 of the Offering Act, a shareholder in a public company may request that the shares held by them are purchased by another shareholder who has reached or exceeded 90% of the total number of votes in this company. This request is made in writing within three months of the date on which this threshold was reached or exceeded by another shareholder and it must be complied with, within 30 days from the date of its notification, jointly and severally by the shareholder who has reached or exceeded 90% of the total number votes in this company and its subsidiaries or controlling entities, as well as jointly and severally each of the parties to the agreement, regarding their purchase of shares in a public company or consistent voting at the general meeting regarding important matters of the company, provided that the parties to this arrangements jointly hold, together with parent and subsidiary entities, at least 90% of the total number of votes.

4.10. Indication of public takeover bids by third parties in respect of the issuer's equity, which have occurred during the last financial year and the current financial year

There were no public takeover bids in relation to the Issuer's equity during the last and the current financial year.

4.11. Information on withholding taxes on income from securities

The following information is of general nature. In order to obtain more detailed information on taxes on income from securities, consult the persons and entities authorised to provide tax advisory services.

4.11.1. Income tax on dividend income

Taxation of income earned on dividends by natural persons

Taxation with personal income tax on dividend income is done according to the following principles, set out in the provisions of the PIT Act:

- the tax base is all dividend income,
- dividend income is not combined with income taxable according to the rules set out in Art. 27 of the PIT Act (Art. 30a(7) of the PIT Act),

- the tax is at 19% of the income obtained (Art. 30a(1)(4) of the PIT Act), unless the relevant agreement on avoidance of double taxation provides otherwise. The condition to apply a double taxation agreement is that the shareholder presents a tax residence certificate issued by the tax authorities competent for the shareholder's seat.

Flat-rate tax on income (revenues) referred to in Art. 30a(1)(4) of the PIT Act, with regard to dividend and income (revenues) specified in Art. 24(5)(1), (3) or (6) of the PIT Act, as well as the flat-rate income tax referred to in Art. 30a(1)(2) and (5) of the PIT Act, are collected, as payers, by entities operating securities accounts for taxpayers, if that income (revenues) is obtained on the territory of the Republic of Poland and is connected with securities recorded on these accounts, and the payment to the taxpayer occurs through the agency of these entities.

Taxation of income received from dividends by legal persons

Taxation with corporate income tax is done according to the following principles, set out in the CIT Act:

- 1) the tax base is all dividend income,
- 2) the tax is at 19% of the received revenue (Art. 22(1) of the CIT Act), unless the relevant double taxation agreement provides otherwise. The condition for application of the double taxation agreement is that the shareholder presents a tax residence certificate issued by the tax authorities competent for the shareholder's seat,
- 3) income from the participation in profits of legal persons is exempt from income tax if the following conditions are jointly met (Art. 22(4) of the CIT Act):
 - a) the company paying the dividend and other revenues from participation in profits of legal persons is the company with registered office or management in the territory of the Republic of Poland,
 - b) receiving income (revenues) from dividends and other income from participation in profits of legal persons referred to in point a, is a company subject to income tax on all their income in the Republic of Poland or in a Member State of the European Union other than the Republic of Poland or in another European Economic Area country, regardless of where they are earned,
 - c) the company referred to in item b directly holds not less than 10% of shares in the capital of the company referred to in item a,
 - d) the company referred to in item b does not benefit from the exemption from income tax on all its income, regardless of the source of its achievement.

The exemption applies in the event that the company receiving dividend income (revenues) and other revenues from participation in profits of legal persons having their registered office or management in the territory of the Republic of Poland, holds shares in the company paying out these amounts in the amount referred to in Art. 22(4)(3) of the CIT Act, for a continuous period of two years.

This exemption also applies if the period of two years of continuous holding of shares by the company receiving income (revenues) from the participation in the profit of a legal person having its registered office or management in the territory of the Republic of Poland expires after the date of obtaining that income (revenues). In the event of failure to comply with the condition of holding shares, in a fixed amount, for a continuous period of two years, the company is obliged to pay tax, together with default interest, in the amount of 19% of income (revenues) by the 20th day of the month following the month in which the right to exemption was lost. Interest is accrued from the day after the day on which it used the exemption for the first time. The condition for the exemption of dividends from tax is that the shareholder presents a tax residence certificate issued by the tax authorities competent for the seat of the shareholder and submits a declaration regarding the taxation of the shareholder's income in the country of its seat. The exemption referred to above will be applicable under the condition there is a legal basis resulting from a double taxation treaty or other ratified international agreement to which the Republic of Poland is a party, for the tax authority to achieve tax information from the tax authority of a country other than the Republic of Poland, in which the taxpayer has a registered office or in which the income was achieved.

The exemption applies accordingly to entities listed in Annex 4 to the CIT Act.

In the case of a dividend obtained from securities recorded on securities accounts or collective accounts, the entity maintaining the securities account or collective account is obliged to collect tax if payment of receivables is made through this entity. The tax is collected on the day the payment is made available to the securities account holder or collective account holder. (Art. 26(2c) and (2d) of the CIT Act).

4.11.2. Income tax on income from the sale of securities

Taxation of the income of natural persons from the sale of securities

The income tax on income obtained from the sale of securities or derivative financial instruments in return for a fee, including the exercise of rights arising from these instruments, from the sale of shares for a fee, from the sale of shares in the cooperative for a fee and from the taking up shares or contributions to a cooperative in exchange for an in-kind contribution other than an enterprise or its organised part, is at 19% of the income obtained (Art. 30b(1) of the PIT Act).

The exception to the presented rule is the paid sale of shares, shares in cooperatives, securities and derivative financial instruments and the exercise of rights arising therefrom, if these activities are carried out as part of business operations (sec. 4). The income (revenues) from the titles in question are not combined with other income taxed under general principles.

The income referred to in Art. 30b(1) of the PIT Act, is:

- the difference between the sum of revenues obtained from the sale of securities against payment and the costs of obtaining revenues, determined on the basis of Art. 22(1f) or (1g), or Art. 23(1)(38), subject to Art. 24(13) and (14) of the PIT Act,
- the difference between the sum of revenues obtained from the exercise of rights arising from securities referred to in Art. 3(1)(b) of the Trading Act, and the tax deductible costs determined pursuant to Art. 23 (1)(38a) of the PIT Act,
- the difference between the sum of revenues obtained from the paid sale of derivative financial instruments and from the exercise of rights arising therefrom, and the tax deductible costs determined pursuant to Art. 23(1)(38a) of the PIT Act,
- the difference between the sum of revenues obtained from the paid sale of shares or shares in a cooperative and the costs of obtaining revenues determined pursuant to Art. 22(1f) and Art. 23(1)(38) and (38c) of the PIT Act,
- the difference between the revenue determined in accordance with Art. 17(1)(9) of the PIT Act and tax deductible costs determined pursuant to Art. 22(1e) of the PIT Act,
- the difference between the income obtained from the sale of shares of a capital company resulting from the transformation of an entrepreneur who is a natural person into a sole proprietorship and the cost of obtaining revenues, determined on the basis of Art. 22(1f) of the PIT Act

– achieved during the tax year.

After the end of the tax year, in the tax return referred to in Art. 45(1a)(1) of the PIT Act, the taxpayer is required to show the income obtained in the tax year from the sale of securities for a fee, including the income referred to in Art. 24(14) of the PIT Act, income from the sale of derivative financial instruments for a fee, as well as income from the exercise of rights arising therefrom and from the sale of shares in companies with legal personality against payment and from taking up shares in companies with legal personality or contributions in cooperatives, in exchange for an in-kind contribution other than an enterprise or its organised part, and to calculate the income tax due (Art. 30b(6) of the PIT Act).

In accordance with Art. 30b(3) of the PIT Act, the application of the tax rate resulting from the relevant agreement on the avoidance of double taxation or non-payment of tax in accordance with such agreement shall apply, provided that the taxable party presents the taxpayer with a certificate of residence abroad for tax purposes (certificate of tax residence), issued by competent tax administration authority.

Taxation of the income of legal persons from the sale of securities

Income obtained by legal persons from the sale of securities is subject to corporate income tax.

The subject of taxation is the income representing the difference between the revenues, i.e. the amount obtained from the sale of securities, and the costs of obtaining the income, i.e. the expenses incurred to purchase or subscribe for securities. Income from the sale of securities is combined with other income and is subject to tax on general principles.

In accordance with Art. 25 of the CIT Act, legal persons who sold securities are required to pay, to the account of the competent tax office, an advance on the sum of taxable income obtained from the beginning of the tax year. The advance is calculated as the difference between the tax due on the income earned since the beginning of the tax year and the sum of the advances paid for the previous months of that year.

The taxpayer may also choose a simplified way of declaring income (loss), specified in Art. 25(6-7) of the CIT Act.

In accordance with Art. 26(1) of the CIT Act, the application of the tax rate resulting from the relevant agreement on the avoidance of double taxation or non-deduction of tax applies, provided that the taxpayer presents the taxpayer with a certificate of a registered office abroad for tax purposes (tax residence certificate), issued by the competent tax administration authority.

4.11.3. Tax on civil law transactions

In principle, the sale of shares admitted to public trading will be subject to tax on civil law transactions, the rate of which, in the light of Art. 7(1)(1)(b) of the Act on the tax on civil law transactions, is 1%.

Pursuant to the provision of Art. 9(9) of the TCIT Act, sale of property rights that are financial instruments to investment companies and foreign investment companies or carried out through such companies or foreign investment companies or carried out as part of organised trading or carried out outside of such trading by investment companies and foreign investment companies, if these rights were acquired by such companies as part of organised trading within the meaning of the Trading Act represents a civil law transaction exempt from the tax on civil law transactions.

4.11.4. Inheritance and donation tax

Pursuant to the Inheritance and Donation Tax Act, the acquisition of property rights, by natural persons, by way of inheritance or donation, including rights related to the possession of securities, is subject to inheritance tax if:

- a) at the time of opening the inheritance or conclusion of a donation agreement, the heir or recipient was a Polish citizen or a permanent resident of the Republic of Poland, or
- b) the property rights related to securities are exercised in the territory of the Republic of Poland.

The level of the inheritance and donation tax rate varies and depends on the type of kinship or affinity or other personal relationship between the heir and the bequeather, or between the donor and the recipient.

4.11.5. Payer's liability

The Issuer points out that the payer is liable for withholding tax on the income obtained by taxpayers' shareholders from securities in the form of dividends. In other cases, the obligation to settle and pay taxes is borne by the taxpayer – the shareholder earning income from securities.

According to the wording of Art. 30(1) of the Tax Ordinance Act of August 29, 1997, a payer who has not fulfilled his obligation to calculate and collect tax from a taxpayer and pay it in due time is responsible for uncollected tax or tax collected but not paid.

The payer is liable for these duties with all his/her assets. This liability is independent of the payer's will.

The provisions on the payer's liability are not applied only if separate provisions stipulate otherwise or if the tax was not collected due to the taxpayer's fault.

5. Information on the terms of the offer

Not applicable. Prospectus has not been prepared in connection with the issue/offer of securities.

6. Admission of securities to trading and trading arrangements

6.1. Indication whether the offered securities are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other markets

It is the Issuer's intention that 89,500,000 series G ordinary bearer shares with nominal value of PLN 0.75 each should be listed on the primary market of Warsaw Stock Exchange, which is the market of official stock exchange listings, in a continuous trading system. The date of the first listing of the Company's Series G Shares on the regulated market is planned for Q2 2019. As at the Prospectus Date, the requirements for admitting Series G Shares to trading on Warsaw Stock Exchange primary market, as set out in the Market Regulation and the Warsaw Stock Exchange Regulations, are met for Series G Shares in terms of both capitalisation and dispersion.

Pursuant to Art. 19 of the Stock Exchange Rules, shares of the issuer whose shares of the same type are listed on the stock exchange are admitted to stock exchange trading if an application for their listing has been submitted, if: (1) the relevant information document has been published or made available, approved by the competent supervisory authority, (2) their transferability is unlimited, (3) they were issued in accordance with the principles of the public character of stock exchange trading referred to in Art. 35 of the Exchange Rules. In addition, these shares are admitted to public trading on the main market if, apart from the above conditions, they meet the admission conditions set out in the Markets Regulation. Pursuant to the provisions of the Markets Regulation, subject to the exceptions indicated therein, the company operating the official stock exchange market ensures that only shares that jointly meet the following conditions are admitted to trading on this market: i) they have been admitted to trading on a regulated market; (ii) their transferability is not limited, (iii) all issued shares of a given type have been included in the application to the competent authority of the company operating the official listing market, (iv) the product of the number and forecasted market price of the shares included in the application, and if determining this price is impossible – the issuer's equity is at least the PLN equivalent of EUR 1,000,000.00, (v) at the date of submission of the application, there is a dispersion of the shares included in the application, ensuring liquid trading in these shares. The dispersion of shares ensures liquidity of trading if the shareholders, each of whom holds not more than 5% of the total number of votes at the general meeting, hold: 1) at least 25% of the company's shares included in the application, or 2) at least 500,000 of the company's shares with the total value of at least the PLN equivalent of EUR 17,000,000.00, according to the latest issue price or sale price of shares, and in particularly justified cases – according to the forecasted market price.

