



**MANAGEMENT BOARD REPORT ON OPERATIONS
OF GRUPA KAPITAŁOWA ARTERIA S.A. AND ARTERIA
S.A. FOR 2021**

Warsaw, 4 May 2022

LETTER BY THE PRESIDENT OF THE MANAGEMENT BOARD TO SHAREHOLDERS OF THE CAPITAL GROUP AND ARTERIA S.A.

Dear Reader,

Year 2021 was characterised by a highly volatile economic environment. Administrative restrictions related to the COVID-19 pandemic were still in place in the first months of last year, which were gradually eased from the second quarter onwards until they were completely lifted in the second half of the year. Under these conditions, we have come to implement services in the area of Business Process Outsourcing. In the case of the Call Center segment, this meant systematically increasing sales levels and winning new contracts. In the case of Sales Support, we had to make up for the losses incurred during the pandemic period. Year 2021 was another year in which we provided services in a hybrid model, with the majority of remote work carried out by several thousand telemarketing posts. This has required us to incur additional infrastructure expenditure to ensure that, despite operating under a distributed model, we can provide quality customer service.



Thanks to the experience gained in the extremely difficult conditions of lockdown in 2020, during the reporting period the Capital Group learned how to operate in new circumstances. This is demonstrated by the sales results achieved in the reporting period. As the Capital Group, we generated significant sales growth during this period. Revenues totalled PLN 292.2 mln and were 50.2% higher than in the previous 12 months. Such significant increases were possible primarily due to contracts executed within the Call Center segment. Total revenues in this segment amounted to PLN 206.6 mln, which accounted for nearly 70.7% of the total sales of the Issuer and represented a year-on-year increase of 46%. Sales growth was undoubtedly fostered by the growing interest in services based on telemarketing and remote customer support, which was a visible market trend during the pandemic period. The increase in sales in the Call Center segment was made possible by both proper project management and the acquisition of new orders. The trust we have earned over the years of our presence on the market has allowed us not only to maintain the existing contracts, but also to systematically increase their scale. This was supported by a stable and strongly diversified portfolio of customers bound by long-term contracts, which mainly come from the energy, financial, publishing and telecommunications industries. In the pandemic period, this was supplemented by contracts acquired in the area of medical services and performed for the National Health Fund. Last year was also successful for the Sales Support segment, which ended the year with a significant increase in sales compared to 2020 and stabilised its position after a difficult pandemic period. Revenues amounted to PLN 85.7 mln and were 61% higher than in the same period last year.

The annual results are burdened by an impairment loss on receivables created in the fourth quarter of nearly PLN 11 mln. The provisions established are mainly due to the conservative approach of the Management Board of the Issuer to the recovery of receivables under the completed contract. The legitimacy of the claims was confirmed by a judgement of the court of first instance issued after the end of the reporting period. Despite the write-off, we recorded a significant improvement in operating profitability compared to 2020, which enabled us to generate EBIT of PLN 5.9 mln, EBITDA of PLN 13 mln and net profit of PLN 4.7 mln.

I am confident that the effort we put into developing our organisation in 2021 will enable us to meet the further challenges that the first months of 2022 have brought. Russia's aggression against Ukraine has had irreversible socio-economic consequences: the largest refugee migration in post-war European history, a significant increase in fuel prices, rising interest rates, accelerating inflation and thus a general rise in the cost of living. In the case of the Issuer as a company conducting a significant part of its business on foreign markets (in the *nearshoring* model), this meant the necessity of immediate and indefinite suspension of projects on the Ukrainian and Russian markets. We estimate that this will have a significant impact on sales performance and profitability indicators in the current year. Losses are difficult to estimate at the moment, no less they could result in significant decreases compared to the budget planned for the current year. As the Management Board, we have taken all measures to minimise the negative effects of the war and, as far as possible, maintain the level of employment of consultants coming from Ukraine, among others by launching pro bono additional hotlines providing assistance to refugees. We will monitor the situation on an ongoing basis, taking care to maintain a stable liquidity situation while participating in tenders for new projects in the area of Business Process Outsourcing.

I also see the challenges for 2022 in staffing issues, which are of fundamental importance especially for employment in the Call Center segment. After the market's apparent decline in turnover, with pandemic workers

betting on job security and reluctant to take the risks associated with changing jobs, year 2021 saw a gradual reversal of this trend. Dynamic macroeconomic changes associated with falling living standards and rising costs of living have resulted in a real decline in the value of wages and thus a greater willingness to change jobs. For the Call Center sector, it is estimated that turnover in 2022 could be as high as 25%. The way to retain workers is to require wage levels to be equalised by at least an inflationary increase and for employers to be more flexible with a hybrid employment model. In the case of the Issuer, this means a multi-million increase in employee costs per year. Added to this are the costs associated with rising energy and heating prices which, in our case as a Group with operations in more than a dozen locations, will have a significant impact on the increase in fixed costs. The financial cost of servicing loans will also increase due to rising interest rates. We are therefore facing a challenging year that will require difficult decisions to be taken. Nevertheless, I remain optimistic because, as 2020 proved, our organisation was able not only to maintain the highest quality of customer service in extremely difficult pandemic conditions, but also to increase sales volumes and acquire new customers.

On behalf of the Management Board of Arteria S.A., I invite you to read the contents of the Separate and Consolidated Financial Statements and the Management Board Report on Operations of the Issuer, as well as the Non-Financial Statement for 2021. You will find there detailed information on the financial results and operating activities of Grupa Kapitałowa Arteria S.A. in the previous year. The report also provides further information on the key risks and threats that may affect the Issuer's business in 2022 and beyond.

Yours faithfully,

Marcin Marzec

President of the Management
Board of Arteria S.A.

1. BASIC INFORMATION

1.1. General information

Grupa Kapitałowa Arteria S.A. (hereinafter also: "Group" or "Capital Group") consists of the Arteria S.A. Parent Company (hereinafter also: "Issuer", "Company" or "Parent Company") and its subsidiaries.

The Issuer operates under the business name of Arteria Spółka Akcyjna with its registered office in Warsaw, address: ul. Stawki 2A, 00-193 Warszawa. Arteria S.A. operates under the Company's Charter made in the form of a notarial deed of 30 November 2004 (Rep. A No. 5867/2004), as amended, and the Code of Commercial Companies. On 17 January 2005, the Company was entered into the National Court Register in the District Court for the Capital City of Warsaw - 12th Commercial Department under number: National Court Register (KRS) 0000226167, Tax Identification Number (NIP) 527-24-58-773, Polish Business Register Number (Regon) 140012670. The Company was established for an indefinite period of time.

Arteria S.A. has been listed on the Stock Exchange since 2006.

1.2. Organisation of Grupa Kapitałowa Arteria S.A.

As of 31 December 2021, ARTERIA S.A. was a Parent Company to the following entities jointly forming Grupa Kapitałowa Arteria S.A.:

<i>Item</i>	<i>Company name</i>	<i>Registered office</i>	<i>Scope of operation</i>	<i>Share in the share capital (%)</i>
1	Polymus Sp. z o.o.	Warszawa	Integrated marketing	100%
2	Sellpoint Sp. z o.o.	Warszawa	Sales support	100%
3	Arteria Customer Services Arteria Management Sp. z o.o. o. sp.k. (formerly Gallup)	Warszawa	Call Center	100%
4	Rigall Arteria Management Sp. z o.o. sp.k.	Warszawa	Financial agency services	100%
5	Trimtab Arteria Management Sp. z o.o. sp.k.	Warszawa	Business processes	100%
6	Mazowiecki Inkubator Technologiczny S.A.	Warszawa	Business counselling	100%
7	Arteria Management Sp. z o.o.	Warszawa	Business counselling	100%
8	Arteria Care Services Sp. z o.o.	Warszawa	Financial agency services	100%
9	Arteria Logistics Sp. z o.o.	Warszawa	Logistics services	100%
10	Contact Center Sp. z o.o.	Warszawa	Call Center	100%
11	BPO Management Sp. z o.o.	Warszawa	Call Center	100%
12	1System Sp. z o.o.	Warszawa	Call Center	100%
13	Arteria G Partner Sp. z o.o.	Warszawa	Call Center	100%
14	Catmood Sp. z o.o.	Warszawa	Business counselling	100%
15	Sellogic Sp. z o.o.	Warszawa	Business counselling	100%
16	Medical Process Management Sp. z o.o.	Warszawa	Business counselling	100%
17	Closer Sp. z o.o.	Warszawa	Sales support	98%
18	Bajkowsko Sp. z o.o.	Warszawa	Business counselling	57.4%
19	AD Mobile Sp. z o.o.	Warszawa	Business counselling	55.5%
20	BubbaCar Sp. z o.o.	Warszawa	Business counselling	55.9%
21	TT Interactive Sp. z o.o.	Warszawa	Business counselling	54%
22	E-gymnastics Sp. z o.o.	Warszawa	Business counselling	52.7%

The entities of Grupa Kapitałowa Arteria S.A. that are subject to consolidation as at the balance sheet date, i.e. 31 December 2021, are: Polymus Sp. z o.o., Sellpoint Sp. z o.o., Arteria Customer Services Arteria Management Sp. z o.o. sp.k., Rigall Arteria Management Sp. z o.o. sp.k., Trimtab Arteria Management Sp. z o.o. sp.k., Mazowiecki Inkubator Technologiczny S.A., Arteria Management Sp. z o.o., Arteria Care Services Sp. z o.o., Arteria Logistics Sp. z o.o., Contact Center Sp. z o.o., BPO Management Sp. z o.o. and Arteria G Partner Sp. z o.o. Other entities are not consolidated due to low materiality.

