



STALEXPORT
Autostrady

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
OF THE CAPITAL GROUP**

for the six-month period ended
30 June 2020

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

These condensed consolidated interim financial statements are unaudited

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

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Condensed consolidated interim statement of comprehensive income
for the six-month period ended 30 June

<i>In thousands of PLN, unless stated otherwise</i>	<i>Note</i>	2020 <i>(unaudited)</i>	2019 <i>(unaudited)</i>
Revenue	6, 8	128 656	167 962
Cost of sales	6, 9	(44 544)	(45 837)
Gross profit		84 112	122 125
Other income	10	5 653	1 987
Administrative expenses	6, 9	(39 504)	(62 766)
Other expenses	11	(141)	(321)
Impairment losses on trade and other receivables		(25)	(16)
Operating profit		50 095	61 009
Finance income		3 467	5 885
Finance expenses		(4 132)	(7 948)
Net finance expense	12	(665)	(2 063)
Share of profit/(loss) of equity accounted investees (net of income tax)		(215)	79
Profit before income tax		49 215	59 025
Income tax expense		(14 592)	(21 484)
Profit for the period		34 623	37 541
Other comprehensive income			
<i>Items that will never be reclassified to profit or loss for the period</i>			
Change in fair value of equity instruments	18	(302)	(142)
Remeasurement of employee benefits		(153)	(107)
Income tax on other comprehensive income		85	47
		(370)	(202)
<i>Items that are or may be reclassified subsequently to profit or loss for the period</i>			
Foreign currency translation differences for foreign operations		28	78
Effective portion of changes in fair value of cash flow hedges		-	(48)
Net change in fair value of cash flow hedges reclassified to profit or loss for the period		-	1 148
Income tax on other comprehensive income		-	(209)
		28	969
Other comprehensive income for the period, net of income tax		(342)	767
Total comprehensive income for the period		34 281	38 308
Profit attributable to:			
owners of the Company		32 967	35 138
non-controlling interest		1 656	2 403
Profit for the period		34 623	37 541
Total comprehensive income attributable to:			
owners of the Company		32 668	35 928
non-controlling interest		1 613	2 380
Total comprehensive income for the period		34 281	38 308
Earnings per share			
Basic earnings per share (PLN)		0.13	0.14
Diluted earnings per share (PLN)		0.13	0.14

The condensed consolidated interim statement of comprehensive income should be analyzed together with notes, which constitute integral part of the condensed consolidated interim financial statements

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Condensed consolidated interim statement of financial position
as at

<i>In thousands of PLN</i>	<i>Note</i>	30 June 2020 <i>(unaudited)</i>	31 December 2019
ASSETS			
Non-current assets			
Property, plant and equipment	13	31 254	31 813
Intangible assets	14	460 612	438 177
Investment property	15	6 176	6 455
Investments in associates		758	973
Other non-current investments		411 227	417 794
Deferred tax assets	16	22 608	23 033
Total non-current assets		932 635	918 245
Current assets			
Inventories		3 047	3 064
Current investments		953	1 574
Income tax receivables		293	-
Trade and other receivables	17	17 362	26 301
Cash and cash equivalents		375 504	372 868
Total current assets		397 159	403 807
Total assets		1 329 794	1 322 052
EQUITY AND LIABILITIES			
Equity			
Share capital	19.1	185 447	185 447
Share premium reserve		7 431	7 430
Fair value reserve		(313)	291
Other reserve capitals and supplementary capital		509 752	511 248
Foreign currency translation reserve		-	143
Retained earnings and uncovered losses		104 323	81 776
Total equity attributable to owners of the Company		806 640	786 335
Non-controlling interest		2 314	9 429
Total equity		808 954	795 764
Liabilities			
Non-current liabilities			
Lease liabilities		3 046	3 112
Employee benefits		5 454	4 452
Deferred income		4 775	5 191
Other non-current liabilities	21	18 134	17 567
Provisions	20	329 269	314 374
Total non-current liabilities		360 678	344 696
Current liabilities			
Lease liabilities		122	125
Income tax liabilities		11 024	20 555
Trade and other payables	21	59 413	90 307
Employee benefits		601	857
Deferred income		1 615	832
Contract liabilities		7 146	6 570
Provisions	20	80 241	62 346
Total current liabilities		160 162	181 592
Total liabilities		520 840	526 288
Total equity and liabilities		1 329 794	1 322 052