In addition, pursuant to Art. 3a of the Stock Exchange Rules, by admitting given financial instruments to stock exchange trading, the Board of the Stock Exchange additionally assesses whether trading in these instruments will be conducted in a reliable, correct and effective manner, and in the case of securities, whether their free transferability is ensured. The Board of the Stock Exchange performs the assessment referred to in par. 1, in accordance with the requirements specified in Art. 1 – 5 of Commission Delegated Regulation (EU) 2017/568.

Until the Prospectus Date, the Series G Shares of the Company were not traded on a regulated market.

The Company's shares are listed under the abbreviation STX and are registered in the NDS under the ISIN code PLSTLEX00019.

Series G Shares have not yet been registered in the securities depository in NDS. After receiving the decision of the PFSA regarding the approval of the Prospectus, the Company will submit relevant applications to the NDS, and then to the WSE in order to register Series G Shares under the code PLSTLEX00019 and to introduce Series G Shares to trading on WSE primary market.

6.2. All the regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading

As at the Prospectus Date, the Issuer's bearer shares (157,766,023 series A, B, D, E, F shares) are traded on the primary market of the WSE, which is the market of official stock exchange listings, in the continuous trading system. The company debuted on the WSE on 26 October 1994.

6.3. Information about potential private subscription for securities of the same class as those offered through public offering or introduced to trading on a regulated market

Apart from Series G Shares to be admitted to trading on a regulated market, no other securities of the same or other class have been created that are subject to public or private subscription or placement.

6.4. Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity and the main terms of their commitment

There are no entities with binding commitments to act as intermediaries in the secondary market ensuring liquidity by quoting purchase or sale offers.

6.5. Information on price stabilisation in connection with the Offer

The preparation of this Prospectus is not related to conducting an offer of securities. The Issuer does not plan to take stabilisation activities related to the stabilisation of the share price. By the Prospectus Date, the Issuer had not concluded a service or investment underwriting agreement.

7. Information on the owners of the securities being sold

7.1. Data of the parties offering shares for sale

Not applicable. Prospectus has not been prepared in connection with the issue/offer of securities.

7.2. The number and type of shares offered by each seller

Not applicable. Prospectus has not been prepared in connection with the issue/offer of securities.

7.3. Agreements prohibiting the sale of "lock-up" shares

As at the Prospectus Date, the Issuer is not a party to any lock-up agreements.

To the best of the Issuer's knowledge, the Issuer's shareholders are not a party to lock-up agreements prohibiting share sales.

8. Costs of issue or offer

8.1. Total net cash inflows and estimated value of all issue or offer costs

Not applicable. Prospectus has not been prepared in connection with the issue/offer of securities.

9. Dilution

Not applicable. Prospectus has not been prepared in connection with the issue/offer of securities.

10. Additional information

10.1. Description of the scope of activities of advisors related to the issue

The preparation of this Prospectus is not related to issue of securities. Information on advisors related to the Admission and a description of the scope of their activities is presented in Section 1 of Chapter III and Section 3.3 of Chapter IV of the Prospectus.

10.2. Indication of other information which has been audited or reviewed by auditors and where auditors have produced a report

The Securities Note did not contain any information that was audited or reviewed by an auditor for which the auditor produced a report or opinion.

10.3. Data of the expert

The Securities Note did not contain information from experts.

10.4. Confirmation that information sourced from third parties has been accurately reproduced; sources of that information

The Securities Note did not contain information from third parties.

APPENDICES

Appendix 1. The Issuer's NCR Extract

Printout of information downloaded pursuant to Article 4(4aa) of the Act of 20 August 1997 on the National Court Register, has the force of a document issued by the Central Information Service, requires no signature nor stamp.

CENTRAL INFORMATION SERVICE OF THE NATIONAL COURT REGISTER

NATIONAL COURT REGISTER (KRS)

valid as at 087 July 2019, 12:49:19 hours

KRS number: 0000016854

Information corresponding to the valid copy of the entry in the NATIONAL COURT REGISTER

| | | | | |
|---|-----------------------|------------------|---------------|---------------|
| Date of registration with the National Court Register | | 03 July 2001 | | |
| Most recent entry | No of entry | 70 | Date of entry | 18 April 2019 |
| | File reference number | RDF/107858/19/22 | | |
| | Court identification | SYSTEM | | |

Section 1

| Table 1 – Particulars of the entity | |
|---|--|
| 1. Company type | SPÓŁKA AKCYJNA <i>[a joint-stock company established under Polish law]</i> |
| 2. National Official Business Register No (REGON) / Tax Identification Number (NIP) | REGON: 271936361, NIP: 6340134211 |
| 3. Trading name | STALEXPORT AUTOSTRADY SPÓŁKA AKCYJNA |
| 4. Data of previous registration | RHB 10130 DISTRICT COURT 8TH COMMERCIAL AND REGISTRATION DIVISION |
| 5. Does the entrepreneur carry out business activity jointly with other entities under a general partnership agreement? | NO |
| 6. Has the entity been granted the status of a public benefit organisation? | --- |

| Table 2 – Registered office and address of the entity | |
|---|--|
| 1. Registered office | country: POLAND, province: ŚLĄSKIE, district: CITY OF MYSŁOWICE, |

| | |
|--------------------|--|
| | municipality: CITY OF MYSŁOWICE, city/town: MYSŁOWICE |
| 2. Address | street: PIASKOWA, number: 20, suite: ---, city/town: MYSŁOWICE, postal code: 41-404, postal district: MYSŁOWICE, country: POLAND |
| 3. Email address | WWW.STALEXPORT-AUTOSTRADY.PL |
| 4. Website address | INFO@STALEXPORT-AUTOSTRADY.PL |

| Table 3 – Branch Offices |
|--------------------------|
| No entries |

| Table 4 – Information about the Articles of Association | | |
|---|---|--|
| 1. Drafting or amending the Articles of Association | 1 | DEED OF CONVERSION, ROLL OF DEEDS NO 'A' 10526/93, 26 OCTOBER 1993 ROLL OF DEEDS NO 'A' 10772/93, 03 NOVEMBER 1993 – CIVIL LAW NOTARY OFFICE PAWEŁ BŁASZCZYK IN WARSAW |
| | 2 | NOTARIAL DEED OF 29 JUNE 2001, ROLL OF DEEDS A NO 9464/2001, CIVIL LAW NOTARY OFFICE KANCELARIA NOTARIALNA S.C. ALEKSANDRA LESIAK, EWA SIWIŃSKA, 40-098 KATOWICE UL. MŁYŃSKA 2; RESOLUTION NO 23 REGARDING AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION: ARTICLE 1(2), ARTICLE 4, ARTICLE 5, ARTICLE 6, ARTICLE 7(1), ARTICLE 8, ARTICLE 10(1) TO (5), ARTICLE 11, ARTICLE 12, ARTICLE 13, ARTICLE 14, ARTICLES 15(1) AND 15(2), ARTICLE 16(2), ARTICLES 17(4) AND 17(5), ARTICLE 18, ARTICLE 19(1), ARTICLE 20, ARTICLE 21, ARTICLE 23(1), ARTICLE 24, ARTICLE 27, ARTICLE 28 |
| | 3 | 07 MARCH 2002, ROLL OF DEEDS 'A' NUMBER 3256/2002 CIVIL LAW NOTARY ALEKSANDRA LESIAK, CIVIL LAW NOTARY OFFICE KANCELARIA NOTARIALNA S.C. ALEKSANDRA LESIAK, EWA SIWIŃSKA 40-098 KATOWICE UL. MŁYŃSKA 2 AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION: ARTICLE 6(1), ARTICLE 7(1) |
| | 4 | 27 NOVEMBER 2002 – NOTARIAL DEED, ROLL OF DEEDS A NO 15880/2002, DRAWN UP BY CIVIL LAW NOTARY – ALEKSANDRA LESIAK, OPERATING THE CIVIL LAW NOTARY OFFICE IN KATOWICE, UL. MŁYŃSKA 2; ARTICLE 6, ARTICLE 7(1) OF THE COMPANY'S ARTICLES OF ASSOCIATION AMENDED 30 APRIL 2003 – MEMBERS OF THE BOARD OF STALEXPORT S.A., ACTING UNDER ARTICLE 310(2) AND (4) OF THE COMMERCIAL COMPANIES CODE IN CONJUNCTION WITH ARTICLE 431(7) THEREOF AND EXERCISING THE AUTHORITY SET OUT IN ARTICLE 1(8)(B) OF RESOLUTION NO 2 OF THE EXTRAORDINARY GENERAL MEETING OF STALEXPORT S.A. OF 27 NOVEMBER 2002 REGARDING AN INCREASE IN THE SHARE CAPITAL BY ISSUING SERIES E SHARES AND AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION, MADE A STATEMENT ON THE AMOUNT OF THE COMPANY'S SHARE CAPITAL SUBSCRIBED AND AMENDED ARTICLE 6, ARTICLE 7(1) OF THE COMPANY'S ARTICLES OF ASSOCIATION (NOTARIAL DEED, ROLL OF DEEDS A NO 4488/2003, DRAWN UP BY CIVIL LAW NOTARY CANDIDATE PIOTR SKOWORODKO, DEPUTY OF CIVIL LAW NOTARY MONIKA KĘDZIERSKA, OPERATING A CIVIL LAW NOTARY OFFICE IN WARSAW, UL. NOWOGRODZKA NO 51) |
| | 5 | 15 JANUARY 2004, ROLL OF DEEDS A NO 949/2004, CIVIL LAW NOTARY CANDIDATE ŁUKASZ ROZTOCZYŃSKI – DEPUTY OF THE CIVIL LAW NOTARY ALEKSANDRA LESIAK, CIVIL LAW NOTARY OFFICE KANCELARIA NOTARIALNA S.C. ALEKSANDRA LESIAK & EWA SIWIŃSKA, 40-098 KATOWICE, UL. MŁYŃSKA 2. AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION: ARTICLES 14(3) AND 14(4), ARTICLE 17(2), ARTICLE 24(2) DELETED, ARTICLE 18(2)(19), ARTICLE 18(2)(20), ARTICLE 18(2)(21) ADDED. |
| | 6 | 13 MAY 2004, ROLL OF DEEDS 'A' NUMBER 9833/2004 CIVIL LAW |

