

# REPORT

## OF THE MANAGEMENT BOARD ON THE OPERATIONS OF THE COMPANY AND STALEXPORT AUTOSTRADY S.A. GROUP IN H1 2024

Mysłowice, 31 July 2024

This document constitutes a translation of the Management Board's Report on the activities of the Company and Stalexport Autostrady S.A. Group in H1 2024 which was originally issued in Polish. In case of ambiguities in interpretation of terminology, the Polish terminology should be treated as binding.



STALEXPORT  
**Autostrady**

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## DEFINITIONS AND ABBREVIATIONS

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

<b>ADT</b>	Average Daily Traffic
<b>Mundys</b>	Mundys S.p.A. with its registered office in Rome (Italy) – formerly Atlantia S.p.A.
<b>Biuro Centrum</b>	Biuro Centrum Sp. z o.o. with its registered office in Katowice
<b>GPLC 2021</b>	"Good Practices of Companies Listed on the WSE 2021", which were adopted by Resolution No. 13/1834/2021 of the WSE Supervisory Board of 29 March 2021 and came into force on 1 July 2021.
<b>GDDKiA</b>	General Directorate for National Roads and Motorways
<b>WSE</b>	Warsaw Stock Exchange
<b>Group Stalexport Autostrady Group; Group</b>	Stalexport Autostrady S.A. Group with its registered office in Mysłowice
<b>CCC, Commercial Companies Code</b>	The Commercial Companies Code of 15 September 2000 (Journal of Laws 2000, No. 94, item 1037, as amended)
<b>Pavimental Poland</b>	Pavimental Polska Sp. z o.o. with its registered office in Trzebinia (32-540), ul. Dworcowa 2
<b>Regulation on Current and Periodic Information</b>	Regulation of the Minister for Finance dated 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-Member State (Journal of Laws 2018, item 757).
<b>SAM, Concessionaire</b>	Stalexport Autostrada Małopolska S.A. with registered office in Mysłowice
<b>Report</b>	Report of the Management Board on the Operations of the Company and Stalexport Autostrady S.A. Group in H1 2024
<b>Stalexport Autostrady, Company, Issuer</b>	Stalexport Autostrady S.A. with its registered office in Mysłowice
<b>Concession Agreement</b>	Concession Agreement of 19 September 1997 for the construction by way of adaptation of the A4 motorway in the section: Katowice (Murckowska interchange, km 340.2) - Kraków (Balice interchange, km 401.1) to the requirements of the toll motorway and the operation of the motorway in this section, as amended under subsequent annexes, under which the rights and obligations were fully transferred from Stalexport Autostrady to SAM on 28 July 2004.
<b>Act on Auditors</b>	The Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision (Journal of Laws 2023.0.1015, consolidated text)
<b>Act on Offering</b>	Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (Journal of Laws 2022.2554, consolidated text)
<b>UOKiK</b>	The Office of Competition and Consumer Protection

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

# PART 1

## BASIC INFORMATION ABOUT STALEXPORT AUTOSTRADY GROUP

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

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

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

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

**FIGURE 1 | ORGANISATIONAL CHART OF STALEXPORT AUTOSTRADY GROUP AS AT 30 JUNE 2024**



Source: Company's own compilation

Table 1 contains basic consolidated data of Stalexport Autostrady Group and individual data concerning the three largest entities comprising the Group, i.e. Stalexport Autostrady, SAM, and VIA4. In addition to the results achieved by these companies in H1 2024, the results achieved by them in the corresponding period of the previous year are also included for comparison, whereas for balance sheet data the figures are presented as at 31 December 2023.

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

balance sheet data	Group		Stalexport Autostrady		SAM		VIA4	
	30.06.24	31.12.23	30.06.24	31.12.23	30.06.24	31.12.23	30.06.24	31.12.23
Non-current assets	575,126	868,672	79,903	81,604	554,440	847,857	19,650	20,817
Current assets	654,220	674,731	268,659	293,090	376,953	372,961	25,155	21,066
Total shareholders' equity	702,935	757,929	339,295	366,278	422,167	445,107	8,714	13,845
Non-current liabilities	196,020	393,534	4,941	6,461	189,617	386,806	11,217	12,835
Current liabilities	330,391	391,940	4,326	1,955	319,609	388,906	24,874	15,203
Net debt*	-417,557	-622,910	-248,973	-279,043	-164,256	-335,496	23,846	18,771
result data	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023
Sales revenue	274,124	233,543	2,585	2,312	271,128	230,764	36,437	33,846
EBITDA**	127,434	113,105	-3,822	-3,714	121,064	106,511	11,103	11,165
EBIT	76,378	69,135	-3,999	-3,929	70,582	63,029	9,217	9,512
Result on financial activities	7,411	8,621	88,766	61,540	1,932	2,970	-379	-166
Net profit	61,609	57,495	84,183	57,041	52,555	47,944	7,139	7,545
EBIT margin***	28%	30%	-155%	-170%	26%	27%	25%	28%
ROE****	9%	8%	25%	18%	12%	11%	82%	83%

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

\*\*EBITDA = EBIT + depreciation and amortisation

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

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

Source: Company's own compilation



## 1.1. STALEXPORT AUTOSTRADY S.A.

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

**Management Board:**

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

**Stefano Bonomolo** –  
Vice President of the Management  
Board, Chief Operating Officer

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

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

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

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

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

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

Since mid-2006, the Company has been part of the Mundys Group. As at 30 June 2024 and as at the date of preparation of the Report, Mundys held 61.2% of the share capital of the Company. More information about Mundys Group can be found on the website at [www.mundys.com](http://www.mundys.com).

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

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

Stalexport Autostrady is the parent company and prepares consolidated financial statements. The entities consolidated as at 30 June 2024, other than the parent company, are described in the table below.

**TABLE 2 | ENTITIES COMPRISING THE GROUP AS AT 30 JUNE 2024 (OUTSIDE THE COMPANY)**

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

Source: Company's own compilation

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

The principles (basis) on which the condensed interim consolidated financial statements have been prepared are described in Section 2 of the Notes to the Condensed Interim Consolidated Financial Statements for the 6-month period ended 30 June 2024.