The condensed consolidated interim statement of financial position should be analyzed together with notes, which constitute integral part of the condensed consolidated interim financial statements

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

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Condensed consolidated interim statement of cash flows
for the six-month period ended 30 June

<i>In thousands of PLN</i>	<i>Note</i>	2020 <i>(unaudited)</i>	2019 <i>(unaudited)</i>
Cash flows from operating activities			
Profit before income tax		49 215	59 025
Adjustments for			
Depreciation and amortisation	9	29 061	28 213
Foreign currency translation differences for foreign operations		28	78
(Gain)/Loss on disposal of intangible assets and property, plant and equipment	10, 11	23	(187)
Interest and dividends		(3 536)	(2 986)
Share of (profit)/loss of equity accounted investees		215	(79)
Change in receivables		8 939	14 946
Change in inventories		17	132
Change in trade and other payables		(38 704)	9 178
Change in provisions		252	1 926
Change in deferred income		367	345
Change in contract liabilities		576	895
Cash generated from operating activities		46 453	111 486
Income tax paid		(23 906)	10 266
Net cash from operating activities		22 547	121 752
Cash flows from investing activities			
Investment proceeds		10 063	6 380
Sale of intangible assets and property, plant and equipment		11	192
Proceeds from non-current deposits held for investment expenditures		6 220	-
Interest received		3 832	6 188
Investment expenditures		(24 496)	(73 259)
Acquisition of intangible assets and property, plant and equipment		(24 496)	(12 655)
Non-current deposits held for investment expenditures		-	(60 604)
Net cash used in investing activities		(14 433)	(66 879)
Cash flows from financing activities			
Financial expenditures		(5 478)	(116 010)
Dividends paid, including attributable to:	19.4	(5 353)	(91 487)
owners of the Company		-	(91 487)
non-controlling interest		(5 353)	-
Repayment of loans and borrowings		-	(21 702)
Interest paid		-	(2 696)
Payment of lease liabilities		(125)	(125)
Net cash used in financing activities		(5 478)	(116 010)
Total net cash flows		2 636	(61 137)
Change in cash and cash equivalents		2 636	(61 137)
Cash and cash equivalents at the beginning of the period		372 868	333 741
Cash and cash equivalents at the end of the period		375 504	272 604

The condensed consolidated interim statement of cash flows should be analyzed together with notes, which constitute integral part of the condensed consolidated interim financial statements

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Condensed consolidated interim statement of changes in equity

In thousands of PLN

<i>(unaudited)</i>	<i>Note</i>	Share capital	Share premium reserve	Fair value reserve	Other reserve capitals and supplementary capital	Foreign currency translation reserve	Retained earnings and uncovered losses	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
As at 1 January 2020		185 447	7 430	291	511 248	143	81 776	786 335	9 429	795 764
Profit for the period		-	-	-	-	-	32 967	32 967	1 656	34 623
Other comprehensive income:		-	-	(246)	15	(19)	(49)	(299)	(43)	(342)
Remeasurement of employee benefits		-	-	-	-	-	(100)	(100)	(53)	(153)
Change in fair value of equity instruments	18	-	-	(302)	-	-	-	(302)	-	(302)
Foreign currency translation differences for foreign operations		-	-	-	15	(19)	32	28	-	28
Income tax on other comprehensive income		-	-	56	-	-	19	75	10	85
Total comprehensive income for the period		-	-	(246)	15	(19)	32 918	32 668	1 613	34 281
Liquidation/Redemption of equity instruments measured at fair value through other comprehensive income		-	-	(358)	-	-	358	-	-	-
Dividends paid	19.4	-	-	-	(1 966)	-	(10 397)	(12 363)	(8 728)	(21 091)
Allocation of profit to other reserve capitals and supplementary capital		-	-	-	455	-	(455)	-	-	-
Changes in Capital Group's structure	1	-	-	-	-	(124)	124	-	-	-
Other		-	1	-	-	-	(1)	-	-	-
As at 30 June 2020		185 447	7 431	(313)	509 752	-	104 323	806 640	2 314	808 954