2. GRUPA KAPITAŁOWA ARTERIA S.A. FINANCIAL AND ECONOMIC SITUATION REVIEW

2.1. Review of Consolidated Results of Grupa Kapitałowa Arteria S.A. for 2021

Key financial data	01/01/2021 31/12/2021	01/01/2020 31/12/2020	Dynamics %
Revenues from sales	292,231	194,532	50.2
Operating result	5,902	(4,209)	-
Net profit attributable to the Parent Company	4,647	(6,748)	-
Total assets	114,858	103,210	11.3
Equity	48,261	43,614	10.7
Total liabilities	66,597	59,596	11.7
EBITDA	12,997	1,600	712.4
Amortisation and depreciation	7,095	5,809	22.1

- an increase in revenues from sales by 50.2%
- increase in EBITDA by 712% to PLN 12,997 thousand
- profit attributable to the Parent Company amounted to PLN 4,647 thousand

During the twelve months of 2021, the revenues from sales of Grupa Kapitałowa Arteria S.A. (“Issuer”, “Company”) reached PLN 292,231 thousand and were 50.2% higher than in the same period last year (an increase of PLN 97,699 thousand). In the fourth quarter alone, the Issuer generated PLN 84,107 thousand in revenue compared to PLN 50,834 thousand a year earlier, an increase of 65.5%, confirming that after a pandemic year, the end of 2021 was again the seasonally best period of the year. In the reported period, the Issuer maintained high sales dynamics despite the volatile economic environment. In the first quarter of 2021, only February passed without significant restrictions on free movement and stationary trade. In contrast, both January and March were affected by a lockdown, with the last month of the first quarter being regional, covering part of the provinces. From April onwards, there has been a marked easing of restrictions and a return to normality, with traders and consumers learning to function in a pandemic environment, showing a higher level of flexibility compared to the situation in previous quarters. The second half of the year allowed the Issuer to operate in a more predictable economic environment but still maintaining a hybrid working model.

Revenues by segment	31/12/2021	31/12/2020
Revenues from the CONTACT CENTER division	206,561	141,459
Revenues from the SALES ASSISTANCE division	85,670	53,073
Total revenues	292,231	194,532

CALL CENTER SEGMENT

The Issuer’s main source of revenues in 2021 was sales conducted in the Call Center segment, which accounted for 70.7% of the Issuer’s total sales. The sales cumulatively amounted to PLN 206,561 thousand and were 46% higher than in the previous year. The segment’s revenues were based on permanent and long-term contracts performed for the energy industry, mobile operators, financial and insurance industries. The increase in sales in the Call Center segment must also be combined with a general increase in interest in services and a change in the behaviour of Poles in the last two years. This is confirmed by publicly available studies, according to which, due to the pandemic, sales made through remote communication channels increased by more than 40%. This also applies to the use of e-services in public administration through trusted profiles. This trend has resulted in a greater willingness than before for consumers to use the services offered online themselves and to seek advice from consultants on, among others, medical services such as: helplines in the process of the service of the national vaccination programme, the operation of the e-Pacjent platform and medical tele-counselling.

SALES SUPPORT SEGMENT

In the second segment of the Issuer's activity, i.e. Sales Support, in the reported period sales of PLN 85,670 thousand were recorded, which meant an increase in revenues by 61% compared to the same period of 2021 and accounted for 29.3% of the Issuer's total sales. The low 2020 base was mainly due to the conduct of renewed administrative restrictions during the pre-Christmas period. The Sales Support segment covers a wide range of sales-related services, including management of advertising materials and sales networks, merchandising, logistics and distribution of marketing services, advertising activities and event organisation.

The segment's performance indicates that despite increased consumer mobility and a return to pre-pandemic sales levels, particularly in shopping centres, it has been difficult to fully rebuild the market position and make up for the losses of 2020. However, the rapid return of customers to stationary shopping in shopping centres has proven that consumers are attached to the traditional form of leisure and spending. It has emerged that despite some customers moving to online shopping, the retail industry can still count on profits.

Marketing budgets have been unfrozen, especially in the sectors hardest hit by the pandemic such as tourism, transport, entertainment, clothing and cosmetics. This has had a positive impact on the display of goods in retail chains and an increase in the value of product promotion services carried out in direct contact with consumers. Despite the apparent change in the shopping preferences of Poles and the widespread digitalisation of trade, the Issuer not only did not lose customers in the Sales Support segment, but recorded revenue growth. The Company maintained full operational capacity in this segment, maintained its existing headcount and attracted new customers.

PROFITABILITY RATIOS AND IMPAIRMENT WRITE-DOWNS ON RECEIVABLES

Despite the persistent state of the pandemic and the related administrative restrictions in the first half of the year, the Issuer not only recorded a significant increase in revenues, but also an improvement in operating profitability, which allowed it to generate an EBIT of PLN 5,902 thousand, compared with a loss of PLN 4,209 thousand in the same period last year. As a result, in the reported period, EBITDA amounted to PLN 12,997 thousand against PLN 1,600 thousand in 2021. The net profit generated attributable to the Parent Company for the twelve months of 2021 was PLN 4,647 thousand, which in comparison with the loss recorded in the same period last year of PLN 6,748 thousand should be regarded as a satisfactory result.

The Issuer's financial results are burdened by an impairment write-down on receivables of PLN 10.3 mln, created in the fourth quarter of 2021. This receivable relates to remuneration from Szpital Powiatowy Gajda-Med Sp. z o.o., in respect of the performance of the "First Contact Teleplatform" service for the National Health Fund by the Issuer's subsidiaries.

At the end of October 2021, the legal representative acting on behalf of the Issuer's subsidiaries filed a statement of claim against Szpital Powiatowy Gajda-Med Sp. z o.o. for payment of remuneration due to the Issuer's subsidiaries for the performance of the "First Contract Teleplatform" service. The Issuer announced this in its third quarter interim report on 29 November 2021.

On 15 April 2022, the Issuer published in a current report the information that the District Court in Białystok passed a judgement adjudicating for the benefit of the Issuer's subsidiaries the amount of PLN 7.1 mln as remuneration due from Szpital Powiatowy Gajda-Med Sp. z o.o., for the performance of services for the National Health Fund by the consortium. The judgement is not final and the defendant has the right to appeal against the judgement.

Maintaining a conservative approach in the case, the Management Board of the Issuer decided to make an impairment write-down on receivables in the amount of PLN 10.3 mln.

The amount of the impairment loss includes the total remuneration due for the service provided, which also includes the remuneration due for the months of September and October 2021. This remuneration will be claimed in separate civil proceedings.

THE IMPACT OF COVID-19 PANDEMIC ON THE ISSUER IN 2021 AND AFTER THE BALANCE SHEET DATE

The occurrence of the COVID-19 pandemic has necessitated a review of the Issuer's original development plans and budgets projected for 2020. The Issuer was suddenly dependent on factors beyond its control, including particularly a lack of information regarding the duration of the epidemic threat and the scale of the administrative restrictions and their actual impact on operations.

In view of the situation, the Issuer has taken a number of actions aimed at maintaining the current scale of services provided by quickly reorganising the work model into remote work in a distributed model and increasing the scale of services provided using robotic automation of business processes (RPA). This required, among others, reorganisation of the work rules for over 2,200 telemarketing positions and expenditure on enterprise-class technological solutions (Internet connections, software, headsets, new-generation telephones), necessary to adapt the Issuer's sales teams to work in the remote model. This has meant a surge in the number of employees working outside their current place of work on a full-time or part-time basis.

At the same time, the Management Board of the Issuer ensured that operational activities during the pandemic period were conducted in compliance with the recommendations of the Chief Sanitary Inspector, aimed at reducing the risk of disease for people remaining in the office. This involved incurring additional sanitation costs, such as having to equip all rooms and offices with disinfectants and adjusting the space to work with the appropriate social distance.

Year 2021 as another year of the pandemic was characterised by a highly volatile economic environment and the persistence of a condition requiring procedures to protect workers. Administrative restrictions related to the COVID-19 pandemic were still in place in the first months of 2021, which were gradually eased from the second quarter onwards until they were almost completely lifted in the second half of the year.

Year 2021 was another year in which the Issuer provided services in a hybrid model, with the majority of remote work carried out by over 2,200 telemarketing posts. This has required the Issuer to incur additional infrastructure expenditure to ensure that, despite operating under a distributed model, we can provide quality customer service. The persistent state of the pandemic did not prevent the Issuer from achieving significant sales increases, with particular emphasis on the Call Center segment, which generated record results thanks to contracts performed for the National Health Fund.

When analysing the impact of the pandemic on the Issuer's operations after the balance sheet period, it should be taken into account that during this period there was a general return to stationary work while maintaining the basic safety rules in place during the pandemic state. At the same time, the Issuer recognises the risk of a return of the pandemic condition and related restrictions, which cannot be ruled out in the second half of the year. This could pose a significant risk to the Issuer's continued operations and financial performance in the coming quarters. The Management Board of the Issuer monitors the situation in this regard on an ongoing basis and, if necessary, will identify potential risks and take appropriate preventive action.

PROSPECTS FOR THE ISSUER'S DEVELOPMENT IN SUBSEQUENT REPORTING PERIODS AND THROUGHOUT 2022

In assessing the Issuer's growth prospects in the subsequent quarters of 2022, the Management Board identifies the main factors that will most significantly affect the financial results of the subsequent quarters.

As at the date of this report, the main factor affecting the Issuer's operations in the next reporting periods is Russia's aggression against Ukraine and the related, far-reaching consequences with difficult to foresee effects. Having analysed the current situation related to the warfare and its potential impact on operations, the Management Board of the Issuer estimates that this may have a slowing effect on revenue growth. This is attributable to the decline in sales and to the operations of the Call Center segment in the Eastern European markets, which have been suspended indefinitely for the Ukrainian and Russian markets. In view of this, the Management Board of the Issuer draws attention to the significant risk of a decrease in revenues and profitability, the scale of which is difficult to estimate precisely. In 2021, sales to Eastern markets accounted for approx. 10% of the Issuer's consolidated revenues and approx. 20% of EBITDA. The Management Board of the Issuer will continue to monitor the political and economic situation and analyse its impact on the Issuer's operations and, should any new circumstances arise, will make them public by way of a current report.

The second factor directly related to the ongoing armed conflict is the occurrence of a number of negative phenomena in the macroeconomic environment of the Issuer, the impact of which is difficult to estimate in the long term. These include rising energy and fuel prices, rising inflation, rising interest rates, which translate into a real deterioration in the economic situation of businesses due to increased costs of doing business. In the case of the Issuer, which conducts operations in over a dozen locations and employs several thousand people in various

forms, this will mean a significant increase in remuneration costs. This is to minimise employee turnover, particularly in the Call Center segment. The financial costs of servicing bank loans and renting office premises will increase.