| | |
|----|---|
| | NOTARY ALEKSANDRA LESIAK, CIVIL LAW NOTARY OFFICE KANCELARIA NOTARIALNA S.C. ALEKSANDRA LESIAK, EWA SIWIŃSKA, 40-098 KATOWICE UL. MŁYŃSKA 2 AMENDMENTS TO THE ARTICLES OF ASSOCIATION: ARTICLE 8 AMENDED; |
| 7 | 20 JANUARY 2005 – NOTARIAL DEED, ROLL OF DEEDS A NO 907/2005, DRAWN UP BY CIVIL LAW NOTARY – ALEKSANDRA LESIAK, OPERATING THE CIVIL LAW NOTARY OFFICE IN KATOWICE, UL. MŁYŃSKA 2; ARTICLE 5, ARTICLE 18(2)(15) OF THE COMPANY'S ARTICLES OF ASSOCIATION AMENDED. |
| 8 | 23 JUNE 2005 NOTARIAL DEED, ROLL OF DEEDS A NO 7588/2005, DRAWN UP BY CIVIL LAW NOTARY – ALEKSANDRA LESIAK OF THE CIVIL LAW NOTARY OFFICE IN KATOWICE, UL. MŁYŃSKA 2; ARTICLE 11(2) AMENDED, CLAUSES 3 AND 4 ADDED TO ARTICLE 14 , ARTICLE 18 AMENDED, CLAUSE 3 ADDED TO ARTICLE 21. |
| 9 | 5 JUNE 2006 NOTARIAL DEED, ROLL OF DEEDS A NO 7042/2006, DRAWN UP BY CIVIL LAW NOTARY CANDIDATE DOROTA SUŁKOWSKA, DEPUTY OF CIVIL LAW NOTARY EWA SIWIŃSKA, WITH THE REGISTERED OFFICE OF THE CIVIL LAW NOTARY OFFICE IN KATOWICE, UL. MŁYŃSKA 2, ARTICLE 6 AND ARTICLE 7 OF THE COMPANY'S ARTICLES OF ASSOCIATION AMENDED. |
| 10 | 26 JUNE 2006 NOTARIAL DEED, ROLL OF DEEDS A NO 8242/2006, DRAWN UP BY CIVIL LAW NOTARY CANDIDATE DOROTA SUŁKOWSKA, DEPUTY OF CIVIL LAW NOTARY EWA SIWIŃSKA, WITH THE REGISTERED OFFICE OF THE CIVIL LAW NOTARY OFFICE IN KATOWICE, UL. MŁYŃSKA 2, ARTICLE 6, ARTICLE 7(1) OF THE COMPANY'S ARTICLES OF ASSOCIATION AMENDED |
| 11 | 14 FEBRUARY 2007 ROLL OF DEEDS 'A' NUMBER 1919/2007, DRAWN UP BY CIVIL LAW NOTARY ALEKSANDRA LESIAK OF THE CIVIL LAW NOTARY OFFICE KANCELARIA NOTARIALNA ALEKSANDRA LESIAK, EWA SIWIŃSKA SPÓŁKA CYWILNA WITH ITS REGISTERED OFFICE IN KATOWICE, UL. MŁYŃSKA 2 ARTICLE 6 AND ARTICLE 7(1) OF THE COMPANY'S ARTICLES OF ASSOCIATION AMENDED. |
| 12 | 20 AUGUST 2007, ROLL OF DEEDS 'A' NUMBER 9454/2007 DRAWN UP BY CIVIL LAW NOTARY EWA SIWIŃSKA OF THE CIVIL LAW NOTARY OFFICE IN KATOWICE ARTICLES 1(1) AND 1(2) OF THE COMPANY'S ARTICLES OF ASSOCIATION AMENDED. |
| 13 | NOTARIAL DEED, ROLL OF DEEDS 'A' NUMBER 5882/2009 OF 30 MARCH 2009, DRAWN UP BY CIVIL LAW NOTARY ALEKSANDRA LESIAK OF THE NOTARY OFFICE KANCELARIA NOTARIALNA S.C. ALEKSANDRA LESIAK, EWA SIWIŃSKA NOTARIUSZE, KATOWICE, UL. MŁYŃSKA 2. ARTICLE 1(2), ARTICLE 5, ARTICLE 11, ARTICLE 14(1), ARTICLE 15(2), ARTICLE 16(1) AMENDED ARTICLE 3, ARTICLE 8(2) AND (2A), ARTICLE 10(4) DELETED |
| 14 | NOTARIAL DEED, ROLL OF DEEDS 'A' NUMBER 4283/2010 OF 30 MARCH 2010, DRAWN UP BY CIVIL LAW NOTARY ALEKSANDRA LESIAK OF THE NOTARY OFFICE KANCELARIA NOTARIALNA S.C. ALEKSANDRA LESIAK, EWA SIWIŃSKA NOTARIUSZE, 40-098 KATOWICE, UL. MŁYŃSKA 2. AMENDMENTS TO THE ARTICLES OF ASSOCIATION: - ARTICLE 5(1) – AMENDED; - ARTICLE 8(1) – AMENDED; - ARTICLE 11(2)(3) – DELETED; - ARTICLE 20(4) – AMENDED; - ARTICLE 20(5) – AMENDED. |
| 15 | 04 APRIL 2011, ROLL OF DEEDS 'A' NUMBER 3448/2011, CIVIL LAW NOTARY ALEKSANDRA LESIAK, CIVIL LAW NOTARY OFFICE KANCELARIA NOTARIALNA S.C. ALEKSANDRA LESIAK, EWA SIWIŃSKA |

| | |
|----|--|
| | NOTARIUSZE, 40-098 KATOWICE UL. MŁYŃSKA 2. - ARTICLES 6, 7, 14, 20 AMENDED |
| 16 | 03 APRIL 2013, ROLL OF DEEDS 'A' NO 2759/2013, CIVIL LAW NOTARY ALEKSANDRA LESIAK, CIVIL LAW NOTARY OFFICE KANCELARIA NOTARIALNA S.C. ALEKSANDRA LESIAK, EWA SIWIŃSKA IN KATOWICE, - ARTICLE 2 OF THE COMPANY'S ARTICLES OF ASSOCIATION AMENDED. |
| 17 | NOTARIAL DEED OF 03 APRIL 2014 (ROLL OF DEEDS A NUMBER 2769/2014), DRAWN UP BY CIVIL LAW NOTARY ALEKSANDRA LESIAK, OPERATING A CIVIL LAW NOTARY OFFICE IN KATOWICE, UL. MŁYŃSKA 2 (CIVIL LAW NOTARY OFFICE OF NOTARIES ALEKSANDRA LESIAK AND EWA SIWIŃSKA). ARTICLE 22 OF THE COMPANY'S ARTICLES OF ASSOCIATION AMENDED. |
| 18 | 14 APRIL 2016, ROLL OF DEEDS A NO 2273/2016, CIVIL LAW NOTARY DANUTA TELECKA-HARTOWICZ, CIVIL LAW NOTARY OFFICE IN KATOWICE, UL. UNIWERSYTECKA 13; ARTICLE 14(6), ARTICLE 14(7), ARTICLE 18(3)(13) AMENDED, ARTICLE 18(3)(19) ADDED. |
| 19 | 13 APRIL 2017, ROLL OF DEEDS A NO 2398/2017, CIVIL LAW NOTARY DANUTA TELECKA-HARTOWICZ, CIVIL LAW NOTARY OFFICE KANCELARIA NOTARIALNA DANUTA TELECKA-HARTOWICZ, ADAM ROBAK NOTARIUSZE SPÓŁKA CYWILNA IN KATOWICE AT UL. UNIWERSYTECKA 13; - ARTICLE 18(3)(18) AMENDED |
| 20 | 26 JANARY 2018, ROLL OF DEEDS 'A' NUMBER 200/2018, CIVIL LAW NOTARY DANUTA TELECKA-HARTOWICZ, CIVIL LAW NOTARY OFFICE IN KATOWICE, ARTICLE 18(3)(8) AMENDED; ARTICLE 11(2)(5) DELETED; ARTICLE 16(3) ADDED. |

| Table 5 | |
|--|-----------|
| 1. Duration of the company | UNLIMITED |
| 2. Journal other than Monitor Sądowy i Gospodarczy, used for company notices | ----- |
| 4. Do the Articles of Association grant personal rights to shareholders or title of share in the company's profits or assets, other than those attached to the shares? | NO |
| 5. Are the bondholders entitled to share in profit? | NO |

| Table 6 – Method of Formation of the Company |
|--|
| No entries |

| Table 7 – Particulars of the Sole Shareholder |
|---|
| No entries |

| Table 8 – Company Capital | | |
|--|---|--------------------|
| 1. Amount of the share capital | | PLN 185,446,517.25 |
| 2. Amount of the authorised capital | | PLN --- |
| 3. Number of shares of all issues | | 247,262,023 |
| 4. Nominal value of shares | | PLN 0.75 |
| 5. Amount of paid-in capital | | PLN 185,446,517.25 |
| 6. Nominal value of the conditional share capital increase | | ----- |
| Sub-table 1 Information on Contribution in Kind | | |
| 1. Value of shares taken up in exchange for a contribution in kind | 1 | PLN 189,856,394.00 |
| | 2 | PLN 31,681,244.00 |

| Table 9 – Shares Issue | | |
|------------------------|--|----------------------------------|
| 1 | 1. Name of share series | E SERIES SHARES |
| | 2. Number of shares in a given series | 94,928,197 |
| | 3. Type and number of preference shares or information that shares are not preference shares | SHARES ARE NOT PREFERENCE SHARES |
| 2 | 1. Name of share series | A |
| | 2. Number of shares in a given series | 8,341,030 |
| | 3. Type and number of preference shares or information that shares are not preference shares | SHARES ARE NOT PREFERENCE SHARES |
| 3 | 1. Name of share series | B |
| | 2. Number of shares in a given series | 492,796 |
| | 3. Type and number of preference shares or information that shares are not preference shares | SHARES ARE NOT PREFERENCE SHARES |
| 4 | 1. Name of share series | D |
| | 2. Number of shares in a given series | 4,000,000 |
| | 3. Type and number of preference shares or information that shares are not preference shares | SHARES ARE NOT PREFERENCE SHARES |
| 5 | 1. Name of share series | F |
| | 2. Number of shares in a given series | 50,000,000 |
| | 3. Type and number of preference shares or information that shares are not preference shares | SHARES ARE NOT PREFERENCE SHARES |
| 6 | 1. Name of share series | G |
| | 2. Number of shares in a given series | 89,500,000 |
| | 3. Type and number of preference shares or | SHARES ARE NOT PREFERENCE SHARES |

| | | |
|--|---|--|
| | information that shares are not preference shares | |
|--|---|--|

| Table 10 – Information on adoption of a resolution regarding issue of convertible bonds | | |
|--|---|------------------|
| 1. Date of adoption of a resolution regarding issue of convertible bonds and shares issued in exchange for those bonds | 1 | 21 December 1996 |

| Table 11 | |
|--|-----|
| 1. Is the board or the administrative board authorised to issue subscription warrants? | --- |

Section 2

| Table 1 – Representative Body | | |
|--|---|---|
| 1. Name of the body authorised to represent the entity | | BOARD |
| 2. Method of representation of the entity | | INDIVIDUAL AUTHORITY – PRESIDENT OF THE BOARD – MANAGING DIRECTOR, JOINT AUTHORITY – TWO MEMBERS OF THE BOARD OR A MEMBER OF THE BOARD WITH A REGISTERED REPRESENTATIVE [PROKURENT]. |
| Sub-table 1 Particulars of Members of the Body | | |
| 1 | 1. Surname / Name or business name | WAŚACZ |
| | 2. Forenames | EMIL |
| | 3. Polish Resident Identification No (PESEL) / National Official Business Register No (REGON) | 45080102213 |
| | 4. KRS number | **** |
| | 5. Serving on the representative body as | PRESIDENT OF THE BOARD – MANAGING DIRECTOR |
| | 6. Has the member of the Board been suspended from service? | NO |
| | 7. Suspended until | ----- |
| 2 | 1. Surname / Name or business name | SERWA |
| | 2. Forenames | MARIUSZ ANDRZEJ |
| | 3. Polish Resident Identification No (PESEL) / National Official Business Register No (REGON) | 71101610755 |
| | 4. KRS number | **** |
| | 5. Serving on the representative body as | VICE-PRESIDENT OF THE BOARD |
| | 6. Has the member of the Board been suspended from | NO |

| | | |
|--|--------------------|-------|
| | service? | |
| | 7. Suspended until | ----- |

| Table 2 – Supervisory Body | | | |
|----------------------------|---|--|-------------------|
| 1 | 1. Name of the body | | SUPERVISORY BOARD |
| | Sub-table 1 Particulars of Members of the Body | | |
| | 1 | 1. Surname | GALOS |
| | | 2. Forenames | ALEKSANDER |
| | | 3. Polish Resident Identification No (PESEL) | 60061402252 |
| | 2 | 1. Surname | MENGUCCI |
| | | 2. Forenames | ROBERTO |
| | | 3. Polish Resident Identification No (PESEL) | --- |
| | 3 | 1. Surname | PACE |
| | | 2. Forenames | MARCO |
| | | 3. Polish Resident Identification No (PESEL) | --- |
| | 4 | 1. Surname | ROSSI |
| | | 2. Forenames | STEFANO |
| | | 3. Polish Resident Identification No (PESEL) | --- |
| | 5 | 1. Surname | SONEGO |
| | | 2. Forenames | MASSIMO |
| | | 3. Polish Resident Identification No (PESEL) | --- |
| | 6 | 1. Surname | DOBROWOWLSKI |
| | | 2. Forenames | TOMASZ |
| | | 3. Polish Resident Identification No (PESEL) | 51060800011 |
| | 7 | 1. Surname | FERRARI |
| | | 2. Forenames | FLAVIO |
| | | 3. Polish Resident Identification No (PESEL) | --- |

| Heading 3 – Registered Representatives | |
|--|--|
| No entries | |

Section 3

| Table 1 – Comp | | |
|--------------------------------------|---|--|
| 1. Entrepreneur's prevailing objects | 1 | --- |
| 2. Entrepreneur's other objects | 1 | 25, 11, Z, MANUFACTURE OF METAL STRUCTURES AND PARTS OF STRUCTURES |
| | 2 | 32, 99, Z, OTHER MANUFACTURING NOT ELSEWHERE CLASSIFIED |