The condensed consolidated interim statement of changes in equity should be analyzed together with notes, which constitute integral part of the condensed consolidated interim financial statements

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Condensed consolidated interim statement of changes in equity (continued)

In thousands of PLN

<i>(unaudited)</i>	<i>Note</i>	Share capital	Share premium reserve	Fair value reserve	Hedging reserve	Other reserve capitals and supplementary capital	Foreign currency translation reserve	Retained earnings and uncovered losses	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
As at 1 January 2019		185 447	7 430	407	(2 409)	429 324	132	179 738	800 069	4 602	804 671
Profit for the period		-	-	-	-	-	-	35 138	35 138	2 403	37 541
Other comprehensive income:		-	-	(115)	891	(10)	11	13	790	(23)	767
Effective portion of changes in fair value of cash flow hedges		-	-	-	(48)	-	-	-	(48)	-	(48)
Net change in fair value of cash flow hedges reclassified to profit or loss for the period		-	-	-	1 148	-	-	-	1 148	-	1 148
Remeasurement of employee benefits		-	-	-	-	-	-	(79)	(79)	(28)	(107)
Change in fair value of equity instruments	18	-	-	(142)	-	-	-	-	(142)	-	(142)
Foreign currency translation differences for foreign operations		-	-	-	-	(10)	11	77	78	-	78
Income tax on other comprehensive income		-	-	27	(209)	-	-	15	(167)	5	(162)
Total comprehensive income for the period		-	-	(115)	891	(10)	11	35 151	35 928	2 380	38 308
Dividends paid	19.4	-	-	-	-	(91 487)	-	-	(91 487)	-	(91 487)
Allocation of profit to other reserve capitals and supplementary capital		-	-	-	-	173 419	-	(173 419)	-	-	-
As at 30 June 2019		185 447	7 430	292	(1 518)	511 246	143	41 470	744 510	6 982	751 492

The condensed consolidated interim statement of changes in equity should be analyzed together with notes, which constitute integral part of the condensed consolidated interim financial statements

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Notes to the condensed consolidated interim financial statements

(all amounts in PLN thousand (TPLN), unless stated otherwise)

1. Group overview

Stalexport Autostrady S.A. ("the Company") with its seat in Mysłowice, Piaskowa 20 Street, is a public listed company registered in the National Court Register under registration number KRS 16854.

The Company together with its subsidiaries constitutes Stalexport Autostrady S.A. Capital Group ("Group", "Capital Group").

The business activities of the Group include the following:

- construction of roads and railroads, in particular services related to managing, construction by adapting to the requirements of toll motorway and exploitation of the section of A-4 motorway Katowice-Kraków,
- management and business advisory,
- rental services.

As at 30 June 2020, beside the Company, the Group comprised of the following entities:

Name of the entity	Seat of the entity	Main activities	Status	Ownership interest and voting rights	Date of obtaining control/Date of acquisition	Consolidation method
Stalexport Autostrada Małopolska S.A.	Mysłowice	Construction and operation of motorway	Subsidiary	100%	1998	Full consolidation
VIA4 S.A.*	Mysłowice	Motorway operation	Subsidiary	55%	1998	Full consolidation
Biuro Centrum Sp. z o.o.	Katowice	Real estate administration	Associate	40.63%	1994	Equity method
Petrostal S.A. w likwidacji**	Warszawa	Non-operational	Subsidiary	100%	2005	-

* Assessment of control included the fact, that Company had and still has (currently through subsidiary Stalexport Autostrada Małopolska S.A.) a decisive influence on the definition of the objective and operating model of VIA4 (operator on the section Katowice – Kraków of A-4 motorway subject to the concession – see note 4), including significant operational and financial activities. Furthermore, as the result of the ownership interest held, the decisions regarding VIA4 policy on dividends are at Company's sole discretion.