The volatility of legal and tax regulations, which may once again force employers to comply with new regulations, including those relating to employee compensation levels, may also prove to be a significant factor that could affect the Issuer's operations in 2022.

PROSPECTS FOR THE ISSUER'S SECTOR

Despite a number of risks and threats, the long-term outlook for the Business Process Outsourcing sector is optimistic. According to the estimates of independent research companies, the global value of the outsourcing market should systematically grow by at least 7.4% per year, and the current macroeconomic situation and the continuing state of economic uncertainty should not change this trend. As well as looking for savings, businesses are increasing their demand for specialist knowledge and data security issues and project flexibility, especially regarding staffing, to help in times of crisis. Furthermore, digital channels have never played such an important role in customer communication, and their importance - in this era of digital transformation of services - will continue to grow.

In the case of the Call Center sector, the projected growth rate is even higher, amounting to several percent per year. This is supported by global trends - which the Polish market is subject to - related to the migration of customer service towards multi-channel and personalised communication with the customer. The automated customer service market is growing globally at 20% per year and is expected to reach USD 5 bln in the next 3 years. The pandemic proved to entrepreneurs that when traditional forms of business contact are reduced, automation has become essential to maintain the quality of customer service. Favourable forecasts for the sector mean that the Issuer, as an entity providing specialised products from the area of call center and sales outsourcing, supplemented with process technologies and customer service support, has a chance to become one of the main beneficiaries of the outsourcing sector growth in Poland.

In summarising the Issuer's growth prospects in the subsequent 2022 reporting periods, they should be assessed in the context of:

- decline in revenues from projects implemented on eastern markets in the *nearshoring* model as a result of indefinite suspension of services on the Russian and Ukrainian markets;
- negative macroeconomic factors, which in the case of the Issuer will mean an increase in operating costs, including increased remuneration pressure on employees, increased financial costs caused by an increase in interest rates and increased costs of office space rental;
- the possible return of pandemics and administrative restrictions as a factor that could affect the Issuer's business, particularly in the second half of 2022;
- lower revenues in the Call Center segment due to the smaller scale of services provided to the National Health Fund;
- acquiring new projects as a result of favourable tender solutions involving the Issuer.

2.2. Description and assessment of factors and events, particularly of non-standard nature, which had a significant effect on the achieved financial results, including the definition of the degree to which these factors or non-standard events had impacted the result

In the reported period, the Issuer's Group operated on the basis of a stable and diversified customer portfolio. Highlights of the twelve months of 2021 include the following:

1. In March 2021, the Issuer entered into a significant contract with the National Health Fund. The subject of the contract concluded was the provision by the Issuer of comprehensive hotline services for the National Vaccination Programme against COVID-19. The duration of the contract has been set for a maximum period until 23 December 2021, with the possibility of early termination in the event of the occurrence of certain circumstances indicated in the contract or the exhaustion of the project budget. Due to the scale of the services performed for the NHF, the Issuer generated additional revenues that had a significant impact on sales in 2021. The termination of the contract by the National Health Fund took place on 3 September 2021 and was the result of a decline in public interest in vaccination. Despite the early expiry of the contract, the Issuer's total revenues from the performed services reached approx. 95% of the assumed budget, which was set at over PLN 41 mln gross.

2. In May 2021, the Issuer announced that a contract had been signed between the National Health Fund and a consortium comprising two subsidiaries of the Issuer for the provision of “First Contact Teleplatform” (TPK) services. The contract was concluded on 11 May 2021 for a fixed period, i.e. from the date of its signing until the end of the year, the occurrence of the circumstances indicated in the contract or until the date of exhaustion of the funds for the execution of the subject of the contract. The contract was terminated at the end of the third quarter due to a decline in public interest in the telemedicine service, which resulted in the number of tele-counselling given during the following three accounting months (June, July and August) falling below 50% of the number of calls estimated by the National Health Fund. Legal proceedings are currently underway to recover due remuneration from the consortium leader company. The matter is described at length in the commentary on the financial results and in the section on ongoing litigation involving the Issuer.

2.3. List of crucial events concerning the Group’s operations after the end of the reporting period, i.e. after 31 December 2021

1. On 9 March 2022, the Management Board of the Issuer published a report on the impact of Russia’s aggression in Ukraine on its financial results in 2022. In 2021, sales of services offered through the Call Center to Eastern markets accounted for approx. 10% of the Issuer’s consolidated revenues and approx. 20% of EBITDA. As a result of the war, it is currently suspended indefinitely, which will have an impact on the decline in revenues and profitability, the scale of which is difficult to estimate precisely.
2. On 21 March 2022, the Management Board of the Issuer informed about the receipt of a notification related to the acquisition by Investcamp Sp. z o.o. 144,279 Company shares representing 3.38% of the Company’s share capital and 3.38% of the total number of votes at the General Meeting of the Company, at a price of PLN 5.7 per share. After the above transaction, Investcamp Sp. z o.o. held 1,204,484 shares of the Company, constituting 28.21% of the Company’s share capital and 28.21% of the total number of votes at the General Meeting of the Company. At the same time, acting on behalf of the Participants of the Agreement, Investcamp Sp. z o.o. informed that as a result of the conducted transaction the Participants of the Agreement owned in total 2,489,472 shares of the Company, constituting in total 58.30% of the share capital and entitling to 58.30% of votes at the General Meeting.
3. On 29 March 2022, the Management Board of the Issuer informed about the receipt of a notification related to the acquisition by Investcamp Sp. z o.o. 8.881 Company shares representing 0.21% of the Company’s share capital and 0.21% of the total number of votes at the General Meeting of the Company, at a price of PLN 7.73 per share. After the above transaction, Investcamp Sp. z o.o. now holds 1,213,365 shares of the Company, constituting 28.42% of the Company’s share capital and 28.42% of the total number of votes at the General Meeting of the Company. At the same time, acting on behalf of the Participants of the Agreement, Investcamp Sp. z o.o. informed that as a result of the conducted transaction the Participants of the Agreement own in total 2,498,353 shares of the Company, constituting in total 58.52% of the share capital and entitling to 58.30% of votes at the General Meeting.
4. On 15 April 2022, the Management Board of the Issuer informed, with reference to the information provided in the interim report for the third quarter of 2021, regarding the filing of a statement of claim by the legal representative of the Issuer’s subsidiaries against Szpital Powiatowy Gajda-Med Sp. z o.o. for payment for the provision of services to the National Health Fund as part of the “First Contact Teleplatform” project, that it had received new information on the subject matter. The District Court in Białystok passed a judgement awarding the Issuer’s subsidiaries the amount of PLN 7.1 mln as remuneration due from Szpital Powiatowy Gajda-Med Sp. z o.o. for the provision of service for the National Health Fund by the consortium. The judgement is not final and the defendant has the right to appeal against the judgement.

2.4. Description of significant risk factors and threats, including the degree to which Grupa Kapitałowa Arteria S.A. is exposed to them

The Management Board of Grupa Kapitałowa Arteria S.A. does not make a sensitivity analysis for particular market risks and their potential effect on the financial results and equities as of the balance sheet date within the meaning of IFRS 7 and assesses them as impossible to be precisely defined.

Risks related to the effects of the war in Ukraine

The Issuer indicates that there is a significant risk of a decline in revenues and profits due to the suspension of services in Eastern markets. As at the date of this report, the Issuer is unable to estimate the extent of the risk due to the difficulty to predict duration of the conflict and the return to a state of relative normality that will enable a possible resumption of services on the Ukrainian market. The Management Board of the Issuer monitors the political and economic situation on an ongoing basis and analyses its impact on the Issuer's operations. Should new circumstances arise that may affect the Company's results, such information will be made public without delay.

Risk of impact of negative macroeconomic factors on the increase in operating costs

The Issuer points to other risks related, among others, to the armed conflict in Ukraine, which are present in the macroeconomic environment of the Issuer and their impact in the long term is so far difficult to assess. These include, among others, increases in energy and fuel prices, rising inflation, increases in interest rates, all of which are directly or indirectly reflected in increased costs of the Issuer's operations. This applies in particular to the increase in remuneration costs in the Call Center segment. After a period of pandemic and an apparent decline in turnover for employees who were betting on job security, the trend reversed in the second half of 2021, a trend that has been growing in subsequent quarters. In the case of the Issuer's sector, this turnover may be as high as 25%. Faced with this risk, the Management Board of the Issuer made inflationary increases, which will mean an increase in staff costs by at least several million Polish zlotys a year. At the same time, the Issuer notes that, compared to market standards, a significant portion of the contracts performed under the services provided by the Issuer require the employment of more highly qualified specialists (in particular in multilingual foreign projects). This may mean meeting the higher financial demands of some consultants.

Risks associated with the management of financial instruments, currency risk and interest rate risk

The Issuer uses financial instruments such as bank loans and cash and other financial instruments such as trade receivables and trade payables that arise directly from its operations. The main risks arising from the use of the Issuer's financial instruments include interest rate risk, currency risk (to a limited extent) and liquidity risk. The exposure to risk caused by changes in interest rates relates primarily to long-term financial liabilities that are not hedged by derivative financial instruments. Bank loan liabilities bear interest at a variable rate, which is updated following the decision of the Monetary Policy Council. Taking into account the current situation related to the increase of interest rates, in the case of the Issuer this means an increase in financial costs which will affect the Issuer's financial results in subsequent reporting periods. The currency risk for the Issuer should be described as negligible.

Risks associated with the return of a pandemic threat

For companies providing Call Center services, the pandemic has accelerated the evolution of the operating model and the transition of consultants to remote working. This also applied to the Issuer and meant a sharp increase in the number of employees working outside their current place of work on a full-time or part-time basis. Working in a distributed model meant that the Issuer had to incur additional costs related to the purchase of infrastructure and meeting customers' expectations in terms of conducting communications in an omnichannel model. A possible return to pandemic status and related restrictions, which cannot be ruled out in the second half of the year, represents a significant risk to the Issuer's continued operations and financial performance in the coming quarters. The Management Board of the Issuer monitors the situation in this regard on an ongoing basis and, if necessary, will identify risks and take appropriate preventive action.