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

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

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

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

**Stefano Bonomolo –  
Vice President of the Management  
Board, Chief Operating Officer**

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

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

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

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

**www.autostrada-a4.pl**

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

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

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

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

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

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

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

### 1.4.2. VIA4 S.A.

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

**Management Board:**  
**Andrzej Gienieczko** –  
President of the Management Board

**Mieczysław Skołyżyński** –  
Vice President of the Management  
Board  
(resignation with effect from  
30 June 2024)

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

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

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

**www.via4.pl**

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

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

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

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

Selected financial data for VIA4 is provided in Table 1.

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

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

**Management Board:**  
Przemysław Walczak –  
President of the Management Board

Dorota Karolak –  
Vice President of the Management  
Board

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

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

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

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

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

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

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

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

## PART 2

### OTHER INFORMATION ABOUT STALEXPORT AUTOSTRADY GROUP

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

During the reporting period, the Company, as well as other Group entities, did not conclude any significant agreements for the Group's activities.

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

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

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

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

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

The Maintenance and Operation Agreement was concluded for the term of the Concession Agreement (until 2027), and its subject matter is strictly defined works related to the A4 concession-granting project, including, inter alia, toll collection services and ongoing maintenance and operation of the motorway (including winter maintenance). The contractually agreed level of remuneration of the operator for the duration of the agreement separates in the long term the risk of frequent changes in market prices affecting maintenance and operating costs and ensures continuity of service and operation during the many years' period of project implementation. In H1 2024, the value of the transaction between SAM and VIA4 resulting from the aforementioned Agreement amounted to PLN 35,772 thousand.

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

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



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

The Company incurred maintenance costs related to the security and operation of said office facility and parking lot and all said expenses were paid through Biuro Centrum. The total amount of the above mentioned expenses in H1 2024 attributable to the Company amounted to PLN 2,700 thousand.

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

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

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

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

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

According to the statements of persons managing and supervising the Company as at 30 June 2024 and as at the date of publication of the Report, none of the above mentioned persons had shares or rights to them.

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

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

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

**TABLE 3 | LIST OF STALEXPORT AUTOSTRADY SHAREHOLDERS HOLDING SIGNIFICANT PORTFOLIOS OF COMPANY SHARES (AS AT 30 JUNE 2024 AND AS AT THE REPORT PUBLICATION DATE)**

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

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

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

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

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

## PART 3

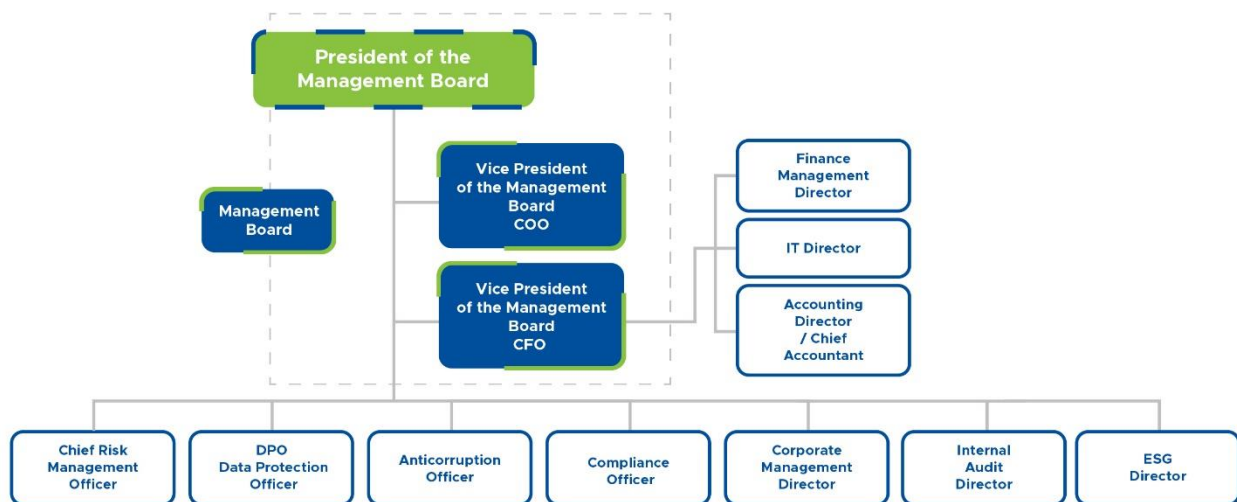
### INFORMATION RELEVANT FOR THE ASSESSMENT OF THE FINANCIAL SITUATION (CURRENT AND ANTICIPATED), PROPERTY SITUATION, FINANCIAL RESULT OF THE GROUP AND THEIR CHANGES, AND INFORMATION RELEVANT FOR THE ASSESSMENT OF THE ABILITY OF THE ISSUER AND ITS GROUP TO FULFIL THEIR OBLIGATIONS

#### 3.1. STALEXPORT AUTOSTRADY

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

Organisation chart of the Company as at 30 June 2024 is shown in the figure below.

**FIGURE 2 | ORGANISATIONAL STRUCTURE OF STALEXPORT AUTOSTRADY S.A. AS AT 30 JUNE 2024.**



Source: Company's own compilation

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

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

As at 30 June 2024, the headcount at Stalexport Autostrady was 28 persons (7.75 full-time equivalents). Thus, it increased from 31 December 2023, when it was 27 people (7.5 FTEs), and increased in relation to 30 June 2023, when it was 26 people (7.125 FTE).

As at 30 June 2024, the Group had 339 employees, including 4 managers (members of the Management Boards) and 26 middle managers (directors, managers).

For comparison, the number of employees of Stalexport Autostrady Group (in persons) as at 31 December 2023 was 338, and as at 30 June 2023 - 339.

In the first half of 2024, the number of people in the middle management group increased (by 1 person) compared to the headcount at 31 December 2023.