** This entity is not subject to consolidation due to existing limitations regarding control exercise.

The condensed consolidated interim financial statements as at the day and for the six-month period ended 30 June 2020 comprise financial statements of the Company and its subsidiaries and also Group's share in net assets of associates.

The Capital Group is also included within the consolidated financial statements of the higher-level parent entity Atlantia S.p.A. (Italy).

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Changes in the Capital Group's structure

On 28 February 2020 the District Court Katowice-Wschód in Katowice, VIII Commercial Division of the National Court Register, made an entry into the register of entrepreneurs of the Company's cross-border merger with its subsidiary Stalexport Autoroute S.à r.l. with its registered office in Luxembourg.

The cross-border merger of the companies was conducted in accordance with the terms and conditions included in the merger plan agreed and adopted on 30 September 2019 by both Management Boards of merging companies i.e. by taking over all assets and liabilities of Stalexport Autoroute S.à r.l. by the Company without an increase of its share capital, in accordance with Art. 516 (1) in relation to Art. 492 § 1 item 1 and Art. 515 of the Commercial companies code of 15 September 2000 ("CCC") and Art. 278 of the Luxembourg act of 10 August 1915 on commercial companies.

According to the Art. 494 § 1 of CCC on the day of the merger i.e. on 28 February 2020 the Company stepped into all the rights and obligations of Stalexport Autoroute S.à r.l., which in accordance with the Luxembourg law was wound up without going into liquidation.

Considering that until the date of the merger Stalexport Autoroute S.à r.l. was consolidated by means of full consolidation method, the aforementioned business combination had no impact on these condensed consolidated interim financial statements, except for the reclassification of foreign currency translation differences for foreign operation in amount of TPLN 124 from the dedicated equity item to "Retained earnings and uncovered losses".

2. Basis for preparation of condensed consolidated interim financial statements

2.1. Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union and other regulations in force.

In accordance with Decree of the Ministry of Finance dated 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (the Official Journal of law 2018.757) the Group is required to publish the financial results for the six-month period ended 30 June 2020, which is deemed to be the current interim financial reporting period.

Condensed consolidated interim financial statements do not include all the information required for yearly financial statements and therefore should be analysed together with the Group's consolidated financial statements as at the day and for the year ended 31 December 2019.

The condensed consolidated interim financial statements were approved by the Management Board of the Company on 31 July 2020.

2.2. Functional and presentation currency

The condensed consolidated interim financial statements are presented in Polish zloty, being the presentation currency of the Group and at the same time the functional currency of the Company, rounded to full thousands.

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2.3. Use of estimates and judgments

The preparation of condensed consolidated interim financial statements requires that the Management Board makes judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, equity and liabilities, income and expenses with respect to the Group. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances and the results of which form a basis for professional judgment on carrying values of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future periods.

Judgments and estimates made by the Management Board, which have significant impact on condensed consolidated interim financial statements, have been disclosed in notes 15, 16, 17, 18 and 20.

2.4. New standards and interpretations not applied in these condensed consolidated interim financial statements

New standards, amendments to standards and interpretations, which are effective for annual periods beginning after 1 January 2020, have not been applied in preparation of these condensed consolidated interim financial statements. Neither of the new standards nor amendments to the already existing standards, are expected to have a significant impact on the consolidated financial statements of the Group for the period for which they will become effective.

3. Going concern

The Group continuously monitors the impact of the COVID-19 epidemic on its operations, including its future financial situation and results.

The financial results of the Group's motorway operations are directly dependent on the level of traffic on the section of the A4 Katowice-Krakow motorway subject to the concession. The significant decrease in traffic observed in I semester 2020 was mainly caused by the economic and social effect of the COVID-19 epidemic, of which the Group provides updates through its published current reports, which present the dynamics of traffic in 2020 on a weekly basis compared to the same periods of 2019. Note 8 presents a comparison of traffic for the respective monthly periods of 2020 and 2019.