Risk of loss of due remuneration for services rendered

According to the information provided by the Issuer to the public, a process is underway in order for the Issuer to recover its due remuneration for the provision of medical services to the National Health Fund by the Issuer's subsidiaries in respect of the "First Contract Teleplatform". The value of the claim is PLN 8 mln. The District Court in Białystok passed a judgement in the first instance awarding the Issuer's subsidiaries PLN 7.1 mln as remuneration due. As of the date of this report, the judgement is not final and the defendant has the right to appeal. The Issuer estimates that it is highly probable to obtain a favourable judgement also in the second

instance, however it is difficult to determine both the date of enforcing the financial means from the defendant and the amount that will actually come to the account on this account.

Risk of failure of the Issuer's strategy

Taking into account the risks described above, the Issuer identifies the risk of failure of the Issuer's strategy. Therefore, it assures that in the event of the occurrence of any of the above-mentioned risks, which could have a negative impact on the financial results achieved by the Company in subsequent reporting periods, the Issuer will modify the strategy accordingly and make the necessary adjustments to the assumptions adopted in such a way as to ensure the achievement of the main strategic objectives envisaged for 2022 and subsequent years. The Management Board of the Company has various scenarios for the Company's further development, prepared in several variants depending on the real effects of the risks mentioned, both for the Company, the markets on which it operates and the economy as a whole.

Risk of not fulfilling contracts

The Issuer's operations consist of implementing outsourcing projects with a high degree of complexity. The risk of non-performance of a given contract may involve its immediate termination, the filing of a claim or financial claims by the customer. As a consequence, a business partner may also withdraw from cooperation, which in turn may affect the outflow of existing customers and limited opportunities to obtain new contracts. The Management Board of the Issuer seeks to minimise such risks by signing contracts that precisely define the scope of the Company's obligations in relation to the provision of services. The consequences of failure to provide or inadequate provision of the service in question and of causing damage in connection with the service provided are also set out. Typical sanctions provided for in the Issuer's contracts include the need to remedy damages and fines. The occurrence of such events could have a material adverse effect on future financial results. As the reasons for inadequate service performance are usually human errors and IT infrastructure failures, which cannot be completely excluded, the Issuer pays particular attention to the quality of the services provided and to minimising the likelihood of such errors or failures. In this context, mention should be made, among others, of the quality control procedures implemented for the training of staff, the monitoring of the work carried out and the computerisation of the service provision process. The Issuer has also taken out insurance policies to protect it in the event of claims by customers in relation to the improper performance of certain services. The occurrence of the above events may have some impact on the Issuer's position and financial results. However, it should be emphasised that in the several-year history of the Company's operations, such a situation has not occurred on a significant scale. The Management Board takes care to employ professional staff, which consists of highly competent people with many years of experience in similar processes.

Risk of termination of contracts by banks or leasing companies

The Issuer finances its operations both with equity and with instruments such as bank loans and leasing. The possible non-renewal or termination of the loan agreement by any of the financing entities could have an adverse effect on liquidity and lead to a deterioration in the Issuer's financial results. The Management Board of the Company reliably and timely fulfils its obligations towards the financing institutions both in terms of repayment of liabilities and other arrangements, including maintenance of security and appropriate levels of financial ratios. Nevertheless, the risk of termination of loan agreements should be considered as potentially possible. The Issuer has interest bearing liabilities (bank loans) which exposes it to the risk of changes in interest rates, the increase of which increases the cost of financial service and thus reduces the profitability of operations.

Management retention risk

The Issuer is a service business whose important asset is its people, their knowledge, experience and skills. It is the highly qualified and motivated management staff that is a significant factor in the success of the Issuer's operations. Therefore, the potential loss of top managers or uniquely qualified individuals may involve the risk of a periodic deterioration in the quality of management of particular business areas, or reduced ability to perform tasks for customers, which could consequently adversely affect the Issuer's financial results or the pace of implementation of development plans. In order to mitigate the above risks, the Management Board of the Company conducts a number of active measures aimed at retaining and attracting the best managers and employees, offering the best of them attractive remuneration conditions and incentive schemes depending on their work efficiency. It should be emphasised that the key persons have been associated with Arteria S.A. for many years and - as per market conditions - are appropriately remunerated.

Risks associated with conducting business using information technology

The Issuer's operations are carried out using an extensive IT infrastructure and dedicated software. Therefore, there is a reasonable risk of infrastructure failures leading to restrictions in access to the IT systems used. The most common types of failure include breaks in the fibre optic links and errors in the applications used. The main consequence of failure is service downtime and the costs incurred as a result. If a customer's access to the application is blocked for an extended period of time, the Issuer may additionally be exposed to contractual penalties. Accordingly, major IT infrastructure failures could have a material adverse effect on our financial results. The most serious consequences from the point of view of the Issuer's liability would be a failure leading to the permanent loss of stored data or its disclosure to unauthorised entities. However, the Management Board of the Issuer assesses the risk of such an event as negligible. The Issuer has implemented a number of tools and procedures that, on the one hand, reduce the risk of an emergency situation and, on the other hand, minimise the potential damage caused by such a situation.

Risk of violation of provisions related to personal data protection

The specific nature of the Issuer's operations related to the implementation of most Call Center projects using databases creates a potential risk that third parties may file claims for infringement of the provisions on personal data protection. Violations of personal data regulations may also result in the imposition of penalties by the Data Protection Authority, and the related proceedings may be costly and absorbing for the Company's managing persons. The Issuer is aware of the potential risk in this area and has taken steps to minimise it, above all by paying great attention to legal compliance and the security of the databases it uses in its projects. Both in the Parent Company and in the subsidiaries there is a Personal Data Security Policy, relevant instructions on how to manage the IT system used to process personal data and how to deal with a personal data breach. The contents of the above documents fully comply with the provisions of the General Data Protection Regulation 2016/679 ("GDPR"). In addition, the IT systems for processing personal data used by the Issuer are protected against data loss in the event of power failures or disturbances in the power supply network. An IT system that processes personal data should be equipped with mechanisms for user authentication and control of access to such data. The processing of personal data is supervised by persons responsible for personal data protection, who are accountable for the effects of their work directly to the Management Board of the Issuer.

Risk of changing legal environment

A potential threat to the Issuer's operations is a change in the provisions of law or a change in its current interpretation. In particular, this applies to the heavily regulated area of law, i.e. the protection of personal data, which directly shapes the Company's operations. In connection with Poland's accession to the European Union, Polish law is in the process of adjusting its internal regulations to the provisions in force in the European Union. In turn, the high volatility of Polish laws and their interpretations may have an adverse effect on the Issuer's operations, particularly if these changes relate to business law, tax law, labour law, social security law and securities law. Such changes may be detrimental to the Issuer's financial and operating position, including increasing the cost of doing business, reducing profits earned, or hindering or restricting business opportunities. The existing ambiguities and inconsistencies in the interpretation of legal provisions create considerable difficulties at the stage of their application, both by entrepreneurs and by courts and administrative bodies. This poses a risk of potential disputes arising in this respect, to which the Issuer or its subsidiary is a party. Judgements passed by courts and administrative authorities are sometimes inconsistent and unpredictable, which reduces their usefulness as an interpretation of law. The Issuer benefits from ongoing legal services and seeks to minimise the risks arising from changes in the legal environment, however, it is not able to exclude them entirely.

2.5. Indication of proceedings pending before a court, a competent authority for arbitration proceedings or a public administration authority, including information on liabilities or receivables of the Company or its subsidiary the value of which constitutes at least 10% of the Company's equity

The Issuer's subsidiary, Rigall Arteria Management spółka z ograniczoną odpowiedzialnością spółka komandytowa [English: limited liability company limited partnership], is engaged in a court dispute in which Bank Handlowy w Warszawie S.A. is being ordered to pay a significant amount of commission on agreements concluded during the term of an agency agreement between the parties to the dispute, resulting from the intensive exploitation of

commercial relations with customers acquired by the Company, as well as after its termination (compensation payment). The value of the dispute is:

- PLN 386,139,808.89 together with statutory default interest from the date of filing the statement of claim to the date of payment - on account of commission remuneration for agreements concluded during the term of the agency agreement with customers acquired by Rigall previously for agreements of the same type (Article 791 § 1 read with Article 761³ read with Article 758¹ of the Civil Code);
- PLN 50,017,463.89 together with statutory default interest from the date of filing the statement of claim to the date of payment - as compensation payment referred to in Article 764³ of the Civil Code.
- reimbursement of the costs of the proceedings, including the costs of legal representation in accordance with the applicable rules.

The case was assigned file no. XXVI GC 10/19. The administrative restrictions introduced in mid-March 2020, resulting, among others, in the temporary suspension of the activity of common courts and the convening of hearings, will in all likelihood prolong the proceedings and judgement in this case.

On 18 September 2020, the Management Board of the Issuer became aware of the action taken by the Supreme Court, which, as a result of the plaintiff's earlier cassation appeal against the judgement of the Court of Appeal, decided to submit to the CJEU (Court of Justice of the European Union) a question for a preliminary ruling in the case "for an injunction regarding commissions on contracts concluded during the term of the agency agreement without the agent's participation, but with customers previously acquired by the agent for contracts of the same type".

Question content: "In the light of the wording and purpose of Article 7(1)(b) of Council Directive 86/653/EEC of 18 December 1986 on the coordination of the laws of the Member States relating to self-employed commercial agents (Official Journal EU 382 of 31.12.1986, p. 17-21), is that provision to be interpreted as conferring on a self-employed commercial agent an absolute right to a commission on an agreement concluded during the term of the agency agreement with a third party whom it has already obtained as a customer for transactions of the same kind, or can that right be contractually excluded?". The Management Board of Arteria S.A. has no information as to how the referral of the above legal question by the Supreme Court to the CJEU will affect the further course of the proceedings and the final outcome of the case. The CJEU meeting in this case took place at the end of March 2022. The Issuer is currently awaiting further proceedings in this case.