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

▪ **Management Board of the Company**

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

The Supervisory Board of the Company on 25 June 2024 passed a resolution to appoint Mr Stefano Bonomolo as Vice President of the Management Board, Chief Operating Officer of the Company with effect from 25 June 2024.

The composition of the Company's Management Board changed during the reporting period and was as follows:

- a) in the period from 1 January 2024 to 25 June 2024:
  - Andrzej Kaczmarek – President of the Management Board,
  - Mariusz Serwa – Vice President of the Management Board, CFO.
- b) in the period from 25 June 2024 to the Report preparation date:
  - Andrzej Kaczmarek – President of the Management Board,
  - Stefano Bonomolo - Vice President of the Management Board, COO,
  - Mariusz Serwa – Vice President of the Management Board, CFO.



**Stefano Bonomolo**  
Vice President of  
the Management Board, COO



**Andrzej Kaczmarek**  
President of  
the Management Board



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

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

## (i) Supervisory Board

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

From 1 January 2024 to 10 June 2024, the Supervisory Board was composed of the following members:

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

On 7 June 2024, Mr Stefano Bonomolo resigned, effective 10 June 2024, from his position as a member of the Company's Supervisory Board, in view of his intention to take up new positions within the Stalexport Autostrady S.A. Group. On the other hand, on 19 June 2024, the Extraordinary General Meeting of Stalexport Autostrady appointed Mr Massimo Di Casola as a member of the Supervisory Board. From that day until the Report preparation date, the Supervisory Board was composed of the following members:

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

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

### ▪ Committees of the Supervisory Board

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

During the reporting period, they functioned as follows:

- a) from 1 January 2024 to 10 June 2024:

#### Remuneration Committee:

- Stefano Bonomolo – Chairman,
- Tomasz Dobrowolski – Deputy Chairman,

- Beata Stelmach.

**Audit Committee:**

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

As of 11 June 2024 (due to his resignation from the Supervisory Board), Mr Stefano Bonomolo ceased to act as Chairman of the Remuneration Committee. As of the same date, the Supervisory Board entrusted Mr Roberto Mengucci with this function.

Consequently, as of 11 June 2024, the Remuneration and Audit Committees functioned as follows:

**Remuneration Committee:**

- Roberto Mengucci – Chairman,
- Tomasz Dobrowolski – Deputy Chairman,
- Beata Stelmach.

**Audit Committee:**

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

On 21 June 2024, Mr Roberto Mengucci resigned as Chairman of the Remuneration Committee and on 25 June 2024, the Company's Supervisory Board entrusted Mr Massimo Di Casola with this function.

Thus, the composition of the two Committees from 25 June 2024 to the date of the Report is as follows:

**Remuneration Committee:**

- Massimo Di Casola – Chairman,
- Tomasz Dobrowolski – Deputy Chairman,
- Beata Stelmach.

**Audit Committee:**

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

Mr Tomasz Dobrowolski and Ms Beata Stelmach meet the independence criteria provided for an independent member of the Audit Committee, as referred to in Article 129.3 of the Act on Auditors, Audit Firms and Public Supervision of 11 May 2017 (Journal of Laws of 2017, item 1089) and § 3.5 of the Regulations of the Audit Committee and the independence criteria provided for an independent member of the Remuneration Committee referred to in Annex II to the European Commission Recommendation 2005/162/EC of 15 February 2005 on the role of non-executive or



supervisory directors of listed companies and on the committee of the (supervisory) board and in the guidelines contained in GPLC 2021.

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

### 3.2. PRESENTATION OF FINANCIAL RESULTS

The table below shows the key financial results of Stalexport Autostrady Group achieved in H1 2024, together with comparative data for the corresponding period of the previous year.

**TABLE 4 | SELECTED ITEMS OF THE STATEMENT OF COMPREHENSIVE INCOME OF STALEXPORT AUTOSTRADY GROUP IN H1 2024 AND IN THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR (CONSOLIDATED DATA)**

PLN thousand	H1 2024	H1 2023	Change [%]
Sales revenue	<b>274,124</b>	233,543	<b>17%</b>
Cost of sales	<b>-94,221</b>	-80,827	<b>17%</b>
Other operating revenues	<b>2,906</b>	5,348	<b>-46%</b>
General and administrative expenses	<b>-102,801</b>	-88,690	<b>16%</b>
Other operating expenses	<b>-3,614</b>	-230	<b>1471%</b>
Reversal of impairment losses/(Losses) on impairment of trade and other receivables	<b>-16</b>	-9	<b>78%</b>
<b>Profit on operating activities (EBIT)</b>	<b>76,378</b>	<b>69,135</b>	<b>10%</b>
Financial income	<b>23,792</b>	28,860	<b>-18%</b>
Financial expenses	<b>-16,381</b>	-20,239	<b>-19%</b>
<b>Balance on financial activities</b>	<b>7,411</b>	<b>8,621</b>	<b>-14%</b>
Shares in the profit of affiliates	<b>47</b>	67	<b>-30%</b>
<b>Profit before tax</b>	<b>83,836</b>	<b>77,823</b>	<b>8%</b>
Income tax	<b>-22,227</b>	-20,328	<b>9%</b>
<b>Net profit</b>	<b>61,609</b>	<b>57,495</b>	<b>7%</b>

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

In H1 2024, the Group's sales revenue was 17.4% higher than in the corresponding period last year and the cost of sales was 16.6% higher than in H1 2023 (see section 3.2.2 for more information).

### 3.2.1. AMOUNT AND STRUCTURE OF OPERATING INCOME

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

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



In H1 2024, the average daily traffic on the concession section of the A4 Katowice-Kraków motorway amounted to 46,403 vehicles and was 0.8% higher than the traffic recorded in the corresponding period of 2023 (46,055 vehicles). Revenue from toll collection in H1 2024 amounted to PLN 271,129 thousand, which was 17.5% higher than in the corresponding period of 2023 (PLN 230,764 thousand).