Taking into account the overall economic and legal situation of the Group, including expectations regarding traffic level within the 12-month period from the end of current reporting period and in subsequent years, as at the date of approval of these condensed consolidated interim financial statements, no circumstances have been identified that would indicate a material deterioration of the Group's financial position, including as a result of the aforementioned impact of the COVID-19 epidemic on the Group's operations, and therefore the condensed consolidated interim financial statements have been prepared under the assumption that the Group will continue to operate as a going concern for the foreseeable future.

The above-mentioned predictions of traffic were determined based on the changes in traffic observed in the current period, with the assumption of the expected economic growth and the gradual reduction of the impact of the COVID-19 epidemic on traffic. The fulfilment of such predictions involves various types of assumptions and risks of their fulfilment, among which the risks related to the impact of the COVID-19 epidemic on the Group's operations, including on its revenues, have a special role.

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4. Information concerning the Concession Agreement

The activities of the Group include primarily business related to the management, construction by transformation to toll motorway and operation of the section Katowice – Kraków of A-4 motorway, performed mainly by the Company's subsidiary Stalexport Autostrada Małopolska S.A. ("Concession Holder", "SAM S.A."). These activities are regulated by the concession agreement ("Concession Agreement").

The subject of the Concession Agreement is completion of construction of the A-4 motorway (by transformation to the toll motorway) on the section from Katowice (junction Murckowska, km 340.2) to Krakow (junction Balice I, km 401.1) and its subsequent operation as well as conducting and completion of the remaining construction works as specified in the Concession Agreement ("Venture").

The Concession Agreement has been concluded for a time equal to the term of the concession i.e. 30 years ending in March 2027.

As specified in the Concession Agreement, toll revenues constitute the principal source of income from the execution of the venture.

Throughout the term of the Concession Agreement, the Concession Holder shall have the right to use and receive profits from the road strip of the motorway. In return the Concession Holder is responsible for the operation and maintenance of the toll motorway until the termination or expiry of the Concession Agreement, which determines detailed range of the Concession Holder's obligations, and is obliged to perform precisely specified construction works.

Furthermore, as determined by the Concession Agreement, after fulfilment of conditions therein defined, the Concession Holder:

- (i) made concession payments to the National Road Fund ("Concession Payments"), constituting so-called subordinate debt (obligation due to loan drawn by State Treasury from the European Bank for Reconstruction and Development for the purpose of financing the construction of A-4 Toll Motorway Katowice-Kraków taken over by the Concession Holder);
- (ii) is obliged to makes payments to the National Road Fund constituting State Treasury's share in profits of the Venture ("Payments to the State Treasury").

So far completed Phase I included the construction of toll collection system, setting up of the maintenance centre in Brzęczkowice and construction of the communication and motorway traffic management system, including the emergency communication system. Further investment phases (Phase II) in progress or to be carried out include, among others, renovations of bridges, development of junctions, construction of rest areas and works related to environmental protection measures (constructions of noise screens, motorway drainage system, passes for animals).

At the conclusion of the Concession Agreement the right to use and receive profits from all buildings and structures constructed by the Concession Holder will be transferred to the State Treasury.

According to provisions of the Concession Agreement between SAM S.A. and the Minister of Infrastructure Payments to the State Treasury, as well as dividend payments to the shareholder(s) of SAM S.A., are dependent, among others, on completion of specified construction phases, achieving minimum level of debt service ratios and assuring the sufficient coverage of reserve accounts.

The Group recognises the liabilities due to Payments to the State Treasury only after all the underlying conditions for the obligation to make payments, as foreseen in the Concession Agreement, are met. So-called calculation date is considered to be the moment when the aforementioned criteria triggering the payment obligation are met, i.e. the date as of which the assessment of meeting of the criteria, as well as the

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determination of the amount available for distribution in the period prior to next calculation date, are performed.

In previous years the Group, in accordance with the provisions of Project Loan Agreement in force until its repayment date, i.e. 30 September 2019, considered 31 March and 30 September as calculation dates (with the liability of TPLN 34,941 net recognised as at 31 March 2019 (subsequently increased in II quarter 2019 by TPLN 9,415 net due to the adjustment of settlements resulting from the received individual tax interpretation regarding value added tax) and liability of TPLN 44,444 net recognised as at 30 September 2019). Starting from 2020, in the absence of an explicit regulation of this issue in the Concession Agreement, the Group considers 30 June and 31 December as the calculation dates, therefore the Group recognized the liability due to Payments to the State Treasury in amount of TPLN 14,880 net as at 30 June 2020.