At the end of October 2021, the legal representative acting on behalf of the Issuer's subsidiaries filed a statement of claim against the entity that was the consortium leader, i.e. - Szpital Powiatowy Gajda-Med Sp. z o.o., for transferring the remuneration due to the other consortium members, i.e. the Issuer's subsidiaries, for the performance of the "First Contract Teleplatform" service. The value of the dispute amounts to PLN 8 mln. The District Court in Białystok passed a judgement awarding the Issuer's subsidiaries the amount of PLN 7.1 mln as remuneration due from Szpital Powiatowy Gajda-Med Sp. z o.o. for the provision of service for the National Health Fund by the consortium. The judgement is not final and the defendant has the right to appeal against the judgement.

Apart from the aforementioned proceedings, no other proceedings before courts or other authorities of material importance to the Issuer were pending in the reported period.

2.6. Information on basic products, goods or services together with value and quantity of their share in total sales of the Capital Group as well as changes in this scope in the given accounting year

Grupa Kapitałowa Arteria S.A. is the leader of the business process outsourcing (BPO) market in Poland. It conducts its operations through two business divisions: the Contact Center and Sales Support segments. It has a broad and diversified portfolio of customers in various industries, with whom it is bound by long-term contracts with long notice periods. The Issuer manages the largest commercial call center on the Polish market, specialising in offering advanced customer care services delivered using technologically integrated telemarketing structures. An important business development is foreign sales, whose main partner today is a global customer in the Internet marketing segment. At the end of 2021, the business was active in more than a dozen markets in Central and Eastern Europe. Following the outbreak of war in Ukraine, the Issuer suspended the provision of services in eastern markets until further notice.

Operations in the Sales Support segment consist of technology and operational support, including document management and back-office services, provision of specialised IT systems, operational consulting and business process design, implementation of marketing campaigns, loyalty programmes, merchandising services and design,

production and distribution of POSM materials. Financial data relating to individual segments can be found in Note 6.32. to the consolidated financial statements.

2.7. Information on sales markets, including a breakdown into domestic and foreign markets, and information on sources of supply for production materials, goods and services, specifying dependence on one or more customers and suppliers, and if the share of one customer or supplier reaches at least 10% of total sales revenue - the name (business name) of the supplier or customer, its share in sales or supply and its formal relationship with the Company

The Company's business is not dependent on a single customer or supplier. In 2021, the share of two business partners in the revenues of the Issuer's Capital Group exceeded 10%. Analysing the revenue structure by customers and sectors served, it should be described as strongly diversified, consisting of several dozen projects carried out for large customers in many industries, primarily in the following areas: electricity, gas, telecommunications and IT, finance and insurance, FMCG and services, and publishing and media. The Capital Group of the Issuer has a broad and stable portfolio of customers, the vast majority of whom cooperate on the basis of long-term contracts. All projects implemented by the Group in 2021 were operationally based in Poland.

2.8. Information on concluded agreements significant for the operations of the Capital Group, including agreements between shareholders (partners), insurance agreements, cooperation or collaboration agreements known to the Company

The Issuer has described all significant events (including significant agreements) for the Company's operations in point 2.2 (in 2021) and point 2.3 (after the reporting period to the date of publication). The Management Board draws particular attention to the agreement of understanding entered into in January 2021 by the following shareholders: Investcamp Sp. z o.o., Mayas Basic Concept Limited, Marcin Marc, Sebastian Pielach, Ewa Czarzasta-Marzec and Anna Pielach collectively holding 2,136,799 shares of the Issuer, representing 50.04% of the share capital and carrying 50.04% of votes at the General Meeting. The agreement concerned the joint acquisition of Issuer's shares. At the beginning of February, the participants in the agreement announced a tender offer for 681,084 shares of the Issuer, representing in total approx. 15.95% of the share capital and entitling to 681,084 votes at the General Meeting of the Issuer, aimed at obtaining 66% of votes at the General Meeting of the Company. A detailed description of the call process and its effects is described in point 2.2.

2.9. Information on relevant transactions concluded by the Issuer or its subsidiary with affiliates on conditions other than market conditions together with their amounts and information specifying the nature of these transactions - this obligation is deemed to have been fulfilled by specifying the place of including this information in the financial statements

All transactions with affiliates entered into during the reporting period were concluded on generally accepted market conditions as part of the normal course of business between the Issuer and the companies comprising its Grupa Kapitałowa Arteria.

For details of transactions with affiliates, please refer to note 6.33. of the consolidated financial statements.

2.10. In the case of an issue of securities, a description of how the proceeds have been used by the Issuer up to the date of the report on operations

The Company did not issue securities during the reporting period.

2.11. Evaluation of the management of financial resources, taking into account the ability to meet the commitments made, and identification of possible threats and actions that the Company has taken or intends to take to counteract these threats

The Management Board of the Capital Group of the Issuer reviews and agrees the principles of financial risk management and monitors the risk of adverse changes in all its financial instruments. During the reported period, the Capital Group of the Issuer had full capacity to meet its obligations and, at this stage, does not foresee any significant risks that could affect the higher risk of losing the ability to settle obligations to external service providers. At the same time, the Management Board notes that due to the increase in interest rates, a potential risk has emerged regarding the liquid management of the Issuer's financial resources, which is described in the risks to which the Issuer is exposed.

2.12. Assessment of the feasibility of investment projects to maintain and improve performance, including capital investments, compared to the amount of funds held, taking into account possible changes in the structure of financing of these activities

Due to the outbreak of war in Ukraine, the Management Board of the Issuer was forced to revise its original plans and budgets for 2022, including investment projects. The Issuer has limited capital expenditure to the replacement level and the level necessary to maintain the infrastructure and the quality of the services provided. The effectiveness of the Management Board's decisions is confirmed by the financial results in the previous year, which not only made it possible to make up for the losses caused by the pandemic, but also to achieve record sales increases and a significant improvement in the profitability of all indicators. The Management Board will analyse the market situation on an ongoing basis and, depending on its development, will take decisions regarding the implementation of the investment projects originally envisaged for 2022. These will mainly be realised using funds generated from current operating activities. Furthermore, the Management Board of the Issuer does not foresee any significant changes in the financing structure of its operations. In the opinion of the Management Board of the Issuer, the situation on the market in 2022 is characterised by a significant level of uncertainty, also taking into account the likelihood of the return of a pandemic and related administrative restrictions. In the opinion of the Management Board, these circumstances are unfavourable to the implementation of the Issuer's planned investment projects.

2.13. Characteristics of external and internal factors significant for the development of the Company and Grupa Kapitałowa Arteria S.A.

In the opinion of the Management Board of the Issuer, significant factors affecting the Company's further development will be:

- decline in revenues from projects implemented on eastern markets in the *nearshoring* model as a result of indefinite suspension of services on the Russian and Ukrainian markets;
- negative macroeconomic factors, which in the case of the Issuer will mean an increase in operating costs, including increased remuneration pressure on employees, increased financial costs caused by an increase in interest rates and increased costs of office space rental;
- the possible return of pandemics and administrative restrictions as a factor that could affect the Issuer's business, particularly in the second half of 2022;
- lower revenues in the Call Center segment due to the smaller scale of the level of services provided to the National Health Fund;
- acquiring new projects as a result of favourable tender solutions involving the Issuer.

2.14. Changes in basic principles governing the management of the enterprise of the Company and its capital group

During and after the reporting period, the basic principles of management of the enterprise of the Issuer and its Capital Group has not changed. The Company operated under its previous organisational structure based on two main divisions: The Contact Center Division, the Sales Support Division and the Service Centres which are the administrative back-office of all Capital Group companies.

2.15. Information on agreements concluded between the Company and managing persons, providing for compensation in the event of their resignation or dismissal from the post

The Issuer is a party to non-competition agreements with Members of the Management Board, providing for compensation in the event of resignation or dismissal of the Member of the Management Board of the Company from the post. In order to protect the interests of the Issuer by having the Members of the Management Board refrain from competitive activities during the term of their office and thereafter, non-competition agreements have been entered into. On this basis, the Members of the Management Board undertake to the Company that for any reason:

- will not conduct, directly or indirectly, any activities competitive to the Company's operations for their own account or for the account of others in the form of an individual business, as a partner in a civil law partnership or a partnership,

- perform directly or indirectly work under a contract of employment or provide services under a contract of mandate or any other legal relationship, for an entity engaged in activities competitive to the Company's operations,
- acquire or subscribe for shares or stocks or participate in companies, cooperatives, associations, foundations or other types of legal entities conducting activities competitive to the Company's operations, with the exception of acquiring shares not exceeding 5% in public companies,
- hold positions in management, supervisory or controlling bodies of commercial companies or cooperatives engaged in activities competitive to the Company's operations,
- act as a proxy or attorney-in-fact or in any other similar capacity for the account of a person conducting activities competitive to Arteria S.A.

For a period of 6 months after ceasing to hold office, Members of the Management Board will be entitled to receive compensation for non-competition.

2.16. Information on the remuneration of managing and supervising persons

The total remuneration cost in the Parent Company including the remuneration of the Management Board and Supervisory Board during 2021, compared to the previous year, is as follows:

Specification	31/12/2021	31/12/2020
Total remuneration	2,020	1,933
Social security and other benefits	295	285
Total remuneration fund, of which:	2,315	2,218
Management Board - remuneration and surcharges	192	264
Supervisory Board - remuneration and surcharges	144	142
Total remuneration of Members of the Management Board and Supervisory Board	336	406

The value of remuneration, rewards or benefits, including those arising from incentive or bonus programmes based on the Parent Company's equity, including programmes based on bonds with pre-emptive rights, convertible bonds, subscription warrants (in cash, in kind or in any other form), paid, due or potentially due, separately for each of the Parent Company's managing and supervising persons, regardless of whether they were charged to costs or resulted from the distribution of profit, respectively, is as follows:

Remuneration of Members of the Management Board	31/12/2021	31/12/2020
Marcin Marzec - President of the Management Board	96	96
Wojciech Glapa - Vice-President of the Management Board	-	72
Sebastian Pielach - Vice-President of the Management Board	96	96
Total	192	264

Remuneration of Members of the Supervisory Board	31/12/2021	31/12/2020
Grzegorz Grygiel - Chairman of the Supervisory Board	26	25.5
Michał Lehmann - Member of the Supervisory Board	25.5	25.5
Michał Wnorowski - Member of the Supervisory Board	26	25.5
Krzysztof Kaczmarczyk - Member of the Supervisory Board	26	25.5
Bartłomiej Jankowski - Member of the Supervisory Board	24	24
Total	127.5	126

No loans to Members of the Management Board or Supervisory Board of the Issuer took place in the reported period.