For passenger cars, the average daily traffic increased from 37,957 vehicles in H1 2023 to 38,293 vehicles in H1 2024 (an increase of 0.9%). On the other hand, revenue from passenger car toll collection in H1 2024 amounted to PLN 172,316 thousand, an increase of 20.9% compared to H1 2023 (PLN 142,525 thousand). The difference between the dynamics of the change in toll revenue in relation to the dynamics of the change in average daily passenger car traffic is the result of changes in toll rates introduced on 3 April 2023 and 1 April 2024, as well as the elimination of the preferential toll rate for vehicles other than motorcycles as of 16 January 2024.

For trucks, on the other hand, average daily traffic increased by approx. 0.2%, i.e. from 8,097 vehicles in H1 2023 to 8,110 vehicles in H1 2024. As a result, the toll revenue for heavy goods vehicles in H1 2024 amounted to PLN 98,812 thousand, i.e. increased by 12% compared to H1 2023 (PLN 88,240 thousand). The difference between the dynamics of change in revenues from tolls in relation to the dynamics of change in average daily truck traffic is due to the increase in toll rates on 3 April 2023 and 1 April 2024.

The table below shows the Average Daily Traffic (ADT) in H1 2024 relative to H1 2023 along with the growth rate.



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

ADT	H1 2024	H1 2023	Change
 Passenger cars	38,293	37,957	0.9%
 Heavy goods vehicles	8,110	8,097	0.2%
<b>Total</b>	<b>46,403</b>	<b>46,055</b>	<b>0.8%</b>

Source: Company's own compilation

The table below shows the revenue in H1 2024 relative to H1 2023 along with the growth rate.

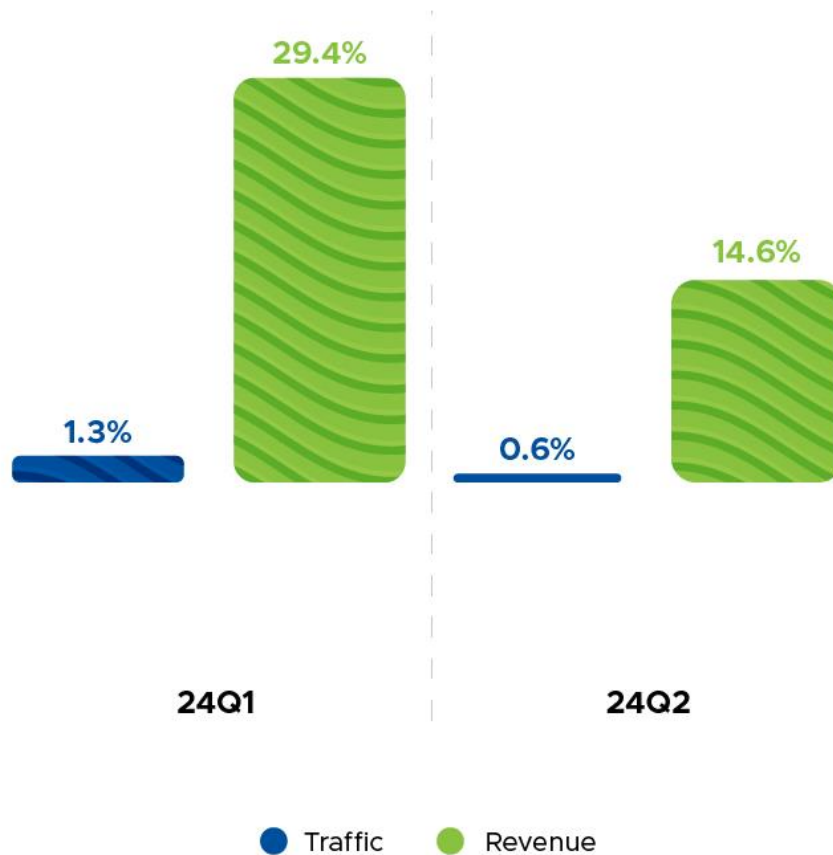
**TABLE 6 | REVENUE FROM TOLL COLLECTION**

[PLN thousand]	H1 2024	H1 2023	Change
 Passenger cars	172,316	142,525	20.9%
 Heavy goods vehicles	98,812	88,240	12%
<b>Total</b>	<b>271,129</b>	<b>230,764</b>	<b>17.5%</b>

Source: Company's own compilation

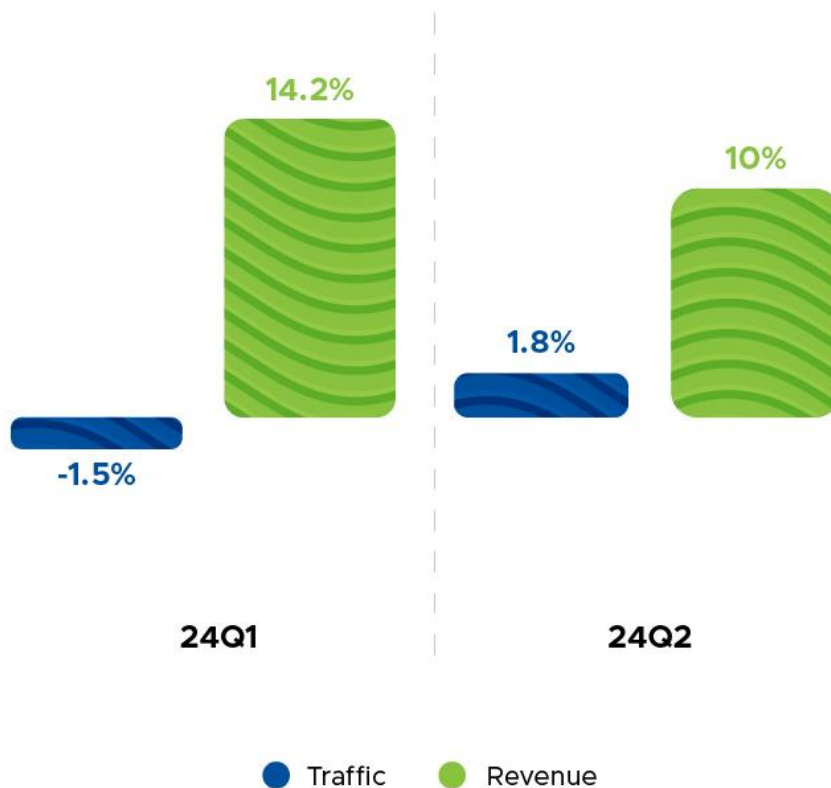
The following figures show the growth rate of Average Daily Traffic [ADT] and toll revenue in H1 2024 compared to H1 2023 on a quarterly basis, separately for passenger cars and heavy goods vehicles.