| | |
|----|---|
| 3 | 33, 11, Z, REPAIR AND MAINTENANCE OF FABRICATED METAL PRODUCTS |
| 4 | 33, 20, Z, INSTALLATION OF INDUSTRIAL MACHINERY AND EQUIPMENT AND OUTFIT |
| 5 | 38, 31, Z, DISMANTLING OF WRECKS |
| 6 | 41, 10, Z, REALISATION OF BUILDING PROJECTS RELATED TO ERECTION OF BUILDINGS |
| 7 | 41, 20, Z, BUILDING WORKS RELATED TO ERECTION OF RESIDENTIAL AND NON-RESIDENTIAL BUILDINGS |
| 8 | 42, 11, Z, WORKS RELATED TO CONSTRUCTION OF ROADS AND MOTORWAYS |
| 9 | 42, 12, Z, WORKS RELATED TO CONSTRUCTION OF RAILWAYS AND UNDERGROUND RAILWAYS |
| 10 | 42, 13, Z, WORKS RELATED TO CONSTRUCTION OF BRIDGES AND TUNNELS |
| 11 | 42, 21, Z, WORKS RELATED TO CONSTRUCTION OF TRANSMISSION PIPELINES AND DISTRIBUTION NETWORKS |
| 12 | 42, 22, Z, WORKS RELATED TO CONSTRUCTION OF TELECOMMUNICATIONS AND ELECTRICITY LINES |
| 13 | 42, 91, Z, WORKS RELATED TO CONSTRUCTION OF WATER PROJECTS |
| 14 | 42, 99, Z, WORKS RELATED TO CONSTRUCTION OF OTHER CIVIL ENGINEERING PROJECTS NOT ELSEWHERE CLASSIFIED |
| 15 | 43, 21, Z, ELECTRICAL INSTALLATION |
| 16 | 43, 29, Z, OTHER CONSTRUCTION INSTALLATION |
| 17 | 43, 32, Z, JOINERY INSTALLATION |
| 18 | 43, 91, Z, ROOFING ACTIVITIES |
| 19 | 43, 99, Z, OTHER SPECIALISED CONSTRUCTION ACTIVITIES NOT ELSEWHERE CLASSIFIED |
| 20 | 45, 11, Z, SALE OF CARS AND LIGHT MOTOR VEHICLES |
| 21 | 45, 19, Z, SALE OF OTHER MOTOR VEHICLES, EXCLUDING MOTORCYCLES |
| 22 | 46, 13, Z, AGENTS INVOLVED IN THE SALE OF TIMBER AND BUILDING MATERIALS |
| 23 | 46, 44, Z, WHOLESALE OF CHINA, CERAMICS AND GLASSWARE AND CLEANING MATERIALS |
| 24 | 46, 51, Z, WHOLESALE OF COMPUTERS, PERIPHERAL EQUIPMENT AND SOFTWARE |
| 25 | 46, 69, Z, WHOLESALE OF OTHER MACHINERY AND EQUIPMENT |
| 26 | 46, 73, Z, WHOLESALE OF WOOD, CONSTRUCTION MATERIALS AND SANITARY EQUIPMNET |
| 27 | 46, 74, Z, WHOLESALE OF HARDWARE AND PLUMBING AND HEATING EQUIPMENT AND SUPPLIES |
| 28 | 46, 75, Z, WHOLESALE OF CHEMICAL PRODUCTS |
| 29 | 46, 76, Z, WHOLESALE OF OTHER INTERMEDIATE PRODUCTS |
| 30 | 46, 77, Z, WHOLESALE OF WASTE AND SCRAP |
| 31 | 46, 90, Z, NON-SPECIALISED WHOLESALE TRADE |
| 32 | 49, 41, Z, FREIGHT TRANSPORT BY ROAD |
| 33 | 52, 10, A, WAREHOUSING AND STORAGE OF FUEL GASES |
| 34 | 52, 10, B, WAREHOUSING AND STORAGE OF OTHER GOODS |
| 35 | 52, 21, Z, SERVICE ACTIVITIES INCIDENTAL TO LAND TRANSPORTATION |
| 36 | 52, 24, C, CARGO HANDLING IN OTHER RELOADING POINTS |
| 37 | 52, 29, C, OTHER TRANSPORTATION AGENCIES ACTIVITIES |
| 38 | 59, 20, Z, SOUND RECORDING AND MUSIC PUBLISHING ACTIVITIES |
| 39 | 62, 01, Z, COMPUTER PROGRAMMING ACTIVITIES |

| | |
|----|--|
| 40 | 62, 02, Z, COMPUTER CONSULTANCY ACTIVITIES |
| 41 | 62, 03, Z, COMPUTER FACILITIES MANAGEMENT ACTIVITIES |
| 42 | 62, 09, Z, OTHER INFORMATION TECHNOLOGY AND COMPUTER SERVICE ACTIVITIES |
| 43 | 63, 11, Z, DATA PROCESSING, HOSTING AND RELATED ACTIVITIES |
| 44 | 63, 12, Z, WEB PORTALS |
| 45 | 63, 99, Z, OTHER INFORMATION SERVICE ACTIVITIES NOT ELSEWHERE CLASSIFIED |
| 46 | 64, 20, Z, ACTIVITIES OF HOLDING COMPANIES |
| 47 | 64, 30, Z, TRUSTS, FUNDS AND SIMILAR FINANCIAL ENTITIES |
| 48 | 64, 91, Z, FINANCIAL LEASING |
| 49 | 64, 92, Z, OTHER CREDIT GRANTING |
| 50 | 64, 99, Z, OTHER FINANCIAL SERVICE ACTIVITIES, EXCEPT INSURANCE AND PENSION FUNDING NOT ELSEWHERE CLASSIFIED |
| 51 | 66, 19, Z, OTHER ACTIVITIES AUXILIARY TO FINANCIAL SERVICES, EXCEPT INSURANCE AND PENSION FUNDING |
| 52 | 68, 10, Z, BUYING AND SELLING OF OWN REAL ESTATE |
| 53 | 68, 20, Z, RENTAL AND OPERATING OF OWN OR LEASED REAL ESTATE |
| 54 | 68, 32, Z, MANAGEMENT OF REAL ESTATE ON A FEE OR CONTRACT BASIS |
| 55 | 69, 20, Z, ACCOUNTING, BOOKKEEPING AND AUDITING ACTIVITIES; TAX CONSULTANCY |
| 56 | 70, 10, Z, ACTIVITIES OF HEAD OFFICE AND HOLDING COMPANIES, EXCLUDING FINANCIAL HOLDING COMPANIES |
| 57 | 70, 21, Z, PUBLIC RELATIONS AND COMMUNICATION ACTIVITIES |
| 58 | 70, 22, Z, BUSINESS AND OTHER MANAGEMENT CONSULTANCY ACTIVITIES |
| 59 | 71, 11, Z, ARCHITECTURAL ACTIVITIES |
| 60 | 71, 12, Z, ENGINEERING ACTIVITIES AND RELATED TECHNICAL CONSULTANCY |
| 61 | 71, 20, B, OTHER TECHNICAL TESTING AND ANALYSIS |
| 62 | 73, 11, Z, ADVERTISING AGENCIES ACTIVITIES |
| 63 | 73, 12, A, INTERMEDIATION IN THE SALE OF TIME AND PLACE ON ADVERTISING AIMS IN THE RADIO AND TELEVISION |
| 64 | 73, 12, B, INTERMEDIATION IN THE SALE OF THE PLACE ON ADVERTISING AIMS IN PRINTED MEDIA |
| 65 | 73, 12, C, INTERMEDIATION IN THE SALE OF THE PLACE ON ADVERTISING AIMS IN ELECTRONIC MEDIA (INTERNET) |
| 66 | 73, 12, D, INTERMEDIATION IN THE SALE OF THE PLACE ON ADVERTISING AIMS IN OTHER MEDIA |
| 67 | 74, 10, Z, SPECIALISED DESIGN ACTIVITIES |
| 68 | 74, 90, Z, OTHER PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES NOT ELSEWHERE CLASSIFIED |
| 69 | 77, 12, Z, RENTAL AND LEASING OF OTHER MOTOR VEHICLE, EXCLUDING MOTORCYCLES |
| 70 | 77, 32, Z, RENTAL AND LEASING OF CONSTRUCTION MACHINERY AND EQUIPMENT |
| 71 | 77, 39, Z, RENTAL AND LEASING OF OTHER MACHINERY, EQUIPMENT AND TANGIBLE GOODS NOT ELSEWHERE CLASSIFIED |
| 72 | 77, 40, Z, LEASING OF INTELLECTUAL PROPERTY AND SIMILAR PRODUCTS, EXCEPT COPYRIGHTED WORKS |
| 73 | 78, 10, Z, ACTIVITIES OF EMPLOYMENT PLACEMENT AGENCIES |
| 74 | 78, 20, Z, TEMPORARY EMPLOYMENT AGENCY ACTIVITIES |
| 75 | 78, 30, Z, OTHER HUMAN RESOURCES PROVISION |
| 76 | 81, 10, Z, BUILDINGS SERVICE SUPPORT ACTIVITIES |

| | |
|----|---|
| 77 | 82, 11, Z, OFFICE ADMINISTRATIVE SERVICE ACTIVITIES |
| 78 | 82, 19, Z, PHOTOCOPYING, DOCUMENT PREPARATION AND OTHER SPECIALISED OFFICE SUPPORT ACTIVITIES |
| 79 | 82, 91, Z, ACTIVITIES OF COLLECTION AGENCIES AND CREDIT BUREAUS |
| 80 | 82, 99, Z, OTHER BUSINESS SUPPORT SERVICE ACTIVITIES NOT ELSEWHERE CLASSIFIED |
| 81 | 85, 60, Z, EDUCATIONAL SUPPORT ACTIVITIES |
| 82 | 26, 30, Z, MANUFACTURE OF (TELE)COMMUNICATION EQUIPMENT |
| 83 | 47, 41, Z, RETAIL SALE OF COMPUTERS, PERIPHERAL UNITS AND SOFTWARE IN SPECIALISED STORES |
| 84 | 47, 42, Z, RETAIL SALE OF TELECOMMUNICATIONS EQUIPMENT IN SPECIALISED STORES |
| 85 | 61, 30, Z, SATELLITE TELECOMMUNICATIONS ACTIVITIES |
| 86 | 61, 90, Z, OTHER TELECOMMUNICATIONS ACTIVITIES |
| 87 | 95, 11, Z, REPAIR AND MAINTENANCE OF COMPUTERS AND PERIPHERAL EQUIPMENT |
| 88 | 95, 12, Z, REPAIR AND MAINTENANCE OF (TELE)COMMUNICATION EQUIPMENT |

| Table 2 – Recent Filing History | | | |
|---|-------------|-------------------|--|
| Document type | No in field | Filing date | Filed for the period from – to |
| 1. Annual financial statements | 1 | 26 July 2001 | 01 January 2000 – 31 December 2000 |
| | 2 | 19 June 2002 | 01 January – 31 December 2001 |
| | 3 | 09 September 2002 | 01 January – 31 December 2001 |
| | 4 | 26 June 2003 | 01 January 2002 to 31 December 2002 |
| | 5 | 13 July 2004 | 01 January 2003 – 31 December 2003 |
| | 6 | 07 July 2005 | 01 January 2004 – 31 December 2004 |
| | 7 | 27 July 2006 | 01 January 2005 – 31 December 2005 |
| | 8 | 10 July 2007 | 01 January 2006 – 31 December 2006 |
| | 9 | 10 April 2008 | 01 January 2007 – 31 December 2007 |
| | 10 | 03 June 2009 | 01 January 2008 – 31 December 2008 |
| | 11 | 17 June 2010 | 01 January 2009 – 31 December 2009 |
| | 12 | 06 April 2011 | 01 January 2010 – 31 December 2010 |
| | 13 | 08 May 2012 | 01 January 2011 – 31 December 2011 |
| | 14 | 13 May 2013 | 01 January 2012 – 31 December 2012 |
| | 15 | 14 May 2014 | FROM 01 JANUARY 2013 TO 31 DECEMBER 2013 |
| | 16 | 17 April 2015 | FROM 01 JANUARY 2014 TO 31 DECEMBER 2014 |
| | 17 | 29 April 2016 | FROM 01 JANUARY 2015 TO 31 DECEMBER 2015 |
| | 18 | 28 April 2017 | FROM 01 JANUARY 2016 TO 31 DECEMBER 2016 |
| | 19 | 17 April 2018 | FROM 01 JANUARY 2017 TO 31 DECEMBER 2017 |
| | 20 | 18 April 2019 | FROM 01 JANUARY 2018 TO 31 DECEMBER 2018 |
| 2. Statutory auditor's opinion / report on audit of the annual financial statements | 1 | ***** | 01 January 2000 – 31 December 2000 |
| | 2 | ***** | 01 January – 31 December 2001 |
| | 3 | ***** | 01 January – 31 December 2001 |
| | 4 | ***** | 01 January 2002 to 31 December 2002 |
| | 5 | ***** | 01 January 2003 – 31 December 2003 |
| | 6 | ***** | 01 January 2004 – 31 December 2004 |
| | 7 | ***** | 01 January 2005 – 31 December 2005 |
| | 8 | ***** | 01 January 2006 – 31 December 2006 |