During the period covered by this report, the Group did not have any equity-based incentive or bonus schemes, including schemes based on preference bonds, convertible bonds or subscription warrants (in cash, in kind or in any other form), paid or potentially payable.

2.17. Information on any liabilities arising from pensions and benefits of a similar nature for former managing persons, supervising persons or former members of administrative bodies

The Capital Group of the Issuer has no liabilities arising from pensions and benefits of a similar nature for former managing persons, supervising persons or former members of administrative bodies.

2.18. Information on ownership of shares of the Issuer and its related entities - definition of the total number and nominal value of all shares of the Issuer and shares in the Issuer's related entities held by managing and supervising persons of the Issuer (separately for every person)

The current holdings of the Company's shares by the managing and supervising persons as at the reporting date and as at the date of publication of the report, i.e. 4 May 2022, together with changes in holdings, separately for every person, are as follows:

Management Board of Arteria S.A.

Full name	Number of shares	Nominal value of shares	Share in the share capital (%)	Number of votes	Share in the total number of votes at the GMS (%)
Marcin Marzec	155,040	31,008.00	3,63%	155,040	3,63%
Sebastian Pielach	210,764	42,152.80	4,94%	210,764	4,94%

Supervisory Board of Arteria S.A.

A statement of the Company's shares held by Members of the Supervisory Board as at the reporting date and as at the date of publication of the report, i.e. 4 May 2022, together with changes in holdings, separately for every person, are as follows:

Full name	Number of shares	Nominal value of shares	Share in the share capital (%)	Number of votes	Share in the total number of votes at the GMS (%)
Grzegorz Grygiel	0	0	0.00%	0	0.00%
Michał Lehmann	0	0	0.00%	0	0.00%
Krzysztof Kaczmarczyk	0	0	0.00%	0	0.00%
Michał Wnorowski	0	0	0.00%	0	0.00%
Bartłomiej Jankowski	0	0	0.00%	0	0.00%

The presented status has not changed as at the date of publication of the interim report, i.e. 4 May 2022. The Members of the Supervisory Board of Arteria S.A. do not hold shares and stocks in related entities of Arteria S.A. As at the date of this report, the Issuer is not aware of any agreements that may result in changes to the proportions of shares held by managing or supervising persons in the future.

2.19. Information on agreements (including those concluded after the balance sheet date) which may result in future changes in the proportions of shares held by existing shareholders and bondholders

As at the date of this report, the Management Board of the Issuer is not aware of any agreements that may result in changes to the proportion of shares held by existing shareholders in the future.

2.20. Information on the system of control over employee share ownership plans

There have been no employee share issues within the Capital Group of the Issuer to date. Therefore, there was no need to implement control systems for this type of programme in the organisation.

2.21. Information on major achievements in research and development

The Capital Group of the Issuer did not conduct research in the field of research and development.

2.22. Information on branches (establishments) owned

The Capital Group of the Issuer has no branches or establishments.

2.23. Information on ownership of own shares

Arteria S.A., as the Parent Company in relation to the subsidiaries comprising the Capital Group, does not hold any own shares. No own shares were acquired or disposed of during the accounting year.

2.24. Dividend policy

The Issuer does not have a formal written dividend policy. In view of the unfavourable macroeconomic situation and further risks which emerged after the end of the reporting period (related, among others, to Russia's aggression against Ukraine), the Management Board of the Issuer is cautious as regards potential dividend payments. The recommendation to be presented in this matter to the Supervisory Board and the General Meeting of Shareholders will be announced by the Management Board by way of a current report.

2.25. Description of significant off-balance sheet items by subject, object and value.

There are no significant off-balance sheet items in the Capital Group of the Issuer.

3. CORPORATE GOVERNANCE

3.1. Applicable set of corporate governance principles

On 1 July 2021 the “Best Practices for Companies Listed on the WSE 2021” (“DPSN2021”), a new set of corporate governance principles for listed companies, came into force. At the same time, § 29 of the WSE Rules, which sets out the rules for reporting best practice, has been amended. The Issuers are now not only to report persistent non-compliance or incidental breaches of a rule, but also to publish a report comprehensively addressing the scope of application of each rule. The first report on the application of the “Best Practices of Companies Listed on the WSE 2021”, the Issuer made public on 29 July 2021. The full content of the statement can be found on the corporate website of Arteria S.A., in the section dedicated to the Company’s shareholders (<https://arteria.pl/pl/investor-relations>).

The Company has not adopted for application or incompletely applies the following recommendations and principles contained in the document “Best Practices of Companies Listed on the WSE 2021”:

- Principles 1.3.1. on ESG topics, environmental issues, including metrics and risks related to climate change and sustainability issues - *The Company is subject to mandatory non-financial reporting of ESG issues. Due to the nature of the Company’s operations and its scale, the potential impact on environmental issues, including climate change, is negligible. From an environmental point of view, the Issuer’s operations can be characterised as typical office activities. Given these circumstances, the Management Board of the Company has not to date presented a strategy on ESG topics including, in particular, environmental issues, climate change and sustainability metrics and risks.*
- Principle 1.3.2 on social and labour issues, concerning, among others, actions taken and planned to ensure gender equality, sound working conditions, respect for employees’ rights, dialogue with local communities, customer relations - *the Company is subject to mandatory non-financial reporting of ESG issues. Although the business strategy does not explicitly address social and labour issues, the Management Board of the Company is committed to ensuring gender equality within the Company, sound working conditions, respect for employee rights and maintaining appropriate relationships with customers and local communities.*
- Principle 1.4. concerning ensuring proper communication with stakeholders on the adopted business strategy, the Company publishes on its website information on the assumptions of its strategy, measurable objectives, including in particular long-term objectives, planned activities and progress in its implementation, defined by means of metrics, financial and non-financial - *the Company does not currently have a formalised business strategy. At the same time, the Company, in order to properly communicate with its stakeholders, shall post all necessary information on its website. Progress in implementing the business strategy, as determined by financial and non-financial metrics, is presented in current and interim reports.*
- Principle 1.4.1. concerning an explanation of how climate change-related issues are taken into account in the decision-making processes of the Company and entities in its group, indicating the resulting risks - *The Company does not take into account in its business strategy the area of ESG, related in particular to climate change, for the reasons given in the commentary to principle 1.3.1.*
- Principle 1.4.2. concerning presentation of the value of the indicator of equality of remuneration paid to its employees, calculated as a percentage difference between the average monthly remuneration (including bonuses, prizes and other allowances) of women and men for the last year, and present information on actions taken in order to eliminate possible inequalities in this respect, together with a presentation of related risks and the time horizon in which it is planned to achieve equality - *the Company does not keep statistics of this type. The Company does not tie employee remuneration to gender. The main criteria affecting remuneration are qualifications and experience.*
- Principle 1.5 concerning disclosure, at least annually, of expenditure incurred by the company and its group for the support of culture, sports, charitable institutions, the media, social organisations, trade unions, etc. Where the company or its group has incurred expenditure for such purposes in the year under review, the disclosure includes a statement of such expenditure - *The Company has not incurred such expenditure to date.*
- Principle 1.6 concerning, in the case of a company included in the WIG20, mWIG40 or sWIG80 index, once a quarter, and in the case of other companies, at least once a year, the organisation of a meeting for investors, inviting in particular shareholders, analysts, industry experts and media representatives. During the meeting, the Management Board of the Company presents and comments on the adopted

strategy and its implementation, the financial results of the company and its group, as well as the most important events affecting the company's and its group's operations, achieved results and future prospects. During the organised meetings the Management Board of the Company publicly provides answers and explanations to the questions asked - *the Company does not apply this principle due to the costs of such undertakings. Nevertheless, the Management Board of the Company remains in contact with shareholders and investors, including, among others, by providing answers to questions addressed to the Company, arranging individual meetings if such interest is expressed.*

- Principle 2.1. on the Company having a diversity policy with regard to the Management Board and the Supervisory Board, adopted by the Supervisory Board or the General Meeting respectively. The diversity policy sets out diversity objectives and criteria in areas such as gender, field of study, specialist knowledge, age and work experience, among others, and indicates when and how the achievement of these objectives will be monitored. In terms of gender diversity in the Company's governing bodies, the condition for ensuring the diversity of the Company's governing bodies is a minority proportion of no less than 30% - *the Company does not have a written document on the diversity policy for the composition of the Management Board and the Supervisory Board with regard to ensuring at least 30% participation of women in the indicated bodies of the Company. In the case of the Company, this is dictated by the very stable composition of the Management Board. The composition of the Supervisory Board shall be decided by the General Meeting, which shall take into account in particular the educational background and professional experience of the candidate when electing the members of the Supervisory Board.*
- Principle 2.2 that the persons deciding on the election of the members of the Management Board or Supervisory Board of the Company should ensure the comprehensiveness of these bodies by selecting persons to ensure diversity, making it possible, among others, to reach the target ratio of a minimum minority shareholding set at no less than 30%, in line with the objectives set out in the adopted diversity policy referred to in principle 2.1. - *The Management Board of the Company presented its position in the justification to point 2.1.*
- Principle 2.9. stating that the Chairman of the Supervisory Board should not combine his function with the management of the audit committee operating within the board - *In the case of the Company, the Chairman of the Supervisory Board combines his function with the management of the Audit Committee operating within the board. It is a person with high competence in financial reporting and controlling, who meets the criteria for independence listed in the Act of 11 May 2017 on statutory auditors, audit firms and public supervision, and who has no real and significant links with a shareholder holding at least 5% of the total number of votes in the Company.*
- Principle 2.11.5. on the assessment of the validity of expenditure referred to in principle 1.5. - *The Company has not incurred such expenses to date.*
- Principle 2.11.6. concerning information on the degree of implementation of the diversity policy with respect to the Management Board and the Supervisory Board, including the achievement of the objectives referred to in principle 2.1. - *The Company does not have a written policy on the diversity of the composition of the Management Board and the Supervisory Board, in particular to ensure at least a 30% representation of women on the indicated bodies. Although the Company does not have a formal diversity document, decisions on the election of Members of the Management Board and the Supervisory Board customarily meet the diversity criteria in the following areas: specialist knowledge, including of the Company's business profile and its business environment, age and professional experience.*
- Principle 3.6 which states that the head of internal audit reports organisationally to the president of the Management Board and functionally to the Chairman of the Audit Committee, or to the Chairman of the Supervisory Board if the board performs the function of an Audit Committee - *Due to the scale of its operations, the Company does not have a specialised organisational unit dedicated exclusively to internal audit. The Company's internal control system is directly supervised by the Management Board, which is responsible for the effectiveness and efficiency of its operations, the reliability of its financial reporting and its compliance with applicable laws and other regulations. The internal control system in relation to the process of preparing financial statements is carried out in accordance with the Accounting Act, International Financial Reporting Standards and other legal requirements and in accordance with the Company's procedures for preparing and approving financial statements.*
- Principle 4.1 concerning enabling shareholders to participate in a General Meeting using electronic means of communication (e-walne) if this is justified by the expectations of shareholders notified to the Company, provided that it is able to provide the technical infrastructure necessary for holding such a general meeting - *The Management Board gives priority to ensuring that the General Meeting proceeds*