**FIGURE 3 | GROWTH RATE OF AVERAGE DAILY TRAFFIC LEVELS [ADT] AND TOLL REVENUES FOR PASSENGER VEHICLES IN THE FIRST HALF OF 2024 COMPARED TO THE FIRST HALF OF 2023 (QUARTER-TO-QUARTER)**



Source: own compilation Companies

**FIGURE 4 | GROWTH RATE OF AVERAGE DAILY TRAFFIC LEVELS [ADT] AND TOLL REVENUES FOR TRUCKS IN THE FIRST HALF OF 2024 COMPARED TO THE FIRST HALF OF 2023 (QUARTER-TO-QUARTER)**



Source: Company's own compilation

The difference in the growth rates of both traffic and revenues between quarters results from the factors described above.

In addition to toll collection, the Group earned additional sales revenues of PLN 551 thousand in connection with the motorway operation, including compensation for damages to the infrastructure caused by users.

Apart from motorway operations, the sales revenue of Stalexport Autostrady Group in the amount of PLN 2,444 thousand was related to the lease of space in the office building located in Katowice at ul. Mickiewicza 29 and the provision of other services. Compared to H1 2023, the amount of non-motorway revenue increased by 12%.

In H1 2024, other operating revenue amounted to PLN 2,906 thousand and included revenue from the lease of travel service areas (PLN 2,404 thousand), gain on disposal of property, plant and equipment and intangible assets (PLN 202 thousand), other (PLN 164 thousand), interest on receivables (PLN 84 thousand), received damages, contractual penalties, reimbursement of fees and litigation costs (PLN 52 thousand).

### 3.2.2. AMOUNT AND STRUCTURE OF OPERATING COSTS

In H1 2024, the operating expenses of Stalexport Autostrady Group amounted to PLN 200,652 thousand and were 18.2% higher than in the same period of the previous year, mainly due to "Payments to the State Treasury" (an increase of PLN 18,278 thousand), depreciation and amortization (an increase of PLN 7,086 thousand), employee benefit costs (an increase of PLN 4,975 thousand) and costs due to the establishment of provisions for resurfacing, included in the cost

of sales (an increase of PLN 4,089 thousand). The above increases were partially offset by a decrease in costs under motorway repair and maintenance services (a decrease of PLN 9,274 thousand).

In H1 2024, operating costs consisted of:

- cost of sales of PLN 94,221 thousand. The value of this group of costs was 16.6% higher than a year earlier (PLN 80,827 thousand), mainly due to the increase in depreciation (PLN 6,394 thousand) and costs of establishing provisions for resurfacing (PLN 4,089 thousand),
- general and administrative expenses in the amount of PLN 102,801 thousand, which increased by PLN 14,111 thousand (15.9%) compared to the same period a year earlier, mainly due to the "Payment to the State Treasury" described above,
- other operating expenses in the amount of PLN 3,614 thousand, decisively influenced by costs related to abandonment of investments recognized in previous periods as utilization of provision for capital expenditures (PLN 3,402 thousand),
- impairment losses on trade and other receivables in the amount of PLN 16 thousand.

### 3.2.3. FINANCING ACTIVITIES

In H1 2024, the Group recorded a positive balance on financing activities of PLN 7,411 thousand, i.e. the financial revenue generated (PLN 23,792 thousand) was higher than the financial expenses incurred (PLN 16,381 thousand). The amount of financial revenue was mainly influenced by interest on cash and deposits, in the amounts of PLN 9,817 thousand and PLN 13,905 thousand, respectively. Financial costs were mainly affected by the discounting of provisions in the amount of PLN 14,429 thousand and discounting of the liability due to Concession Fees in the amount of PLN 1,273 thousand.

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

The balance on financing activities recorded in H1 2024 (PLN 7,411 thousand) was lower compared to the balance recorded in H1 2023 (PLN 8,621 thousand).

### 3.3. PROPERTY AND FINANCIAL SITUATION

The table below presents a synthetic statement of financial position of the Group as at 30 June 2024. The comparison also shows the value of individual items and their structure at the end of 2023.

**TABLE 7 | SYNTHETIC STATEMENT OF FINANCIAL POSITION OF STALEXPORT AUTOSTRADY GROUP (CONSOLIDATED DATA) – AS AT 30 JUNE 2024 AND 31 DECEMBER 2023.**

figures in PLN thousand	30.06.2024	31.12.2023	Change	Structure	
			2024/2023	30.06.2024	31.12.2023
<b>Non-current assets</b>	<b>575,126</b>	868,672	<b>-34%</b>	47%	<b>56%</b>
<b>Current assets</b>	<b>654,220</b>	674,731	<b>-3%</b>	53%	<b>44%</b>
<b>Total shareholders' equity</b>	<b>702,935</b>	757,929	<b>-7%</b>	57%	<b>49%</b>
<b>Non-current liabilities</b>	<b>196,020</b>	393,534	<b>-50%</b>	16%	<b>25%</b>
<b>Current liabilities</b>	<b>330,391</b>	391,940	<b>-16%</b>	27%	<b>25%</b>
<b>Balance sheet total</b>	<b>1,229,346</b>	<b>1,543,403</b>	<b>-20%</b>	<b>100%</b>	<b>100%</b>

Source: own compilation Companies

#### 3.3.1. ASSETS

The largest item of **non-current assets**, was intangible assets, the value of which as at the end of H1 2024 amounted to PLN 254,310 thousand and consisted almost entirely of concession intangibles. Compared to the end of 2023, their value decreased by PLN 56,976 thousand. This decrease is the result of (i) depreciation of concession and other intangible assets (PLN 46,422 thousand), (ii) decrease in concession intangible assets due to revaluation (PLN 172,398 thousand) and (iii) acquisition (PLN 161,844 thousand).