5. Description of significant accounting policies

Changes resulting from the introduction of amendments to existing standards and interpretations, effective for reporting periods beginning on 1 January 2020 or later, had no significant impact on Group's accounting policies, and as the result, on these condensed consolidated interim financial statements.

With the exception of changes described above, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those described in the consolidated financial statements as at and for the year ended 31 December 2019.

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6. Segment reporting

The Group presents its activity in business segments, which are based on the Group's management and internal reporting structure.

The Group operates in one geographical segment – entire revenue is earned in Poland.

Business segments

Business segments include:

- management, advisory and rental services,
- management and operation of motorways.

Business segments results

For the period from 1 January 2020 to 30 June 2020

	Management, advisory and rental services	Management and operation of motorways	Total
Operating revenues			
Revenue from external customers	1 597	127 059	128 656
Total revenue	1 597	127 059	128 656
Operating expenses			
Cost of sales to external customers	(1 985)	(42 559)	(44 544)
Total cost of sales	(1 985)	(42 559)	(44 544)
Other income	76	5 577	5 653
Other expenses	(3)	(138)	(141)
Impairment losses on trade and other receivables	(4)	(21)	(25)
Administrative expenses*	(2 480)	(37 024)	(39 504)
Results from operating activities	(2 799)	52 894	50 095
Net finance income/(expense)	1 098	(1 763)	(665)
Share of loss of equity accounted investees (net of income tax)	(215)	-	(215)
Income tax expense	(646)	(13 946)	(14 592)
Profit/(Loss) for the period	(2 562)	37 185	34 623
Other comprehensive income, net of income tax			(342)
Total comprehensive income for the period			34 281
Major non-cash items			
Depreciation and amortisation	(326)	(28 735)	(29 061)
Impairment losses on trade and other receivables	(4)	(21)	(25)
Unwinding of discount (including lease interest expense)	(57)	(3 771)	(3 828)

* Expenses related to "Management, advisory and rental services" comprise all administrative expenses of the Company - expenses related to "Management and operation of motorways" include Payments to the State Treasury in amount of TPLN 14,880.

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For the period from 1 January 2019 to 30 June 2019

	Management, advisory and rental services	Management and operation of motorways	Total
Operating revenues			
Revenue from external customers	1 674	166 288	167 962
Total revenue	1 674	166 288	167 962
Operating expenses			
Cost of sales to external customers	(1 926)	(43 911)	(45 837)
Total cost of sales	(1 926)	(43 911)	(45 837)
Other income	46	1 941	1 987
Other expenses	(5)	(316)	(321)
Impairment losses on trade and other receivables	(9)	(7)	(16)
Administrative expenses*	(2 556)	(60 210)	(62 766)
Results from operating activities	(2 776)	63 785	61 009
Net finance income/(expense)	1 854	(3 917)	(2 063)
Share of profit of equity accounted investees (net of income tax)	79	-	79
Income tax expense	(252)	(21 232)	(21 484)
Profit/(Loss) for the period	(1 095)	38 636	37 541
Other comprehensive income, net of income tax			767
Total comprehensive income for the period			38 308
Major non-cash items			
Depreciation and amortisation	(326)	(27 887)	(28 213)
Impairment losses on trade and other receivables	(9)	(7)	(16)
Unwinding of discount (including lease interest expense)	(57)	(4 833)	(4 890)

* Expenses related to "Management, advisory and rental services" comprise all administrative expenses of the Company - expenses related to "Management and operation of motorways" include Payments to the State Treasury in amount of TPLN 44,356.