smoothly and that resolutions are properly adopted by the General Meeting. The Management Board of the Company considered the appropriateness of using electronic communication during the meeting, taking into account the structure of the shareholding and the existing participation of shareholders in General Meetings. In the case of the Company, shareholders have not been interested in participating in General Meetings by means of electronic communication, nor have they ever made such a request. In addition, conducting the meeting by means of electronic communication would be an additional cost to the Company. In these circumstances, the Management Board of the Company considered that there was no justification for applying the above principle.

- Principle 4.4. stating that representatives of the media shall be allowed to attend General Meetings - *As a rule, only persons entitled to attend as shareholders or their proxies, a notary public, representatives of the Company's authorities, their advisers and persons from the technical service shall attend the General Meetings of Shareholders of the Company. In justified cases, the chairman of the General Meeting may decide that other persons, including representatives of the media, may attend.*

3.2. Internal control and risk management system in the process of preparing financial statements of the Issuer

The Company has an internal control system that contributes to ensuring the effectiveness and efficiency of its operations, the reliability of financial reporting and compliance with applicable laws and other regulations. The internal control and risk management system is designed to ensure that the Company achieves its objectives in the areas of operational effectiveness and efficiency, reliability of financial reporting and compliance with legal regulations. Due to the size of the organisation, there is currently no separate, specialised organisational unit dedicated solely to internal control. The internal control and risk management system in relation to the process of preparing financial statements is carried out in accordance with the Accounting Act, International Financial Reporting Standards and other legal requirements and in accordance with the Company's procedures for preparing and approving financial statements. An important element of this system is the audit of the Parent Company's annual financial statements by independent auditors. In terms of managing the risk of preparation of reports, the Company continuously monitors changes in external laws and regulations related to the preparation of reports and prepares for their introduction, including through employee training and the use of external consultancy.

3.3. List of shareholders who directly or indirectly hold substantial blocks of shares with an indication of the number of shares held, their percentage share in the share capital, the number of votes and their percentage share in the total number of votes at the General Meeting

The Management Board of Arteria S.A., in accordance with its knowledge as at the date of publication of this report, derived from notifications sent to the Company under Article 69(1)(2) of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (Journal of Laws of 2005, No. 184, item 1539), shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting of Shareholders of Arteria S.A. as at the date of submitting this interim report, i.e. as at 4 May 2022, together with an indication of the number of shares held by such entities, their percentage share in the capital, the number of votes arising therefrom and their percentage share in the total number of votes at the General Meeting of Shareholders of the Company and an indication of changes in the ownership structure of significant blocks of shares in the period from 1 January 2021 to 31 December 2021 and as at the publication date.

Detailed information on the current shareholding structure, including Shareholders holding more than 5% of votes at the GMS of the Company, is as follows:

Shareholding structure as at 1 January 2021

Shareholder	Number of shares	Nominal value of shares	Share in the share capital (%)	Number of votes	Share in the total number of votes at the GMS (%)
Generali OFE S.A.	724,000	PLN 144,800.00	16.96%	724,000	16.96%
InvestCamp Sp. z o.o.	851,811	PLN 170,362.20	19.95%	851,811	19.95%
Mayas Basic Concept Limited	606,883	PLN 121,376.60	14.21%	606,883	14.21%
Investors TFI S.A.	375,465	PLN 75,093.00	8.79%	375,465	8.79%
Other shareholders	1,711,361	PLN 342,272.20	40.08%	1,711,361	40.08%
Total	4,269,520	PLN 853,904.00	100.00%	4,269,520	100.00%

During the reporting period, the Issuer received the following notifications regarding changes in the shareholding structure:

1. On 25 January 2021, the Management Board of the Issuer received notification that the following shareholders had entered into an agreement: Investcamp Sp. z o.o., Mayas Basic Concept Limited, Marcin Marzec, Sebastian Pielach, Ewa Czarzasta-Marzec and Anna Pielach collectively holding 2,136,799 shares of the Issuer, representing 50.04% of the share capital and carrying 50.04% of votes at the General Meeting. The agreement entered into concerns the joint acquisition of shares of the Issuer.
2. On 4 February 2021, the Management Board of the Issuer received a notification from the shareholders acting under the agreement regarding the announcement of a follow-up call for the sale of shares in Arteria S.A. It was announced in connection with the planned acquisition of shares of the Issuer by Investcamp Sp. z o.o., Marcin Marzec and Ewa Czarzasta-Marzec, entitling to 66% of the total number of votes at the General Meeting of the Company. The subject of the call was 681,084 shares of the Issuer, representing in total approx. 15.95% of the share capital and carrying 681,084 votes at the General Meeting of the Company.
3. On 12 March 2021, the Management Board of the Issuer received a notification from Investcamp Sp. z o.o., which, on behalf of the shareholders acting in consultation, provided information on the lack of subscriptions for the sale of the Issuer's shares under the call announced on 4 February 2021 to subscribe for the sale of 681,084 shares of the Issuer, representing 15.95% of the share capital and carrying 681,084 votes at the General Meeting, at a price of PLN 4.48 per share. Due to the lack of subscriptions for the sale of the Issuer's shares, after the call the holding of the callers did not change and amounted in total to 2,136,799 shares constituting 50.04% of the share capital and entitling to 50.04% of votes at the General Meeting of the Company.
4. On 26 March 2021, the Management Board of the Issuer received a notification from Mayas Basic Concept Limited on increasing its involvement (by taking up new shares and purchasing existing shares) in Investcamp Sp. z o.o. to 50%, which owns 851,811 shares of the Issuer, constituting 19.95% in its share capital and entitling to 19.95% of votes at its General Meeting. Prior to the transaction, Mayas Basic Concept Limited was the direct owner of 606,883 shares of the Issuer representing 14.21% of the share capital and entitling to 14.21% of votes at the General Meeting. Following the increase of its involvement in Investcamp Sp. z o.o., Mayas Basic Concept Limited became an indirect owner of the Issuer's shares constituting 9.97% of the share capital and entitling to 9.97% of votes at the General Meeting of the Company.
5. In addition, on 26 March 2021, the Management Board of the Issuer received a notification from Sebastian Pielach in connection with the increase in the share capital of Investcamp Sp. z o.o. Sebastian Pielach, the owner of 210,764 shares of the Issuer constituting 4.94% of the share capital and entitling to 4.94% of votes at the General Meeting, and simultaneously being a shareholder of Investcamp Sp. z o.o. informed that in connection with the increase of the share capital of Investcamp Sp. z o.o., as its current 50% shareholder, it remains indirectly the owner of the Issuer's shares constituting 9.97% of the share capital and entitling to 9.97% of votes at the General Meeting of the Company.
6. On 30 August 2021, the Management Board of the Issuer received a notification from Investcamp Sp. z o.o. related to the acquisition of 52.74 shares constituting 1.23% of the Company's share capital and giving 1.23% of the total number of votes at the General Meeting of the Company. The acquisition was made by way of a block trade on 30 August 2021 at a price of PLN 7.50 per unit. After the transaction Investcamp Sp. z o.o. held 904,552 shares in the Company, constituting 21.18% of the share capital and giving 21.18% of the total number of votes at the General Meeting of the Company. At the same time, the Participants to the Agreement became the owners of a total of 2,189,540 shares in the Company,

constituting 51.28% of the share capital and entitling to a total of 51.28% of votes at the General Meeting of the Company.

- The Management Board of Arteria S.A. received notifications from Investcamp Sp. z o.o. regarding the purchase of 155,653 shares of the Company, constituting 3.64% of its share capital and giving 3.64% of the total number of votes at the General Meeting of the Company. The acquisition was made by way of a block trade on 27 October 2021 at a price of PLN 6.10 per unit. After the transaction Investcamp Sp. z o.o. currently holds 1,060,205 shares in the Company, constituting 24.83% of the share capital and giving 24.83% of the total number of votes at the General Meeting of the Company. At the same time, the Company was informed that as a result of the transaction the Participants of the Agreement own in total 2,345,193 shares in the Company, representing 54.92% of its share capital and entitling to 54.92% of votes at its General Meeting.