The second largest item was long-term cash and cash equivalents, the value of which decreased to PLN 200,389 thousand at the end of H1 2024 from PLN 415,799 thousand at the end of 2023, mainly the result of an increase in cash accumulated by SAM on deposit/reserve accounts created in accordance with the provisions of the Concession Agreement in order to perform strictly defined tasks (these include mainly financing of the implemented investment programme and resurfacing). The balance of funds was significantly affected by the payment of PLN 161,374 thousand in accordance with the provisions of Annex 9 to the Concession Agreement (for more details, see Note 4 to the interim consolidated financial statements).

Other significant non-current assets items included deferred tax assets (PLN 77,038 thousand, down by PLN 19,682 thousand) and property, plant and equipment (PLN 36,193 thousand, down by PLN 1,249 thousand). The first item mentioned above included deferred tax assets relating to property, plant and equipment and provisions established, offset by a deferred tax liability relating mainly to concession intangibles.

In the structure of **current assets**, the largest item was cash (PLN 594,984 thousand), whose value as at the end of H1 2024 decreased by PLN 43,261 thousand compared to the balance as at the end of 2023. Another significant current asset was trade and other receivables (PLN 35,752 thousand), which increased by PLN 4,069 thousand, mainly due to an increase in receivables from other entities. In addition, there were income tax receivables in the



amount of PLN 17,718 thousand, and inventories (PLN 4,353 thousand) increased by PLN 864 thousand. Short-term investments and finance lease receivables amounted to PLN 1,319 thousand and PLN 94 thousand, respectively, and did not change significantly compared to the end of 2023.

### 3.3.2. LIABILITIES

As of June 30, 2024, the Group's total **liabilities and provisions** amounted to PLN 526,411 thousand, 37% of which were long-term items. The main titles of liabilities and provisions included:

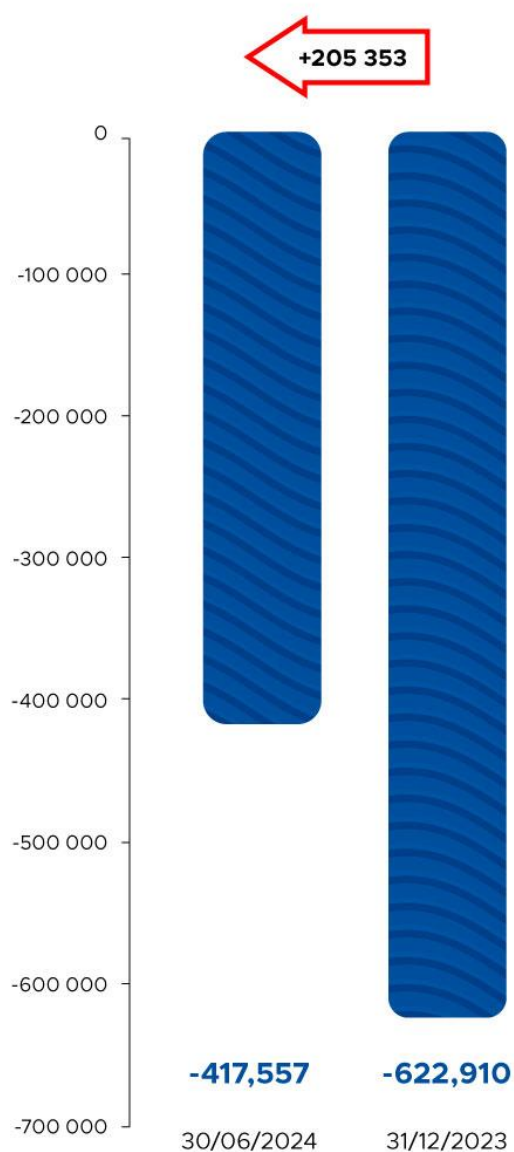
- PLN 222,567 thousand of provision established for the planned replacement of the motorway surface;
- PLN 148,595 thousand of provision for capital expenditures under stage II of the investment project carried out on the managed section of the A4 motorway;
- PLN 113,261 thousand of trade and other payables;
- PLN 13,001 thousand of other non-current liabilities (including PLN 7,040 thousand of liabilities on account of Concession Fees),
- PLN 10,247 thousand of liabilities due to employee benefits;
- PLN 10,156 thousand worth of prepaid A4 proximity cards and A4Go on-board units sold but not used for travel on the A4 Katowice-Kraków motorway;
- PLN 4,864 thousand of lease liabilities,
- PLN 3,313 thousand of prepayments for lease of Travel Service Areas and land for optical fibres (applies to the A4 Katowice-Kraków motorway section),
- PLN 407 thousand of income tax liabilities.

### 3.3.3. NET DEBT

Excluding provisions for stage II construction works from the liabilities, the Group's net debt in H1 2024 changed by PLN 205,353 thousand. The primary impact on the change in the Group's net debt during the period under review was a decrease in long-term cash and cash equivalents and, to a lesser extent, short-term cash. The decrease in funds was significantly impacted by the payment of PLN 161,374 thousand in accordance with the provisions of Annex No. 9 to the Concession Agreement (for further details see note 4 to the interim consolidated financial statements).

The detailed calculation of the ratio and its value at the end of H1 2024 and at 31 December 2023 is presented below.

**FIGURE 5 | GROUP NET DEBT LEVELS (CONSOLIDATED DATA) – AS AT 30 JUNE 2024 AND 31 DECEMBER**



● Net debt

PLN '000	30/06/2024	31/12/2023
<b>A4 project loan</b>	0	0
<b>Motorway resurfacing provisions</b>	+222,567	+234,678
<b>Trade payables and other payables</b>	+113,261	+144,421
<b>Deferred income</b>	+3,313	+2,695
<b>Other non-current payables</b>	+13,001	+16,759
<b>Payables related to employee benefits</b>	+10,247	+7,710
<b>Payables under agreements</b>	+10,156	+9,692
<b>Other payables and provisions</b>	0	0
<b>Lease payables</b>	+4,864	+4,963
<b>Income tax payables</b>	+407	+10,216
<b>Long-term cash and cash equivalents</b>	-200,389	-415,799
<b>Other current investments</b>	0	0
<b>Cash and cash equivalents</b>	-594,984	-638,245
<b>Net debt</b>	<b>-417,557</b>	<b>-622,910</b>

Source: Company's own compilation

### 3.3.4. INVESTMENT OUTLAYS

The value of investment outlays incurred by the Stalexport Autostrady Group in H1 2024 was equal to PLN 206,575 thousand.