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|---|----|-------|--|
| | 9 | ***** | 01 January 2007 – 31 December 2007 |
| | 10 | ***** | 01 January 2008 – 31 December 2008 |
| | 11 | ***** | 01 January 2009 – 31 December 2009 |
| | 12 | ***** | 01 January 2010 – 31 December 2010 |
| | 13 | ***** | 01 January 2011 – 31 December 2011 |
| | 14 | ***** | 01 January 2012 – 31 December 2012 |
| | 15 | ***** | FROM 01 JANUARY 2013 TO 31 DECEMBER 2013 |
| | 16 | ***** | FROM 01 JANUARY 2014 TO 31 DECEMBER 2014 |
| | 17 | ***** | FROM 01 JANUARY 2015 TO 31 DECEMBER 2015 |
| | 18 | ***** | FROM 01 JANUARY 2016 TO 31 DECEMBER 2016 |
| | 19 | ***** | FROM 01 JANUARY 2017 TO 31 DECEMBER 2017 |
| | 20 | ***** | FROM 01 JANUARY 2018 TO 31 DECEMBER 2018 |
| 3. Resolution or decision approving the annual financial statements | 1 | ***** | 01 January 2000 – 31 December 2000 |
| | 2 | ***** | 01 January – 31 December 2001 |
| | 3 | ***** | 01 January – 31 December 2001 |
| | 4 | ***** | 01 January 2002 to 31 December 2002 |
| | 5 | ***** | 01 January 2003 – 31 December 2003 |
| | 6 | ***** | 01 January 2004 – 31 December 2004 |
| | 7 | ***** | 01 January 2005 – 31 December 2005 |
| | 8 | ***** | 01 January 2006 – 31 December 2006 |
| | 9 | ***** | 01 January 2007 – 31 December 2007 |
| | 10 | ***** | 01 January 2008 – 31 December 2008 |
| | 11 | ***** | 01 January 2009 – 31 December 2009 |
| | 12 | ***** | 01 January 2010 – 31 December 2010 |
| | 13 | ***** | 01 January 2011 – 31 December 2011 |
| | 14 | ***** | 01 January 2012 – 31 December 2012 |
| | 15 | ***** | FROM 01 JANUARY 2013 TO 31 DECEMBER 2013 |
| | 16 | ***** | FROM 01 JANUARY 2014 TO 31 DECEMBER 2014 |
| | 17 | ***** | FROM 01 JANUARY 2015 TO 31 DECEMBER 2015 |
| | 18 | ***** | FROM 01 JANUARY 2016 TO 31 DECEMBER 2016 |
| | 19 | ***** | FROM 01 JANUARY 2017 TO 31 DECEMBER 2017 |
| | 20 | ***** | FROM 01 JANUARY 2018 TO 31 DECEMBER 2018 |
| 4. Report on the entity's operations | 1 | ***** | 01 January 2000 – 31 December 2000 |
| | 2 | ***** | 01 January – 31 December 2001 |
| | 3 | ***** | 01 January – 31 December 2001 |
| | 4 | ***** | 01 January 2002 to 31 December 2002 |
| | 5 | ***** | 01 January 2003 – 31 December 2003 |
| | 6 | ***** | 01 January 2004 – 31 December 2004 |
| | 7 | ***** | 01 January 2005 – 31 December 2005 |
| | 8 | ***** | 01 January 2006 – 31 December 2006 |
| | 9 | ***** | 01 January 2007 – 31 December 2007 |
| | 10 | ***** | 01 January 2008 – 31 December 2008 |
| | 11 | ***** | 01 January 2009 – 31 December 2009 |
| | 12 | ***** | 01 January 2010 – 31 December 2010 |
| | 13 | ***** | 01 January 2011 – 31 December 2011 |
| | 14 | ***** | 01 January 2012 – 31 December 2012 |
| | 15 | ***** | FROM 01 JANUARY 2013 TO 31 DECEMBER 2013 |
| | 16 | ***** | FROM 01 JANUARY 2014 TO 31 DECEMBER 2014 |
| | 17 | ***** | FROM 01 JANUARY 2015 TO 31 DECEMBER 2015 |
| | 18 | ***** | FROM 01 JANUARY 2016 TO 31 DECEMBER 2016 |

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|--|----|------|--|
| | 19 | **** | FROM 01 JANUARY 2017 TO 31 DECEMBER 2017 |
| | 20 | **** | FROM 01 JANUARY 2018 TO 31 DECEMBER 2018 |

| Table 3 –Group Reports | | | |
|--|-------------|---------------|--|
| Document type | No in field | Filing date | Filed for the period from – to |
| 1. Consolidated annual financial statements | 1 | 10 July 2007 | 01 January 2006 – 31 December 2006 |
| | 2 | 10 April 2008 | 01 January 2007 – 31 December 2007 |
| | 3 | 03 June 2009 | 01 January 2008 – 31 December 2008 |
| | 4 | 17 June 2010 | 01 January 2009 – 31 December 2009 |
| | 5 | 06 April 2011 | 01 January 2010 – 31 December 2010 |
| | 6 | 08 May 2012 | 01 January 2011 – 31 December 2011 |
| | 7 | 13 May 2013 | 01 January 2012 – 31 December 2012 |
| | 8 | 14 May 2014 | FROM 01 JANUARY 2013 TO 31 DECEMBER 2013 |
| | 9 | 17 April 2015 | FROM 01 JANUARY 2014 TO 31 DECEMBER 2014 |
| | 10 | 29 April 2016 | FROM 01 JANUARY 2015 TO 31 DECEMBER 2015 |
| | 11 | 28 April 2017 | FROM 01 JANUARY 2016 TO 31 DECEMBER 2016 |
| | 12 | 18 April 2019 | FROM 01 JANUARY 2018 TO 31 DECEMBER 2018 |
| 2. Statutory auditor's opinion / report on audit of the consolidated annual financial statements | 1 | **** | 01 January 2006 – 31 December 2006 |
| | 2 | **** | 01 January 2007 – 31 December 2007 |
| | 3 | **** | 01 January 2008 – 31 December 2008 |
| | 4 | **** | 01 January 2009 – 31 December 2009 |
| | 5 | **** | 01 January 2010 – 31 December 2010 |
| | 6 | **** | 01 January 2011 – 31 December 2011 |
| | 7 | **** | 01 January 2012 – 31 December 2012 |
| | 8 | **** | FROM 01 JANUARY 2013 TO 31 DECEMBER 2013 |
| | 9 | **** | FROM 01 JANUARY 2014 TO 31 DECEMBER 2014 |
| | 10 | **** | FROM 01 JANUARY 2015 TO 31 DECEMBER 2015 |
| | 11 | **** | FROM 01 JANUARY 2016 TO 31 DECEMBER 2016 |
| | 12 | **** | FROM 01 JANUARY 2018 TO 31 DECEMBER 2018 |
| 3. Resolution or decision approving the consolidated annual financial statements | 1 | **** | 01 January 2006 – 31 December 2006 |
| | 2 | **** | 01 January 2007 – 31 December 2007 |
| | 3 | **** | 01 January 2008 – 31 December 2008 |
| | 4 | **** | 01 January 2009 – 31 December 2009 |
| | 5 | **** | 01 January 2010 – 31 December 2010 |
| | 6 | **** | 01 January 2011 – 31 December 2011 |
| | 7 | **** | 01 January 2012 – 31 December 2012 |
| | 8 | **** | FROM 01 JANUARY 2013 TO 31 DECEMBER 2013 |
| | 9 | **** | FROM 01 JANUARY 2014 TO 31 DECEMBER 2014 |
| | 10 | **** | FROM 01 JANUARY 2015 TO 31 DECEMBER 2015 |
| | 11 | **** | FROM 01 JANUARY 2016 TO 31 DECEMBER 2016 |
| | 12 | **** | FROM 01 JANUARY 2018 TO 31 DECEMBER 2018 |
| 4. Report on the parent's operations | 1 | **** | 01 January 2006 – 31 December 2006 |
| | 2 | **** | 01 January 2008 – 31 December 2008 |
| | 3 | **** | 01 January 2009 – 31 December 2009 |
| | 4 | **** | 01 January 2010 – 31 December 2010 |
| | 5 | **** | 01 January 2011 – 31 December 2011 |
| | 6 | **** | 01 January 2012 – 31 December 2012 |
| | 7 | **** | FROM 01 JANUARY 2013 TO 31 DECEMBER 2013 |

| | | | |
|--|----|-------|--|
| | 8 | ***** | FROM 01 JANUARY 2014 TO 31 DECEMBER 2014 |
| | 9 | ***** | FROM 01 JANUARY 2015 TO 31 DECEMBER 2015 |
| | 10 | ***** | FROM 01 JANUARY 2016 TO 31 DECEMBER 2016 |
| | 11 | ***** | FROM 01 JANUARY 2018 TO 31 DECEMBER 2018 |

| Table 4 – Objects of a Public Benefit Organisation as per Charter |
|---|
| No entries |

| Table 5 – Accounting Reference Date | |
|---|------------------|
| 1. The day ending the first financial year for which financial statements must be filed | 31 December 1994 |

Section 4

| Table 1 – Arrears |
|-------------------|
| No entries |

| Table 2 – Receivables |
|-----------------------|
| No entries |

| Table 3 – Information on a dismissal of a bankruptcy petition pursuant to Article 13 of the Act of 28 February 2003 – Bankruptcy Law, or securing the debtor's assets in proceedings for declaring bankruptcy or in restructuring proceedings or following discontinuance of restructuring proceedings under a non-appealable decision |
|--|
| No entries |

| Table 4 – Discontinuance of debt recovery proceedings against the entity due to the fact that the debt recovery proceedings will not bring a sum exceeding the cost of execution |
|--|
| No entries |

Section 5

| Table 1 – Court-appointed attorney for the company |
|--|
| No entries |

Section 6

| Table 1 – Winding up |
|----------------------|
| No entries |

| Table 2 – Information on dissolution or cancellation of company |
|---|
| No entries |

| Table 3 – Board of Receivers |
|------------------------------|
| No entries |

| Table 4 – Information on Merger, Division or Conversion | | |
|--|---|--|
| 1 | 1. Determining the circumstances | ACQUISITION OF ANOTHER COMPANY |
| | 2. Description of the merger, division or conversion | MERGER OF STALEXPORT S.A. AND STALEXPORT-CENTROSTAL WARSZAWA S.A. BY TRANSFER OF ALL ASSETS AND LIABILITIES OF STALEXPORT-CENTROSTAL WARSZAWA S.A. (TRANSFEROR) TO STALEXPORT S.A. (TRANSFeree) IN EXCHANGE FOR THE SHARES TO BE ALLOCATED BY STALEXPORT S.A. TO SHAREHOLDERS OF STALEXPORT-CENTROSTAL WARSZAWA S.A. OTHER THAN STALEXPORT S.A. THE MERGER WILL BE EFFECTED WITHOUT INCREASING THE SHARE CAPITAL OF STALEXPORT S.A. – THE SHAREHOLDERS OF STALEXPORT-CENTROSTAL WARSZAWA S.A., OTHER THAN STALEXPORT S.A., WILL RECEIVE THE OUTSTANDING OWN SHARES OF STALEXPORT S.A., ACQUIRED BY STALEXPORT S.A. UNDER ARTICLE 515 (1) OF THE CPC. RESOLUTION NO 2 OF THE EXTRAORDINARY GENERAL MEETING OF STALEXPORT S.A. OF 20 JANUARY 2005 (ROLL OF DEEDS A NO 907/2005). |
| Sub-table 1 | | |
| Particulars of entities formed as a result of merger, division or conversion or particulars of entities acquiring all or part of assets and liabilities of the company | | |
| No entries | | |
| Sub-table 2 | | |
| Particulars of entities whose all or part of assets and liabilities are acquired as a result of merger or division | | |
| 1 | 1. Name or business name | STALEXPORT-CENTROSTAL WARSZAWA SPÓŁKA AKCYJNA,----- |
| | 2. State and name of the register, where the entity is registered | NATIONAL COURT REGISTER |
| | 3. Number in the register | 0000002551 |
| | 4. Name of the court keeping the register | ***** |
| | 5. National Official Business Register No (REGON) | 010797930 |
| 2 | 1. Determining the circumstances | ACQUISITION OF ANOTHER COMPANY |
| | 2. Description of the merger, division or transformation | INFORMATION ON THE MERGER: MERGER UNDER ARTICLE 492(1)(1) IN CONJUNCTION WITH ARTICLES 515 AND 516 OF THE COMPANIES AND PARTNERSHIPS CODE BY TRANSFERING ALL ASSETS AND LIABILITIES OF STALEXPORT AUTOSTRADA DOLNOŚLĄSKA SPÓŁKA AKCYJNA (TRANSFEROR) TO STALEXPORT AUTOSTRADY SPÓŁKA |

