

STALEXPORT AUTOSTRADY S.A.  
**MYSŁOWICE, PIASKOWA 20**

SEPARATE  
FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 2017

WITH  
AUDITOR'S REPORT

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REPORT ON THE ACTIVITIES OF THE COMPANY FOR THE FINANCIAL YEAR 2017

## AUDITOR'S REPORT

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

### **Auditor's** report

We have audited the attached annual separate financial statements of Stalexport Autostrady S.A. with its registered office in **Mysłowice**, Piaskowa 20 (hereinafter: "**Company**") comprising: a separate statement of financial position prepared as at 31 December 2017, separate statement of comprehensive income, statement of changes in equity, statement of cash flows prepared for the financial year from 1 January 2017 to 31 December 2017 and notes comprising a summary of significant accounting policies and other explanatory information ("**financial statements**").

#### *Responsibility of the **Company's** manager and those charged with governance for the financial statements*

The Management Board of the Company is obliged to prepare the financial statements based on properly kept accounting records and to present them fairly in line with the International Accounting Standards, International Financial Reporting Standards and related interpretations published as European Commission regulations and other applicable laws as well as the **entity's** articles of association. The Management Board of the Company is also responsible for ensuring internal control necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Under the Accounting Act, the Management Board of the Company and members of its Supervisory Board are obliged to ensure that the financial statements meet the requirements of the Accounting Act of 29 September 1994 (Journal of Laws of 2017, item 2342), hereinafter referred to as the "**Accounting Act**".

#### *Auditor's responsibility*

Our responsibility was to express an opinion whether the financial statements give a true and fair view of the financial and economic position as well as the financial performance of the entity in line with the applicable International Accounting Standards, International Financial Reporting Standards and related interpretations published as European Commission regulations and adopted accounting principles (policy).

Our audit of the financial statements has been performed in accordance with:

- 1) the Act on statutory auditors, auditing companies and public oversight of 11 May 2017 (Journal of Laws of 2017, item 1089) ("**Act on statutory auditors**");
- 2) National Auditing Standards in the wording of the International Standards on Auditing adopted by resolution No. 2783/52/2015 of the National Council of Statutory Auditors of 10 February 2015, as amended;
- 3) Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing

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Commission Decision 2005/909/EC (OJ EU L 158, 27 May 2014, p. 77 and OJ EU L 170, 11 June 2014, p. 66) ("*Regulation 537/2014*").

Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

The objective of the audit is to obtain reasonable assurance about whether the financial statements as a whole have been prepared based on properly kept accounting records and are free from material misstatement, whether due to fraud or error, and to issue an **auditor's** report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control and may involve any area of law and regulation not just those directly affecting the financial statements.

The audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the **auditor's** judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the **Company's** preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the **Company's** internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Board of the Company, as well as evaluating the overall presentation of the financial statements.

The scope of the audit does not include an assurance regarding the future profitability of the audited entity or the effectiveness of the **Company's** Management Board in managing the **entity's** affairs at present and in future.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The audit opinion is consistent with the additional report to the Audit Committee issued as of the date of this **auditor's** report.

### *Independence*

During the audit the key certified auditor and the audit firm remained independent of the audited entity in accordance with the provisions of the Act on statutory auditors, Regulation 537/2014 and the ethical requirements set out in resolution of the National Council of Statutory Auditors.

We certify that, to the best of our knowledge and belief, we have not provided non-audit services, which are prohibited under Article 136 of the Act on statutory auditors and Article 5.1 of Regulation 537/2014.

### *Choice of audit firm*

We were appointed to audit the financial statements of the Company by resolution No. 09/03/2017 of Supervisory Board adopted on 2 March 2017. We have been auditing the financial statements of the entity for an uninterrupted period beginning with the financial year ended 31 December 2012, i.e. for 6 consecutive financial years.

## Most significant risks

During the audit we identified the following, most significant risks of material misstatement, also resulting from fraud, and we designed audit procedures responsive to those risks. Where deemed appropriate for the understanding of the identified risks and the audit procedures performed by the auditor, we also included the most important findings related to those risks.