This amount includes construction work carried out on the managed section of the A4 Katowice-Kraków motorway in the amount of PLN 45,201 thousand. These expenses were mainly related to the drainage system of the Silesian section of the motorway. The Group's other investment outlays include the purchase of equipment necessary for the on-going maintenance of the motorway as well as the replacement of office equipment and means of transport. The value of investment outlays presented above also includes the Engineer's costs and design costs. All the investment activities of the Group described above were included in planned investment outlays for 2024 and were previously approved by the Supervisory Board of Stalexport Autostrady. It is also worth to note that the financing of the investment tasks under the Concession Agreement concluded by SAM is secured with own funds derived from the operation of the A4 motorway (tolls).

In addition, the Group's investment outlays also include the recognition in H1 2024 of concession intangible assets in the amount of PLN 161,374 thousand, arising as a result of the signing of Annex 9 to the Concession Agreement (for more details, see Note 4 to the interim consolidated financial statements).

## PART 4

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

#### 4.1. GROWTH PROSPECTS

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

It was possible to implement this project thanks to the experience of the companies from the Mundys capital group in the electronic toll collection sector. Drawing further on this experience, in 2019 the Group undertook actions aimed at introducing more electronic payment forms. As a result of these activities, videotolling was introduced in July 2019 using the AutoPay app, and in 2020 and a newer and more user-friendly online store was launched for “A4Go” ([www.a4go.pl](http://www.a4go.pl)). Subsequently, the videotolling function was also made available through apps such as SkyCash (in July 2020), IKO PKO BP (in February 2021), and mPay (from January 2022 until 31 July 2024), as well as to users of fleet cards from Orlen (in May 2021), Shell (in April 2022) and DKV (in March 2023).

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

In addition to the above tasks, the potential directions of the **Group's external development strategy** are also being analyzed. The National Roads Construction Program until 2030 (with an outlook until 2033) still provides for the possibility of implementing investments on the basis of multi-year contracts in accordance with the Act of October 27, 1994 on Toll Motorways and the National Road Fund. This opens up the possibility of financing motorways under the Public-Private Partnership (PPP) formula. Entities that will be entrusted with the implementation of tasks in this mode will be able to raise funds for potential financing on market terms, as well as from other instruments and sources available to this type of project by the private sector. Based on its human, technical and financial resources, as well as the experience of its main strategic shareholder (Mundys Group), the Group also does not rule out investments in infrastructure or real estate other than motorways.

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

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

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

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

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

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

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

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

Additional risks are also related to the decision of the Polish Office of Competition and Consumer Protection of 2008, in which the Office stated, among other things, that the Concessionaire's practice restricted competition by "imposing unfair prices for using the toll section of the motorway in the amount specified in the price list, despite repair works being carried out at the same time on that section, resulting in major traffic disruption" and ordered that these practices be ceased. When performing future renovation works causing substantial traffic disruption, the Concessionaire should take into account the provisions of that decision in its toll rate policy. The Company reduced this risk by introducing the

following documents for application: (i) the Rules of performance of works causing traffic disruption on the motorway and (ii) the Principles of charging reduced toll rates if construction/renovation works are being performed between the toll plazas leading to the failure to meet the motorway standard.

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

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

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

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

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

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

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

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

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

The proper identification of risks in all the above-mentioned areas of the Company's, the Group's and their owners' activities, as well as the determination of the acceptable level of risk are the responsibility of the Management Board,

supported with regard to the above by the Chief Risk Management Officer, appointed both at the level of Stalexport Autostrada and at the level of the subsidiaries.

## PART 5

### SUMMARY

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

<u>31 July 2024</u> <i>Date</i>	<hr/> <b>Andrzej Kaczmarek</b> President of the Management Board	<i>Signed with a qualified electronic signature</i>
<u>31 July 2024</u> <i>Date</i>	<hr/> <b>Stefano Bonomolo</b> Vice President of the Management Board, Chief Operating Officer	<i>Signed with a qualified electronic signature</i>
<u>31 July 2024</u> <i>Date</i>	<hr/> <b>Mariusz Serwa</b> Vice President of the Management Board, Chief Financial Officer	<i>Signed with a qualified electronic signature</i>



## PART 6

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

### Statement

We hereby represent that to the best of our knowledge the condensed interim consolidated financial statements of the Company for H1 2024 and comparative data have been prepared in compliance with the applicable accounting principles and that they give a true, fair and clear view of the property and financial position, as well as of the financial result of Stalexport Autostrady.

We also declare that the Report of the Management Board on the operations of Stalexport Autostrady S.A. in H1 2024 contains a true representation of the growth, achievements and situation of the Company, including the description of principal threats and risks.