| | | |
|---|--|--|
| | <p>AKCYJNA (TRANSFEE). RESOLUTION NO 20 ON THE MERGER WAS PASSED BY THE ANNUAL GENERAL MEETING OF STALEXPORT AUTOSTRADA SPÓŁKA AKCYJNA ON 03 APRIL 2014 AND RECORDED IN THE NOTARIAL DEED (ROLL OF DEEDS A NO 2769/2014); DRAWN UP BY CIVIL LAW NOTARY ALEKSANDRA LESIAK, WITH HER CIVIL LAW NOTARY OFFICE OPERATED AS A GENERAL PARTNERSHIP IN KATOWICE, UL. MŁYŃSKA 2.</p> <p>RESOLUTION NO 8 ON THE MERGER WAS PASSED BY THE ANNUAL GENERAL MEETING OF STALEXPORT AUTOSTRADA DOLNOŚLĄSKA SPÓŁKA AKCYJNA ON 03 APRIL 2014 AND RECORDED IN THE NOTARIAL DEED (ROLL OF DEEDS A NUMBER 2775/2014), DRAWN UP BY A CIVIL LAW NOTARY ALEKSANDRA LESIAK, WITH HER CIVIL LAW NOTARY OFFICE OPERATED AS A GENERAL PARTNERSHIP IN KATOWICE, UL. MŁYŃSKA 2.</p> | |
| | <p align="center">Sub-table 1</p> <p align="center">Particulars of entities formed as a result of merger, division or conversion or particulars of entities acquiring all or part of assets and liabilities of the company</p> | |
| | No entries | |
| | <p align="center">Sub-table 2</p> <p align="center">Particulars of entities whose all or part of assets and liabilities are acquired a result of merger or division</p> | |
| | No entries | |
| | | |
| 3 | 1. Determining the circumstances | ACQUISITION OF ANOTHER COMPANY |
| | 2. conversion | <p>MERGER UNDER ARTICLE 492(1)(1) IN CONJUNCTION WITH ARTICLES 515 AND 516 OF THE COMPANIES AND PARTNERSHIPS CODE BY TRANSFERRING ALL ASSETS AND LIABILITIES OF STALEXPORT AUTOSTRADA DOLNOŚLĄSKA SPÓŁKA AKCYJNA (TRANSFEROR) TO STALEXPORT AUTOSTRADY SPÓŁKA AKCYJNA (TRANSFEE).</p> <p>RESOLUTION NO 20 ON THE MERGER WAS PASSED BY THE ANNUAL GENERAL MEETING OF STALEXPORT AUTOSTRADA SPÓŁKA AKCYJNA ON 03 APRIL 2014 AND RECORDED IN THE NOTARIAL DEED (ROLL OF DEEDS A NO 2769/2014); DRAWN UP BY A CIVIL LAW NOTARY ALEKSANDRA LESIAK, WITH HER CIVIL LAW NOTARY OFFICE OPERATED AS A GENERAL PARTNERSHIP IN KATOWICE, UL. MŁYŃSKA 2.</p> <p>RESOLUTION NO 8 ON THE MERGER WAS PASSED BY THE ANNUAL GENERAL MEETING OF STALEXPORT AUTOSTRADA DOLNOŚLĄSKA SPÓŁKA AKCYJNA ON 03 APRIL 2014 AND RECORDED IN THE NOTARIAL DEED (ROLL OF DEEDS A NUMBER 2775/2014), DRAWN UP BY A CIVIL LAW NOTARY ALEKSANDRA LESIAK, WITH HER CIVIL LAW NOTARY OFFICE OPERATED AS A GENERAL PARTNERSHIP IN KATOWICE, UL. MŁYŃSKA 2.</p> |
| | <p align="center">Sub-table 1</p> <p align="center">Particulars of entities formed as a result of merger, division or conversion or particulars of entities acquiring all or part of assets and liabilities of the company</p> | |
| | No entries | |
| | <p align="center">Sub-table 2</p> <p align="center">Particulars of entities whose all or part of assets and liabilities are acquired a result of merger or division</p> | |
| | 1 | 1. Name or business name |
| | | 2. State and name of the register, where the entity is registered |
| | | 3. Number in the register |
| | | 4. Name of the court keeping the register |
| | | 5. National Official Business Register No (REGON) |
| | STALEXPORT AUTOSTRADA DOLNOŚLĄSKA SPÓŁKA AKCYJNA,----- | |
| | NATIONAL COURT REGISTER | |
| | 0000066811 | |
| | ***** | |
| | 273710840 | |

Table 5 – Information on bankruptcy proceedings

No entries

Table 6 – Information on arrangement proceedings

| | | |
|---|--|--|
| 1 | 1. Information on the initiation of arrangement proceedings | DISTRICT COURT 10 th COMMERCIAL DIVISION IN KATOWICE, 01 AUGUST 2001, FILE REFERENCE NO X UKŁ. 70/01/9 |
| | 2. Information on the conclusion of arrangement proceedings | 08 APRIL 2009, BY DECISION OF THE DISTRICT COURT KATOWICE-WSCHÓD IN KATOWICE, 10 th COMMERCIAL DIVISION, FILE REFERENCE NO XGUU 20/08/03 OF 08 APRIL 2009 (AS RECTIFIED ON 29 APRIL 2009 AND 18 AUGUST 2009) THE ARRANGEMENT PROCEEDINGS WERE DECLARED CONCLUDED. |
| | 3. Information on the setting aside of an arrangement decision | ---, ---, --- |

Table 7 – Information on restructuring, remedial or compulsory restructuring proceedings

No entries

Table 8 – Information on suspension of business activity

No entries

Date of printout: 08 July 2019

Website for register information: ekrs.ms.gov.pl

Appendix 2. The Issuer's Articles of Association

ARTICLES OF ASSOCIATION¹ Stalexport Autostrady Spółka Akcyjna

I. GENERAL PROVISIONS

Article 1

1. The Company's name is Stalexport Autostrady Spółka Akcyjna.
2. The Company may use its abbreviated name: Stalexport Autostrady S.A. and its distinctive logo or logotype.

Article 2

The Company's registered office is the city of Mysłowice.

Article 3

(deleted)

Article 4

The Company conducts its operations pursuant to these Articles of Association, the Commercial Companies Code, and other applicable regulations.

II. CORE ACTIVITIES OF THE COMPANY

Article 5

1. Core activities of the Company:
 - 25.11.Z Manufacture of metal structures and parts of structures
 - 26.30.Z Manufacture of (tele)communication equipment
 - 32.99.Z Other manufacturing not elsewhere classified
 - 33.11.Z Repair and maintenance of fabricated metal products
 - 33.20.Z Installation of industrial machinery and equipment and outfit
 - 38.31.Z Dismantling of wrecks
 - 41.10.Z Realization of building projects related to erection of buildings
 - 41.20.Z Building works related to erection of residential and non-residential buildings
 - 42.11.Z Works related to construction of roads and motorways
 - 42.12.Z Works related to construction of railways and underground railways
 - 42.13.Z Works related to construction of bridges and tunnels
 - 42.21.Z Works related to construction of transmission pipelines and distribution networks
 - 42.22.Z Works related to construction of telecommunications and electricity lines
 - 42.91.Z Works related to construction of water projects
 - 42.99.Z Works related to construction of other civil engineering projects not elsewhere classified
 - 43.21.Z Electrical installation
 - 43.29.Z Other construction installation
 - 43.32.Z Joinery installation
 - 43.91.Z Roofing activities
 - 43.99.Z Other specialised construction activities not elsewhere classified
 - 45.11.Z Sale of cars and light motor vehicles
 - 45.19.Z Sale of other motor vehicles, excluding motorcycles
 - 46.13.Z Agents involved in the sale of timber and building materials
 - 46.44.Z Wholesale of china, ceramics and glassware and cleaning materials
 - 46.51.Z Wholesale of computers, peripheral equipment and software
 - 46.69.Z Wholesale of other machinery and equipment
 - 46.73.Z Wholesale of wood, construction materials and sanitary equipment
 - 46.74.Z Wholesale of hardware and plumbing and heating equipment and supplies
 - 46.75.Z Wholesale of chemical products
 - 46.76.Z Wholesale of other intermediate products
 - 46.77.Z Wholesale of waste and scrap
 - 46.90.Z Non-specialised wholesale trade
 - 47.41.Z Retail sale of computers, peripheral units and software in specialised stores
 - 47.42.Z Retail sale of telecommunications equipment in specialised stores
 - 49.41.Z Freight transport by road

¹ Consolidated text taking account of the amendments adopted by the Extraordinary General Meeting of Stalexport Autostrady S.A. on 26 January 2018 r.

- 52.10.A Warehousing and storage of fuel gases
 - 52.10.B Warehousing and storage of other goods
 - 52.21.Z Service activities incidental to land transportation
 - 52.24.C Cargo handling in other reloading points
 - 52.29.C Other transportation agencies activities
 - 59.20.Z Sound recording and music publishing activities
 - 61.30.Z Satellite telecommunications activities
 - 61.90.Z Other telecommunications activities
 - 62.01.Z Computer programming activities
 - 62.02.Z Computer consultancy activities
 - 62.03.Z Computer facilities management activities
 - 62.09.Z Other information technology and computer service activities
 - 63.11.Z Data processing, hosting and related activities
 - 63.12.Z Web portals
 - 63.99.Z Other information service activities not elsewhere classified
 - 64.20.Z Activities of holding companies
 - 64.30.Z Trusts, funds and similar financial entities
 - 64.91.Z Financial leasing
 - 64.92.Z Other credit granting
 - 64.99.Z Other financial service activities, except insurance and pension funding not elsewhere classified
 - 66.19.Z Other activities auxiliary to financial services, except insurance and pension funding
 - 68.10.Z Buying and selling of own real estate
 - 68.20.Z Rental and operating of own or leased real estate
 - 68.32.Z Management of real estate on a fee or contract basis
 - 69.20.Z Accounting, bookkeeping and auditing activities; tax consultancy
 - 70.10.Z Activities of head office and holding companies, excluding financial holding companies
 - 70.21.Z Public relations and communication activities
 - 70.22.Z Business and other management consultancy activities
 - 71.11.Z Architectural activities
 - 71.12.Z Engineering activities and related technical consultancy
 - 71.20.B Other technical testing and analysis
 - 73.11.Z Advertising agencies activities
 - 73.12.A Intermediation in the sale of time and place on advertising aims in the radio and television
 - 73.12.B Intermediation in the sale of the place on advertising aims in printed media
 - 73.12.C Intermediation in the sale of the place on advertising aims in electronic media (Internet)
 - 73.12.D Intermediation in the sale of the place on advertising aims in other media
 - 74.10.Z Specialised design activities
 - 74.90.Z Other professional, scientific and technical activities not elsewhere classified
 - 77.12.Z Rental and leasing of other motor vehicle, excluding motorcycles
 - 77.32.Z Rental and leasing of construction machinery and equipment
 - 77.39.Z Rental and leasing of other machinery, equipment and tangible goods not elsewhere classified
 - 77.40.Z Leasing of intellectual property and similar products, except copyrighted works
 - 78.10.Z Activities of employment placement agencies
 - 78.20.Z Temporary employment agency activities
 - 78.30.Z Other human resources provision
 - 81.10.Z Buildings service support activities
 - 82.11.Z Office administrative service activities
 - 82.19.Z Photocopying, document preparation and other specialised office support activities
 - 82.91.Z Activities of collection agencies and credit bureaus
 - 82.99.Z Other business support service activities not elsewhere classified
 - 85.60.Z Educational support activities
 - 95.11.Z Repair and maintenance of computers and peripheral equipment
 - 95.12.Z Repair and maintenance of (tele)communication equipment
2. The general meeting may adopt a resolution on introducing a material change to the core activities of the Company, also without redeeming shares of those shareholders who do not consent to the change, provided a resolution is adopted by the majority of two-thirds of total votes, in the presence of shareholders representing at least half of the share capital.

III. SHARE CAPITAL

Article 6

The Company's share capital is at PLN 185,446,517.25 (one hundred eighty-five million four hundred forty-six thousand five hundred and seventeen zlotys twenty-five grosz).

Article 7

The Company's share capital is divided into 247,262,023 (two hundred forty-seven thousand two hundred sixty two and twenty-three) shares with the nominal value of PLN 0.75 (seventy-five grosz) each, including: 8,341,030 (eight million

three hundred forty-one thousand and thirty) series A shares with numbers from A 000.000.001 to A 008.341.030, 492,796 (four hundred ninety-two thousand seven hundred and ninety six) series B shares with numbers from B 008.341.031 to B 008.833.826, 4,000,000 (four million) series D shares with numbers from D 008.833.827 to D 012.833.826, 94,928,197 (ninety-four million nine hundred twenty-eight thousand one hundred and ninety-seven) series E shares with numbers from E 12.833.827 to E 107.762.023, 50,000,000 (fifty million) series F shares with numbers from F 107.762.024 to F 157.762.023 and 89,500,000 (eighty-nine million five hundred thousand) series G shares with numbers from G 157.762.024 to G 247.262.023. All Shares of the Company are ordinary bearer shares.

Article 8

1. The shares may be redeemed with the shareholder's consent by way of purchasing them by the Company, under terms specified in the Resolution of the General Meeting
2. (deleted).
- 2a (deleted).

IV. COMPANY'S AUTHORITIES

Article 9

The Company's authorities include:

1. Board of the Company.
2. Supervisory Board.
3. General Meeting.

BOARD OF THE COMPANY

Article 10

1. The Board consists of 1 to 3 members.
2. The President of the Board is appointed by the Supervisory Board and other Board Members are appointed by the Supervisory Board at the President's request.
3. The joint term of the Board Members is three years, and their mandates expire on the date of the General Meeting that approves the financial statements for the last full financial year of acting in the function of a Board Member.
4. (deleted).
5. A Board Member may be dismissed at any time or suspended by the Supervisory Board, and by the general meeting.
6. The person appointed for the President of the Board should be a Polish citizen with domicile in the Republic of Poland.