Description of the risks of material misstatement	Procedures carried out by the auditor in response to identified risks and key observations arising with respect to those risks
<p><i>Recognizing financial revenue from dividend</i></p> <p>Stalexport Autostrady S.A. is the direct owner of Stalexport Autoroute S.a.r.l with the registered office in Luxembourg, which is the direct shareholder of:</p> <ul style="list-style-type: none"> <li>- Stalexport Autostrada <b>Małopolska</b> S.A., a party to the Concession Agreement for construction and operation of the A4 motorway section from Katowice to <b>Kraków</b> [concluded with the Minister of Infrastructure and Construction in 1997] (henceforth: the "<b>Concession Agreement</b>") and of</li> <li>- VIA 4 S.A., a company in charge of maintenance and operation of the aforementioned motorway section, including handling and processing of traffic-related data.</li> </ul> <p>In the current financial year ended 31 December 2017 Stalexport Autostrady S.A. generated revenue from dividend paid by Stalexport Autoroute S.a.r.l in the amount of PLN 72.270 thousand, Biuro Centrum Sp. z o.o. in the amount of PLN 166 thousand and Dom Maklerski BDM S.A. in the amount of PLN 81 thousand.</p> <p>Details of the accounting policy adopted by Stalexport Autostrady S.A. with regard to financial revenue recognition (including dividend) and relevant disclosures related to these items have been presented in notes 4.16, 11 and 30.2 to the financial statements of the Company.</p> <p>We have put special focus on the issue since the Concession Agreement has made profit distribution dependent on conditions precedent as defined therein.</p>	<p>In particular, our audit procedures have included:</p> <ul style="list-style-type: none"> <li>- evaluation of consistency of the adopted accounting policy regarding revenue recognition and presentation, in particular dividend from shares in subsidiaries;</li> <li>- understanding and assessment of internal controls regarding profit distribution and transfer from subsidiaries to the shareholder (within the current capital group structure);</li> <li>- procedures involving analysis and verification whether the conditions precedent of dividend distribution as determined both in the Concession Agreement and in current legal regulations have been fulfilled.</li> </ul> <p>Disclosures included in the financial statements are sufficient and complete in light of appropriate accounting standards.</p>

## *Opinion*

In our opinion, the attached annual financial statements:

- give a true and fair view of the economic and financial position of the Company as at 31 December 2017 and its financial performance for the financial year from 1 January 2017 to 31 December 2017 in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published as European Commission regulations and the adopted accounting principles (policies),
- have been prepared based on properly kept — in line with chapter 2 of the Accounting Act — accounting records,
- comply, with respect to their form and content, with the applicable provisions of law, including the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required under the law of a non-member state (Journal of Laws of 2014, item 133, as amended) and the articles of association of the entity.

## Report on other legal and regulatory requirements

### *Opinion on the report on the activities*

We do not express an opinion on the report on the activities.

The Management Board of the Company and members of the Supervisory Board are responsible for the preparation of the report on the activities in line with the provisions of law.

Under the act on statutory auditors we were obliged to issue an opinion as to whether the report on the activities complies with the provisions of law and is consistent with underlying information disclosed in the attached financial statements. Additionally, it was our responsibility to indicate whether we have detected any material misstatement in the report on the activities and to describe the misstatement (if any), based on our knowledge of the Company and its business environment obtained in the course of the audit.

In our opinion, the report on the activities has been prepared in line with the applicable provisions of law and is consistent with the underlying information disclosed in the attached financial statements. Furthermore, we represent that based on our knowledge of the entity and its business environment obtained in the course of the audit of the financial statements, we believe that the report on the activities is free from material misstatements.

### *Opinion on the statement of compliance with corporate governance principles*

The Management Board of the Company and members of the Supervisory Board are responsible for making a statement of compliance with corporate governance principles in line with the provisions of law.

As the auditors of the financial statements we were obliged — under the act on statutory auditors — to issue an opinion as to whether the issuer, required to submit a statement of compliance with corporate governance principles, which constitutes a separate part of the report on the activities, included in such statement the legally required information and — with respect to specific information so required or required by other rules — a declaration whether it complies with applicable regulations and is consistent with the information included in the annual financial statements.

In our opinion, the statement of compliance with corporate governance principles includes information specified in Article 91.5.4 letters a, b, g, j, k and l of the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required under the law of a non-member state (Journal of Laws of 2014, item 133, as amended) ("*Ordinance*"). The information specified in



Article 91.5.4 letters c-f, h and i of the Ordinance given in the statement of compliance with corporate governance principles is consistent with the applicable provisions of law and the information presented in the financial statements.

On behalf of Deloitte Polska **Spółka z ograniczoną odpowiedzialnością** Sp. k. — entity authorized to audit financial statements entered under number 73 on the list kept by the National Council of Statutory Auditors:

**Łukasz Michorowski**  
Key certified auditor  
No. 13156

Warsaw, 28 February 2018

This Report is an English version of the original Polish version. In case of any discrepancies between the Polish and English version, the Polish version shall prevail.