Shareholding structure as at 31 December 2021

Shareholder	Number of shares	Nominal value of shares	Share in the share capital (%)	Number of votes	Share in the total number of votes at the GMS (%)
Generali OFE S.A.	724,000	PLN 144,800.00	16.96%	724,000	16.96%
Investors TFI	426,162	PLN 85,232.40	9.98%	426,162	9.98%
Shareholders' agreement*	2,345,193	PLN 469,038.60	54.93%	2,345,193	54.93%
Other shareholders	774,165	PLN 154,833.00	18.13%	774,165	18.13%
Total	4,269,520	PLN 853,904.00	100.00%	4,269,520	100.00%

* Shareholders' agreement:

Shareholder	Number of shares	Nominal value of shares	Share in the share capital (%)	Number of votes	Share in the total number of votes at the GMS (%)
Investcamp Sp. z o.o. **	1,060,205	PLN 212,041.00	24.83%	1,060,205	24.83%
Mayas Basic Concept Limited	606,883	PLN 121,376.60	14.21%	606,883	14.21%
Marcin Marzec	155,040	PLN 31,008.00	3.63%	155,040	3.63%
Sebastian Pielach	210,764	PLN 42,152.80	4.94%	210,764	4.94%
Ewa Czarzasta-Marzec	200,410	PLN 40,082.00	4.69%	200,410	4.69%
Anna Pielach	111,891	PLN 22,378.20	2.62%	111,891	2.62%
Total	2,345,193	PLN 469,038.60	54.93%	2,345,193	54.93%

** The shareholding structure of Investcamp Sp. z o.o. holding 1,060,205 shares in the Company, constituting 24.83% of its share capital, consists of: Mayas Basic Concept Limited and Sebastian Pielach, who each hold 50% of the shares.

Transactions in shares of the Issuer which took place after the balance sheet date.

- After the end of the reporting period, on 21 March 2022, the Management Board of the Issuer received notifications from Investcamp Sp. z o.o. and from Sebastian Pielach and Marcin Marc related to the acquisition by Investcamp Sp. z o.o. of 144,279 shares of Arteria S.A., constituting 3.38% of the share capital of the Company and 3.38% of the total number of votes at the General Meeting of the Company. The acquisition of shares was made by way of block transactions executed on 17 and 18 March 2022 at a price of PLN 5.7 per unit. After the above transaction, Investcamp Sp. z o.o. held 1,204,484 shares of the Company, constituting 28.21% of the Company's share capital and 28.21% of the total number of votes at the General Meeting of the Company. At the same time, the Company was informed that as a result of the transaction the Participants of the Agreement own in total 2,489,472 shares in the Company, representing 58.30% of its share capital and entitling to 58.30% of votes at its General Meeting.
- On 29 March 2022, notifications were received from Investcamp Sp. z o.o. and from Sebastian Pielach and Marcin Marzec related to the acquisition by Investcamp Sp. z o.o. of 8,881 shares of Arteria S.A.,

constituting 0.28% of the share capital of the Company and 0.28% of the total number of votes at the General Meeting of the Company. The shares were acquired through transactions executed on the regulated market on 25 March 2022, at an average purchase price of PLN 7.73 per unit. After the above transaction, Investcamp Sp. z o.o. holds 1,213,365 shares of the Company, constituting 28.42% of the Company's share capital and 28.42% of the total number of votes at the General Meeting of the Company. At the same time, the Company was informed that as a result of the transaction the Participants of the Agreement own in total 2,498,353 shares in the Company, representing 58.52% of its share capital and entitling to 58.52% of votes at its General Meeting.

Shareholding structure as at 4 May 2022

Shareholder	Number of shares	Nominal value of shares	Share in the share capital (%)	Number of votes	Share in the total number of votes at the GMS (%)
Generali OFE S.A.	724,000	PLN 144,800.00	16.96%	724,000	16.96%
Investors TFI	426,162	PLN 85,232.40	9.98%	426,162	9.98%
Shareholders' agreement*	2,498,353	PLN 499,670.60	58.52%	2,498,353	58.52%
Other shareholders	621,005	PLN 124,201.00	14.55%	621,005	14.55%
Total	4,269,520	PLN 853,904.00	100.00%	4,269,520	100.00%

* Shareholders' agreement:

Shareholder	Number of shares	Nominal value of shares	Share in the share capital (%)	Number of votes	Share in the total number of votes at the GMS (%)
Investcamp Sp. z o.o.	1,213,365	PLN 242,673.00	28.42%	1,213,365	28.42%
Mayas Basic Concept Limited	606,883	PLN 121,376.60	14.21%	606,883	14.21%
Marcin Marzec	155,040	PLN 31,008.00	3.63%	155,040	3.63%
Sebastian Pielach	210,764	PLN 42,152.80	4.94%	210,764	4.94%
Ewa Czarzasta-Marzec	200,410	PLN 40,082.00	4.69%	200,410	4.69%
Anna Pielach	111,891	PLN 22,378.20	2.62%	111,891	2.62%
Total	2,498,353	PLN 499,670.60	58.52%	2,498,353	58.52%

** The shareholding structure of Investcamp Sp. z o.o. holding 1,213,365 shares in the Company, constituting 28.42% of its share capital, consists of: Mayas Basic Concept Limited and Sebastian Pielach, who each hold 50% of the shares.

3.4. Indication of special rights resulting from the ownership of shares with regard to control, the exercise of voting rights or restrictions on the transfer of ownership and the exercise of voting rights

As at 31 December 2021, there were no restrictions on the Issuer's shareholders with respect to the transfer of ownership, voting rights and there were no holders of securities with special control rights in the Company. This situation has not changed as at the date of publication of the annual report, i.e. 4 May 2022.

3.5. Rules for appointing and dismissing members of the Management Board of Arteria S.A.

The rules governing the appointment and dismissal of managing persons are governed by the Articles of Association of the Company. According to the wording of § 20(1), the Supervisory Board consists of 5 (five) to 7 (seven) members appointed and dismissed by the General Meeting. The number of members of the Supervisory Board is determined by the General Meeting.

§12(1) of the Articles of Association of the Company states that the Management Board consists of 1 (one) to 5 (five) members appointed and dismissed by the Supervisory Board. The Supervisory Board may appoint the President or Vice-President of the Management Board. The number of members of the Management Board is determined by the Supervisory Board.

3.6. Amendments to the Articles of Association of Arteria S.A.

The rules for amending the Articles of Association are regulated by §38 of the Articles of Association of the Company. In view of the wording of the aforementioned provision, resolutions on amendments to the Articles of Association, as well as on the issue of convertible bonds and bonds with pre-emptive rights to acquire shares, redemption of shares, increase and reduction of share capital, disposal or lease of an enterprise or an organised part thereof, and dissolution of the Company - are adopted by a majority of $\frac{3}{4}$ (three-quarters) of votes.

3.7. Manner of operation of the General Meeting of Shareholders of Arteria S.A. and its fundamental rights, shareholders' rights and the manner of their exercising

The General Meeting of Shareholders operates on the basis of the provisions of the Code of Commercial Companies and the Articles of Association of the Company. The Articles of Association of the Company provide for the adoption by the GMS of the Regulations of the General Meeting of Shareholders, setting out the principles for its operation. The current Regulations of the General Meeting of Shareholders of Arteria S.A. are available on the Company's website at www.arteria.pl in the tab dedicated to investors.

3.8. Description of activity of management and supervisory bodies, including the personal composition and the changes that occurred during the last accounting year

1. Management Board of the Company

During the reporting period, the composition of the Management Board of Arteria S.A. was as follows:

Marcin Marzec - President of the Management Board

Sebastian Pielach - Vice-President of the Management Board

During the reporting period and as at the date of publication of this report, the composition of the Management Board of Arteria S.A. did not change.

1. Proxies of the Company

The following persons are currently Proxies of the Company: Piotr Wojtowski and Paweł Grabowski. Each of the Proxies is entitled to undertake judicial and extrajudicial actions on behalf of the Company which are connected with the running of the enterprise on a joint basis, it is necessary for two proxies appointed by the Company or a proxy together with a member of the Management Board of the Company to act jointly.

2. Supervisory Board of the Company

During the reporting period, the composition of the Supervisory Board of Arteria S.A. was as follows:

Grzegorz Grygiel - Chairman of the Supervisory Board

Bartłomiej Jankowski - Member of the Supervisory Board

Michał Lehmann - Member of the Supervisory Board

Michał Wnorowski - Member of the Supervisory Board

Krzysztof Kaczmarczyk - Member of the Supervisory Board

During the reporting period and as at the date of publication of this report, the composition of the Supervisory Board of Arteria S.A. did not change.

3. The Audit Committee of the Company

During the reporting period, the composition of the Audit Committee of Arteria S.A. was as follows:

Grzegorz Grygiel - Chairman of the Audit Committee

Michał Wnorowski - Member of the Audit Committee

Michał Lehmann - Member of the Audit Committee

Krzysztof Kaczmarczyk - Member of the Audit Committee

During the reporting period and as at the date of publication of this report, the composition of the Audit Committee of Arteria S.A. did not change.

All members of the Audit Committee meet the conditions set out in Article 129(3) of the Act of 11 May 2017 on auditors, audit firms and public supervision (Journal of Laws of 2017, item 1089).

In addition, the members of the Audit Committee of the Issuer in the persons of Grzegorz Grygiel and Krzysztof Kaczmarczyk meet the condition set forth in Article 129(1) second sentence of the Act.

Five meetings of the Audit Committee were held during 2021.

3.9. Diversity policy

The Company does not have a written document expressing the principles followed by the persons deciding on the election of the members of the Management Board or the Supervisory Board of the Company, the Company applies such principles. Past practice in electing members of the Management Board and Supervisory Board of the Company proves that criteria such as previous experience, competence and skills needed to perform specific functions are decisive in the selection process. Guided by the above criteria, it is possible to select the members of the bodies ensuring effective and efficient functioning of the Company and the implementation of the strategic objectives adopted for it, financial budgets and plans for further development. The Company believes that the application of the above recommendation in principle contributes to reducing inequalities between men and women in access to decision-making positions in listed companies.

4. SIGNATURES OF PERSONS PREPARING AND APPROVING THE MANAGEMENT REPORT ON OPERATIONS

The Management Board report on the Company's operations for 2021 was prepared and approved by the Management Board of Arteria S.A. for publication on 4 May 2022.

Marcin Marzec

President of the Management Board

Sebastian Pielach

Vice-President of the Management Board