Article 11

1. The Board conducts the Company's affairs, and the right of a Board Member to represent the Company refers to all matters in court and otherwise of the Company.
2. The Board adopts its decisions by way of resolution or without adopting resolutions. Decisions taken in the following cases require the form of a resolution:
 - 1) purchasing of selling real estate or its part, and perpetual usufruct or participation in it, with the provision that if the value of the transaction exceeds five million PLN, a consent from the Supervisory Board is required.
 - 2) incurring obligations, including loans, guarantees, etc. with value above one million PLN,
 - 3) (deleted),
 - 4) convening general meetings and approving draft resolutions for those meetings,
 - 5) (deleted),
 - 6) purchasing, taking up, and selling shares in other companies,
 - 7) creating a branch or representative office abroad,
 - 8) collective redundancies,
 - 9) adopting an investment plan, selling or leasing the company and the set of its tangibles and intangibles, and establishing the right to use it.
3. The resolutions of the Board are adopted by absolute majority, and in the case of an equal number of votes cast, the vote of the President of the Board is decisive.
4. The Board may also make resolutions in all cases it deems significant and material in the scope that represents the object of Company's business and with regard to operating the Company.

5. The resolutions of the Board are included in minutes, and the minutes should indicate meeting agenda, the attendance list of the Board Members, the list of votes cast for the individual resolutions, differing opinions, and signatures of the current Board Members.
6. The Board may adopt its rules. The rules of the Board are approved by the Supervisory Board.

Article 12

If the Board consists of many persons, the President of the Board acting solely, two Board members in office acting jointly, or one Member of the Board jointly with a commercial proxy shall be authorised to make representations on behalf of the Company.

Article 13

Remuneration and other terms of employment for the Board Members are set by the Supervisory Board, which concludes suitable agreements with them, and represents the Company in potential disputes with Board Members.

SUPERVISORY BOARD

Article 14

1. The Supervisory Board consists of 5 (five) to 9 (nine) members, including the Chairman and his/her Deputy. The number of persons making up the Supervisory Board in a given term is determined by the General Meeting.
2. The term of the Supervisory Board is three years. The mandates of Supervisory Board Members expire on the date of the General Meeting that approved the financial report for the last full financial year of acting in the function of a Supervisory Board Member.
3. Supervisory Board Members are appointed for a shared term. The mandate of a Member of the Supervisory Board, appointed prior to the expiry of a given term of the Supervisory Board expires along with the expiry of the mandates of the remaining Members of the Supervisory Board.
4. Members of the Supervisory Board are appointed and dismissed by the General Meeting. Members of the Supervisory Board elect the Chairman among themselves, who in turn requests the appointment of Chairman's Deputy.
5. In the event of death or resignation of a Member of the Supervisory Board, the Supervisory Board is entitled to continue its works within a given term of office, provided that the number of its remaining members is not less than as specified in Art. 385(1) of the Commercial Companies Code. The provisions of sec. 6 of this paragraph will apply accordingly.
6. The make-up of the Supervisory Board should include independent members who should be free of any relations which could materially affect the ability of such independent members to take impartial decisions.
7. The independence criteria for the Supervisory Board Members and other related matters will be specified in detail in the Rules of the Supervisory Board.

Article 15

1. At its first meeting, the Supervisory Board elect, in a secret vote, the Chairman of the Supervisory Board, his/her deputy and secretary, and during the next meeting, they make additional appointments, if necessary.
2. The Chairman of the Supervisory Board or his/her deputy, or a person appointed by the Chairman, convenes and chairs the meetings of the Board. The Chairman of the Supervisory Board of the previous term or a Member of the Supervisory Board appointed by the Chairman convenes and opens the first meeting of the newly elected Supervisory Board and chairs it until the election of the Chairman. In the event that the first meeting of the Supervisory Board is not convened in the manner described above within 14 days of the date of election – each of the selected Members of the Supervisory Board is entitled to convene the first meeting.
3. The Supervisory Board may dismiss the Chairman, his/her Deputy or Secretary of the Board from the performed function, by secret vote.

Article 16

1. The Supervisory Board should be convened as needed, but as a minimum three times in a financial year.
2. The Chairman of the Supervisory Board or his/her Deputy is obliged to convene a meeting of the Supervisory Board at the request of the Board or a Member of the Supervisory Board containing the proposed agenda, within two weeks of receiving the request.
3. If the Chairman of the Supervisory Board or his/her Deputy does not convene a meeting in accordance with sec. 2, the applicant may convene them independently, by providing the date, place and proposed agenda.

Article 17

1. Subject to provisions of sec. 2, the Supervisory Board adopts resolutions with an absolute majority of votes, i.e. with the number of votes that exceeds a half of all valid votes cast, with the presence of at least a half of the make-up of the Supervisory Board present.
2. The Supervisory Board adopt its rules, which specify in detail the mode of its proceedings.
3. Members of the Supervisory Board may participate in making resolutions of the Supervisory Board by casting their votes in writing through another member of the Supervisory Board, excluding cases introduced to the meeting agenda during a Supervisory Board meeting.
4. The Members of the Supervisory Board may also participate in adopting resolutions in writing or using the means of direct remote communication, provided all members of the Supervisory Board are notified of the wording of the draft resolution.

Article 8

1. The Supervisory Board exercises an on-going supervision of the Company's operations in all areas of its activity.
2. The specific duties of the Supervisory Board include:
 - 1) assessment of the Board's reports on operations and the financial statements for the past financial year with regard to their consistency with the accounting records, documents, and actual state of affairs,
 - 2) assessment of the Board's requests regarding profit distribution or loss coverage,
 - 3) providing the General Meeting with the annual written report from the results of activities referred to in points 1 and 2.
3. The discretions of the Supervisory Board also include:
 - 1) approving the rules of the Board of the Company,
 - 2) appointing and dismissing the individual or all members of the Board (in a secret vote),
 - 3) entering into agreements with Board Members, including determining remuneration and other terms of acting in the function of a Board Member,
 - 4) determining remuneration for a member of the Supervisory Board delegated to on-going individual supervision if such authorisations are granted by the General Meeting,
 - 5) suspending, for important reasons, the individual or all members of the Board (in a secret vote),
 - 6) delegating Supervisory Board Members to temporarily perform the activities of Board Members who are unable to perform their activities,
 - 7) approving reduced headcount, if its nature is that of a group redundancy in the meaning of the regulations,
 - 8) selecting the audit company to audit the financial statements,
 - 9) approving the purchase or sale of real estate, perpetual usufruct or share in real estate whose value exceeds five million PLN,
 - 10) approving the Board's purchasing and taking up shares in other companies, with individual amount in excess of one million PLN or 25% of the share capital of such company,
 - 11) approving setting up of a branch or representative office abroad,
 - 12) approving the investment plan for the Company and the Group of Companies of Stalexport Autostrady,
 - 13) handling and issuing opinions for cases that are to be the object of resolutions at the General Meeting, including in particular draft resolutions presented by the Board at the General Meetings,
 - 14) approving the granting of guarantees, and for incurring other off-balance sheet exposures, whose individual amount exceeds five million PLN,
 - 15) approving, at the Board's request, the issue of bonds other than convertible and with pre-emptive rights,
 - 16) approving, at the Board's request, the transfer of rights and obligations under permits and concessions granted to the Company by relevant administration authorities,
 - 17) issuing opinions, at the Board's request, regarding sale and lease of the company and the set of its tangibles and intangibles, and establishing the right to use it,
 - 18) approving, at the Board's request, the sale of shares in companies for which Stalexport Autostrady S.A. is the parent entity,
 - 19) approving the participation of Board Members in Boards or supervisory boards of companies from outside of the Company's Group.

1. The Supervisory Board performs its tasks collectively, however, it may delegate its individual members to act independently in the specified supervisory activities.
2. The Members of the Supervisory Board perform their rights and obligations in person.

GENERAL MEETING

Article 20

1. An Ordinary General Meeting is held within 6 months of the end of each financial year.
2. An Extraordinary General Meeting may be held at any date in line with the applicable procedures if the authorities or persons authorised to convene General Meetings find it advisable.
3. The General Meeting is convened by the Company's Board.
4. A General Meeting is convened by an announcement made at least twenty-six days prior to the date of the meeting on the company's website and in a method specified for the submission of current information in accordance with the provisions of the Offering Act and terms of introducing financial instruments to organised trade and on public companies.
5. The Supervisory Board has the right to convene an Ordinary General Meeting if the Board of the Company does not convene it within the deadline specified in par. 1 and an Extraordinary General Meeting if it deems it appropriate.
6. A shareholder or shareholders representing at least 1/20 of share capital may request calling an Extraordinary General Meeting.

Article 21

1. The General Meeting may adopt resolutions only related to matters included in the agenda, unless the entire share capital is represented, and none of the present objected to adopting a resolution.
2. Procedural requests and the request to convene an Extraordinary General Meeting may be voted and resolutions in this respect adopted even though they were not included in the agenda.
3. To remove an item from the agenda or discontinue handling of a case included in the agenda at the shareholders' request requires adopting a resolution of the general meeting, following a prior consent expressed by all shareholders present who filed such a request, supported by at least 75% of the votes at the general meeting.

Article 22

The General Meetings are held in the Company's head office or in Katowice.

Article 23

1. A general meeting is opened by the Chairman of the Supervisory Board or his/her deputy or another member of the Supervisory Board, and in the case of absence of the members of the Supervisory Board – the President of the Board or person appointed in writing by the Board, after which the Chairman is elected from among the persons entitled to participate in the General Meeting.
2. The General Meeting may adopt its rules, specifying in detail the method of proceeding.

Article 24

1. Resolutions of the General Meeting require in particular:
 - 1) to be approved after reviewing the Board report on the Company's operations and the financial statement for the previous financial year,
 - 2) profit distribution or loss coverage,
 - 3) discharging the members of the Board and members of the Supervisory Board of their duties,
 - 4) sale or lease of the company or its organised part and establishing limited property rights over it,
 - 5) issuing convertible bonds or bonds with pre-emptive rights,
 - 6) reviewing and approving the Financial Statements of Stalexport Autostrady Group,
 - 7) amending the Company's articles of association, including changing the Company's core business or decreasing the share capital, as well as redeeming shares,
 - 8) significantly changing the Company's core business,
 - 9) dissolving and liquidating the Company,
 - 10) merging, demerging, or transforming the Company,
 - 11) appointing Supervisory Board members after prior establishment of the number of its members for a given term of office and their dismissing,
 - 12) establishing the rules of remuneration for the appointed members of the Supervisory Board.

Article 25

Amending the core activities of the Company may take place without the requirement of buying out the shares, subject to applicable regulations.

V. MANAGEMENT OF THE COMPANY

Article 26

The Company's financial year shall match the calendar year.

Article 27

1. Supplementary capital is raised to cover the loss, ultimately up to the amount of not less than 1/3 of the share capital.
2. The Company may create other reserve capitals to cover specific losses or expenses.

Article 28

1. Shareholders have the right to participate in the profit disclosed in the financial statement, provided that the General Meeting adopts a resolution in this respect.
2. The General Meeting sets the dividend date and the date of its payment.

VI. FINAL PROVISIONS

Article 29

1. The Company publishes its announcements in the Court and Economic Monitor.
2. Each announcement of the Company should also be posted at the Company's headquarters in places accessible to all employees.