<u>31 July 2024</u> Date	<hr/> <b>Andrzej Kaczmarek</b> President of the Management Board	<i>Signed with a qualified electronic signature</i>
<u>31 July 2024</u> Date	<hr/> <b>Stefano Bonomolo</b> Vice President of the Management Board, Chief Operating Officer	<i>Signed with a qualified electronic signature</i>
<u>31 July 2024</u> Date	<hr/> <b>Mariusz Serwa</b> Vice President of the Management Board, Chief Financial Officer	<i>Signed with a qualified electronic signature</i>

## APPENDIX

**Appendix 1** Selected financial data of Stalexport Autostrady

**Appendix 2** Selected financial data of Stalexport Autostrady Group

## APPENDIX 1

### SELECTED FINANCIAL DATA OF STALEXPORT AUTOSTRADY

**TABLE 8 | FINANCIAL DATA RELATING TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS OF STALEXPORT AUTOSTRADY FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2024**

	in PLN thousand		in EUR thousand	
	H1 2024	H1 2023	H1 2024	H1 2023
Revenue	<b>2,585</b>	2,312	<b>600</b>	501
Loss on operating activities	<b>(3,999)</b>	(3,929)	<b>(928)</b>	(852)
Profit before tax	<b>84,767</b>	57,611	<b>19,663</b>	12,489
Net profit for the reporting period	<b>84,183</b>	57,041	<b>19,528</b>	12,365
Weighted average number of shares at the end of the period (in thousands)	<b>247,262</b>	247,262	<b>247,262</b>	247,262
Earnings per ordinary share (in PLN/EUR)	<b>0.34</b>	0.23	<b>0.08</b>	0.05
Diluted earnings per ordinary share (in PLN/EUR)	<b>0.34</b>	0.23	<b>0.08</b>	0.05
Net cash from operating activities	<b>(1,556)</b>	(2,588)	<b>(361)</b>	(561)
Net cash from investing activities	<b>83,792</b>	56,608	<b>19,437</b>	12,271
Net cash from financing activities	<b>(111,455)</b>	(49,630)	<b>(25,854)</b>	(10,759)
Total net cash flows	<b>(29,219)</b>	4,390	<b>(6,778)</b>	952
	<b>30.06.2024</b>	<b>31.12.2023</b>	<b>30.06.2024</b>	<b>31.12.2023</b>
Total assets	<b>348,562</b>	374,694	<b>80,817</b>	86,176
Non-current assets	<b>79,903</b>	81,604	<b>18,526</b>	18,768
Current assets	<b>268,659</b>	293,090	<b>62,291</b>	67,408
Total payables	<b>9,267</b>	8,416	<b>2,149</b>	1,936
Non-current liabilities	<b>4,941</b>	6,461	<b>1,146</b>	1,486
Current liabilities	<b>4,326</b>	1,955	<b>1,003</b>	450
Total equity	<b>339,295</b>	366,278	<b>78,668</b>	84,241

Source: Company's own compilation

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

- individual items of the separate statement of comprehensive income and the separate cash flow statement for H1 2024 and H1 2023 according to the exchange rate being the arithmetic mean of the average exchange rates announced by the National Bank of Poland, in force on the last day of each month of the fiscal period, i.e. 4.3109 PLN/EUR and 4.6130 PLN/EUR, respectively;
- individual asset and liability items at the average exchange rate announced by the National Bank of Poland as at the balance sheet date, i.e. respectively 4.3130 PLN/EUR as at 30 June 2024 and 4,3480 PLN/EUR as at 31 December 2023.

## APPENDIX 2

### SELECTED FINANCIAL DATA OF STALEXPORT AUTOSTRADY GROUP

**TABLE 9 | FINANCIAL DATA RELATING TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF STALEXPORT AUTOSTRADY GROUP FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2024**

	in PLN thousand		in EUR thousand	
	H1 2024	H1 2023	H1 2024	H1 2023
Revenue	<b>274,124</b>	233,543	<b>63,589</b>	50,627
Profit on operating activities	<b>76,378</b>	69,135	<b>17,717</b>	14,987
Profit before tax	<b>83,836</b>	77,823	<b>19,447</b>	16,870
Net profit for the reporting period	<b>61,609</b>	57,495	<b>14,291</b>	12,464
Net profit attributable to owners of the Parent Company	<b>58,396</b>	54,099	<b>13,546</b>	11,728
Weighted average number of shares at the end of the period (in thousands)	<b>247,262</b>	247,262	<b>247,262</b>	247,262
Earnings per share attributable to owners of the Parent Company (in PLN/EUR)	<b>0.24</b>	0.22	<b>0.05</b>	0.05
Diluted earnings per share attributable to owners of the Parent Company (in PLN/EUR)	<b>0.24</b>	0.22	<b>0.05</b>	0.05
Net cash from operating activities	<b>75,464</b>	78,947	<b>17,505</b>	17,114
Net cash from investing activities	<b>(218,278)</b>	3,922	<b>(50,634)</b>	850
Net cash from financing activities	<b>(115,857)</b>	(54,835)	<b>(26,875)</b>	(11,887)
Total net cash flows	<b>(258,671)</b>	28,034	<b>(60,004)</b>	6,077
	<b>30.06.2024</b>	<b>31.12.2023</b>	<b>30.06.2024</b>	<b>31.12.2023</b>
Total assets	<b>1,229,346</b>	1,543,403	<b>285,033</b>	354,968
Non-current assets	<b>575,126</b>	868,672	<b>133,347</b>	199,787
Current assets	<b>654,220</b>	674,731	<b>151,686</b>	155,182
Total payables	<b>526,411</b>	785,474	<b>122,052</b>	180,652
Non-current liabilities	<b>196,020</b>	393,534	<b>45,449</b>	90,509
Current liabilities	<b>330,391</b>	391,940	<b>76,604</b>	90,143
Total equity	<b>702,935</b>	757,929	<b>162,981</b>	174,317
Equity of owners of the Parent Company	<b>699,014</b>	751,699	<b>162,071</b>	172,884
Non-controlling interest	<b>3,921</b>	6,230	<b>909</b>	1,433
Share capital	<b>185,447</b>	185,447	<b>42,997</b>	42,651

Source: Company's own compilation

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

- a) individual items of the consolidated statement of comprehensive income and the consolidated cash flow statement for H1 2024 and H1 2023 according to the exchange rate being the arithmetic mean of the average exchange rates announced by the National Bank of Poland, in force on the last day of each month of the fiscal period, i.e. 4.3109 PLN/EUR and 4.6130 PLN/EUR, respectively;*
- b) individual asset and liability items at the average exchange rate announced by the National Bank of Poland as at the balance sheet date, i.e. respectively 4.3130 PLN/EUR as at 30 June 2024 and 4.3480 PLN/EUR as at 31 December 2023.*