Appendix 3. Definitions and Abbreviations

| | |
|---|---|
| Shares, Company Shares | Jointly, series A, B, D, E, F and G shares issued by Stalexport Autostrady S.A. |
| Admitted Shares, Series G shares | 89,500,000 series G ordinary bearer shares of the Company |
| Atlantia | Atlantia S.p.A. with its registered office in Rome, Italy |
| Biuro Centrum | Biuro Centrum Sp. z o.o. with its registered office in Katowice |
| Securities Note | Securities note prepared by the Issuer in connection with the Admission of Series G Shares to regulated trading, and approved by the PFSA |
| Summary Note, Summary | Summary note prepared by the Issuer in connection with the Admission of shares to regulated trading, and approved by the PFSA |
| Registration document | Registration document prepared by the Issuer in connection with the Admission of shares to regulated trading, and approved by the PFSA |
| Admission | Admission of 89,500,000 series G ordinary bearer shares of the Company to trading on the regulated market operated by Warsaw Stock Exchange |
| Financial Adviser | Art Capital Sp. z o.o. with its registered office in Kraków |
| Legal Adviser | Wierzbowski and Partners Legal Advisors and Advocates |
| Journal of Laws | Journal of Laws of the Republic of Poland |
| Directive 2003/71/EC | Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC |
| Issuer, Stalexport, Stalexport Autostrady, Company | Stalexport Autostrady Spółka Akcyjna with its registered office in Mysłowice |
| EUR | Legal tender in the countries of the European Monetary Union |
| Investment Firm | Brokerage House Bank Ochrony Środowiska Joint Stock Company |
| Stock Exchange, WSE (Warsaw Stock Exchange) | Warsaw Stock Exchange with its registered office in Warsaw |
| GDNRM | General Directorate for National Roads and Motorways |
| Group, Group of Companies, Issuer's Group | A group of companies which includes the Issuer as the parent company, and its subsidiaries and affiliates as well as the parent company of the Issuer – as indicated in sec. 7.1 of the Registration Document |
| WSE (Warsaw Stock Exchange), Stock Exchange | Warsaw Stock Exchange with its registered office in Warsaw (Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna) |
| NDS (National Depository for Securities) | National Depository for Securities with its registered office in Warsaw |
| Civil Code, CC | Act of 23 April 1964 – Civil Code (consolidated text Journal of Laws of 2018, item 1025) |
| Commercial Companies Code, CCC | Act of 15 September 2000 – Commercial Companies Code (consolidated text Journal of Laws of 2017, item 1577) |
| Penal Code, PC | Act of 6 June 1997 – Penal Code (consolidated text Journal of Laws of 2017, item 2204) |
| Authority, PFSA | Polish Financial Supervision Authority |
| Bank Consortium | Banks that have granted facilities of up to PLN 380 m for financing the A4 toll motorway project on the Kraków-Katowice section (i.e. construction works under Stage IIa and refinancing of the Stage I Construction Works) to close the financing of the motorway project, i.e. currently: Bank Pekao S.A., FMS Wertmanagement AöR, KfW IPEX-Bank GmbH, Portigon AG, London Branch, BGŻ BNP Paribas S.A. |
| CPC | Act of 17 November 1964 – Civil Procedure Code (consolidated text Journal of Laws of 2018, item 1360) |

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| Concession | License for the construction and operation of the toll section of the A-4 motorway between Kraków and Katowice, granted to the Issuer on 15 March 1997, and then transferred on 28 July 2004 to Stalexport Autostrada Małopolska S.A. |
| Concessionaire, SAM | Stalexport Autostrada Małopolska S.A. with its registered office in Mysłowice |
| NCR | National Court Register |
| CCC, Commercial Code | Act of 15 September 2000 – Commercial Companies Code (consolidated text Journal of Laws of 2017, item 1577) |
| IAS | International Accounting Standards |
| IFRS | International Financial Reporting Standards |
| Pavimental S.p.A. | Pavimental S.p.A. with its registered office in Rome (Italy). Entity belonging to the Atlantia group of companies which holds 99.6% shares in Pavimental S.p.A, i.e. the sole shareholder of Pavimental Polska Sp. z o.o. |
| Pavimental Polska Sp. z o.o. | Pavimental Polska Sp. z o.o. with its registered office in Trzebinia. Entity belonging to the Atlantia group of companies which holds 99.6% shares in Pavimental S.p.A, i.e. the sole shareholder of Pavimental Polska Sp. z o.o. |
| PLN, zloty | Zloty – monetary unit of the Republic of Poland |
| Concession Payment | Concession Payment made by the Concessionaire for the repayment of the so-called subordinated debt (liabilities under the loan from the European Bank for Reconstruction and Development contracted by the State Treasury for the construction of the A-4 Motorway Katowice–Kraków section, subsequently taken over by the Concessionaire) |
| Payment to the State Treasury | Payment to the National Road Fund representing the State Treasury's share in the profits of the undertaking consisting in the construction and operation of A-4 toll motorway Katowice–Kraków section (by adapting to the toll motorway requirements) as well as in carrying out and completing other construction works as specified in the Concession Agreement |
| Prospectus | The present prospectus, being the only legally binding document containing information about the Issuer and the Admitted Shares, prepared in accordance with the Prospectus Regulation |
| PAS | Polish Accounting Standards |
| Stock Exchange Board | Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. |
| Supervisory Board of the Issuer, Supervisory Board of the Company | Supervisory Board of Stalexport Autostrady S.A. |
| Stock Exchange Rules, WSE Rules | Rules of Giełda Papierów Wartościowych w Warszawie S.A. as adopted by Resolution No. 1/1110/2006 of the Stock Exchange Supervisory Board of 4 January 2006, as subsequently amended |
| Regulation, Regulation | Prospectus Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements |
| Official Listing Market Regulation | Regulation of the Minister of Finance of 25 April 2019 on the specific conditions which must be satisfied by the official listing market and the issuers of securities admitted to trading on such market (Journal of Laws of 2019, item 803) |
| Registry Court | District Court for the Capital City of Warsaw in Warsaw, 12th Commercial Division of the National Court Register |
| Articles, Articles of Association of the Issuer, Articles of Association of the Company | Articles of Association of Stalexport Autostrady S.A. |
| Stalexport Autoroute | Stalexport Autoroute S.à r.l. with its registered office in Luxembourg |
| EU | European Union |

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|---|--|
| Concession Agreement | Agreement entered into on 19 September 1997 between the Issuer and the Minister of Transport stipulating in detail the rights and obligations of the concessionaire in relation to the construction project entrusted with the concessionaire for adapting the A4 motorway Katowice-Kraków section to the toll motorway requirements and for operation of this motorway section. |
| Statutory Auditors Act | Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision (Journal of Laws of 2017, item 1089) |
| NCR Act | Act of 20 August 1997 on National Court Register (Journal of Laws of 2018, item 986) |
| Supervision over the Financial Market Act | Act of 21 July 2006 on Supervision over the Financial Market (consolidated text Journal of Laws of 2018, item 621) |
| Supervision over the Capital Market Act | Act of 29 July 2005 on Supervision over the Capital Market (consolidated text Journal of Laws of 2017, item 1480) |
| Trading Act, Trading in Financial Instruments Act | Act of 29 July 2005 on Trading in Financial Instruments (Journal of Laws of 2017, item 1768) |
| Public Offering Act, Offering Act | Act of 29 July 2005 on Public Offering and Conditions for the Introduction of Financial Instruments to the Organised Trading System, and on Public Companies (consolidated text Journal of Laws of 2018, item 512) |
| Protection of Competition and Consumers Act | Act of 16 February 2007 on Protection of Competition and Consumers (Journal of Laws of 2018, item 798) |
| PIT Act | Act of 26 July 1991 on Personal Income Tax (consolidated text Journal of Laws of 2018, item 200) |
| CIT Act | Act of 15 February 1992 on Corporate Income Tax (consolidated text Journal of Laws of 2018, item 1036) |
| TCLT Act | Act of 9 September 2000 on Tax on Civil Law Transactions (consolidated text Journal of Laws of 2017, item 1150) |
| Accounting Act | Act of 29 September 1994 on Accounting (consolidated text Journal of Laws of 2018, item 395) |
| VIA4 | VIA4 S.A. with its registered office in Mysłowice |
| GM, General Meeting | General Meeting of Stalexport Autostrady S.A. |
| Commission Recommendation of 15 February 2005 on the role of non-executive directors | Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board |
| Board, Issuer's Board, Board of the Company | Board of Directors of Stalexport Autostrady S.A. |
| Stock Exchange Board, WSE Board | Board of Directors of Giełda Papierów Wartościowych w Warszawie S.A. |

Appendix 4. List of references included in the Prospectus

Due to the fact that the Issuer is a public company whose shares are traded on the regulated market of the Warsaw Stock Exchange and is subject to information obligations arising from applicable law and stock exchange regulations, following sections of the Prospectus contain information by reference:

- 1) To consolidated financial statement for the period from 1 January 2017 to 31 December 2017, including the comparative data covering the period from 1 January 2016 to 31 December 2016, which was published in the interim report on 2 March 2018, available on the Issuer's website:

<https://www.stalexport-autostrady.pl/pl/relacje-inwestorskie/okresowe/Raport-roczny-skonsolidowany-2017-r/idn:1273>

- 2) To consolidated financial statement for the period from 1 January 2018 to 31 December 2018, including the comparative data covering the period from 1 January 2017 to 31 December 2017, which was published in the interim report on 1 March 2019, available on the Issuer's website:

<https://www.stalexport-autostrady.pl/pl/relacje-inwestorskie/okresowe/Raport-roczny-skonsolidowany-2018-r/idn:1316>

- 3) To the opinion of the independent certified auditor on the audit of the consolidated financial statement for 2016, published in the interim report on 3 March 2017, available on the Issuer's website:

<https://www.stalexport-autostrady.pl/pl/relacje-inwestorskie/okresowe/Raport-roczny-skonsolidowany-2016-r/idn:1263>

- 4) To the report of the independent certified auditor on the audit of the consolidated financial statement for 2017, published in the interim report on 2 March 2018, available on the Issuer's website:

<https://www.stalexport-autostrady.pl/pl/relacje-inwestorskie/okresowe/Raport-roczny-skonsolidowany-2017-r/idn:1273>

- 5) To the report of the independent certified auditor on the audit of the consolidated financial statement for 2018, published in the interim report on 1 March 2019, available on the Issuer's website:

<https://www.stalexport-autostrady.pl/pl/relacje-inwestorskie/okresowe/Raport-roczny-skonsolidowany-2018-r/idn:1316>

- 6) To the condensed interim consolidated financial statement for the period of 3 months, ending on 31 March 2019, including comparative data, published in the interim report on 9 May 2019, available on the Issuer's website:

<https://www.stalexport-autostrady.pl/pl/relacje-inwestorskie/okresowe/Raport-kwartalny-I-kw.-2019-r/idn:1344>

Appendix 5. Glossary of industry terms

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| Motorway Management Centre | 24-hour centre supervising and coordinating the work of motorway services, including motorway patrols, and cooperating with emergency services: ambulance service, fire brigade and police. It watches over the safety of travellers. For the A-4 Kraków-Katowice motorway, it is located at the Toll Plaza in Mysłowice. |
| “Door to door” delivery | Service consisting in full forwarding service, from picking up the goods from the supplier, to their delivery to the recipient, including any and all necessary formalities. |
| Road pipe penetrations | Part of a road base or construction embankment with a closed-shape section.cross |
| Acoustic screens | Natural or artificial obstacle, erected between the source of noise and the point of observation, behind the obstacle there is an area with reduced sound intensity. |
| ETC | <i>Electronic Toll Collection</i> – electronic collection of motorway tolls |
| GDNRM | General Directorate for National Roads and Motorways |
| EVO Impulse | Modular software with complete ERP functionality which can be flexibly combined depending on the size and needs of the business |
| Motorway infrastructure | A number of motorway service facilities such as: motorway maintenance circuits, toll collection systems and passenger service areas. |
| ITS, Intelligent Transportation Systems | Information and communication system aimed at providing services related to different types of transport and traffic management, distributing better information to different users and ensuring safer, more coordinated and “smarter” use of transportation networks. |
| National Toll Collection System | Single toll system for motorways. It will work based on the latest solutions currently used in the world such as: satellite technology, data transmission in mobile systems (LTE/5G) and Big Data. It is going to replace the previously used toll collection systems and its introduction in Poland is expected in the coming years. The new system will store sensitive data in Poland and make it available to law enforcement agencies without any intermediation of private companies. The system is also expected to cooperate with the ones operating in other European Union countries. |
| Motorway maintenance circuit | Motorway section management centre and storage facilities for maintenance purposes. |
| Linear drainage | Technology based on the use of a linear drain in order to remove excess water from the road. |
| ERP Software | <i>Enterprise Resource Planning</i> i.e. planning resources of the business. The terms refers to integration of all sections and functions in the company which consists in using a common database within one system thanks to which the company uses only one set of data. |
| NRCP | National Road Construction Programme for 2014-2023. |
| Transport volume | Measure specifying the volume of transport work. This is calculated by multiplying the number of tonnes transported by the carrier and the distance at which they were transported. |
| Road penetrations | Small bridge objects of tunnel type, i.e. recessed into the road embankment. They are built in order to drain small watercourses, cables or pipelines. They are an integral part of bridges with a range of up to a few metres. |
| Bridge works | Range of activities undertaken on the engineering site and its immediate surroundings, consisting in keeping the facilities efficient, maintaining their components and carrying out minor repairs the scope of which can be specified for each work based on inspections performed by bridge inspectors. |
| CTMS | Continuous Traffic Measurement Stations, located next to the motorway. |

| | |
|------------------------------------|--|
| ADAT | Average Daily Annual Traffic, estimated in proportion to the changes that occur in traffic schedules (weekly, monthly) recorded by Continuous Traffic Measurement Stations. |
| Traffic management system | System including distributed implementation modules – installed in the road lane, centralised modules – installed e.g. in GDNRM traffic management centres/offices, transportable modules – installed on transportable platforms, e.g. GDNRM vehicles, as well as a mobile module – including video recorders in GDNRM vehicles. |
| Average Daily Traffic (ADT) | Number of vehicles using the motorway section in 24 hours. |
| Expansion joint devices | Devices built into expansion joint areas, allowing free movement of expansion joint edges and an unimpeded movement of vehicles or people through construction gaps. They provide a smooth ride and withstand heavy loads from vehicle wheels. |
| Road Node | Crossing or connecting roads at different levels, providing a full or partial choice of the direction of travel. |
| TPR | Toll Plaza Replacement |