Financial position according to business segments as at

	30 June 2020	31 December 2019
Management, advisory and rental services		
Assets of the segment	346 045	205 941
Liabilities of the segment	18 423	5 851
Management and operation of motorways		
Assets of the segment	983 749	1 116 111
Liabilities of the segment	502 417	520 437
Total assets	1 329 794	1 322 052
Total liabilities	520 840	526 288

7. Periodicity and seasonality of the business

Activity of the "Management and operation of motorways" business segment is influenced by seasonality, due to fluctuations of traffic levels on the A4 motorway section subject to concession between the individual quarterly periods. The highest level of traffic is recorded in third quarter and the lowest in first quarter of each calendar year. Fluctuations of traffic levels in 2020 may deviate from trends observed in previous years due to the economic and social effect of COVID-19.

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8. Revenue

	<i>I semester 2020</i>			<i>I semester 2019</i>		
	<i>Management, advisory and rental services</i>	<i>Management and operation of motorways</i>	<i>Total</i>	<i>Management, advisory and rental services</i>	<i>Management and operation of motorways</i>	<i>Total</i>
Revenue from contracts with customers						
Toll revenue, including:	-	126 703	126 703	-	165 994	165 994
Manual toll collection (cash, bank cards)	-	67 981	67 981	-	104 216	104 216
Fleet cards	-	28 520	28 520	-	34 927	34 927
Electronic toll collection	-	29 046	29 046	-	24 554	24 554
KartA4	-	1 156	1 156	-	2 297	2 297
Revenue due to other services rendered	-	4	4	-	2	2
	-	126 707	126 707	-	165 996	165 996
Other revenue						
Revenue from rental of investment property	1 595	-	1 595	1 673	-	1 673
Revenue due to other services rendered	1	-	1	1	-	1
Other revenue	-	353	353	-	292	292
	1 596	353	1 949	1 674	292	1 966
Total	1 596	127 060	128 656	1 674	166 288	167 962

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

Revenue from motorway operation (toll revenue) is recognised when the customer passes through toll collection plaza as the result of:

- customer paying the motorway toll in cash or by means of bank cards directly at the toll collection plaza; or
- positive identification at the toll collection plaza of customer's right to pass through the motorway (kartA4, electronic toll collection, fleet cards).

The average daily traffic (ADT) on the section of the A4 Katowice-Krakow motorway subject to the concession for each month of 2020 and 2019 has been presented below.

<i>ADT</i>	<i>January</i>			<i>February</i>			<i>March</i>		
	<i>2020</i>	<i>2019</i>	<i>change</i>	<i>2020</i>	<i>2019</i>	<i>change</i>	<i>2020</i>	<i>2019</i>	<i>change</i>
Light vehicles	35 682	33 408	6,8%	36 167	36 507	-0,9%	21 417	34 910	-38,6%
Heavy vehicles	6 495	6 794	-4,4%	7 092	7 251	-2,2%	6 657	7 269	-8,4%
Total	42 177	40 202	4,9%	43 260	43 759	-1,1%	28 074	42 178	-33,4%
<i>ADT</i>	<i>April</i>			<i>May</i>			<i>June</i>		
	<i>2020</i>	<i>2019</i>	<i>change</i>	<i>2020</i>	<i>2019</i>	<i>change</i>	<i>2020</i>	<i>2019</i>	<i>change</i>
Light vehicles	12 513	37 339	-66,5%	21 339	37 192	-42,6%	30 505	40 612	-24,9%
Heavy vehicles	5 208	7 355	-29,2%	5 717	7 399	-22,7%	6 544	7 349	-11,0%
Total	17 721	44 694	-60,4%	27 056	44 591	-39,3%	37 049	47 961	-22,8%

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9. Expenses by nature

	<i>I semester 2020</i>	<i>I semester 2019</i>
Depreciation and amortisation	(29 061)	(28 213)
Energy and materials consumption	(2 224)	(2 867)
Accrual of provision for motorway resurfacing disclosed within cost of sales (external services)*	(4 247)	(6 091)
Other external services, including:	(11 113)	(9 750)
- renovation and maintenance services	(5 168)	(3 520)
- advisory services	(1 658)	(2 044)
Payments to the State Treasury (net amount)	(14 880)	(44 356)
Taxes and charges	(4 369)	(722)
Employee benefit expenses	(17 042)	(15 607)
Other costs	(1 107)	(997)
Cost of goods and materials sold	(5)	-
Total expenses by nature	(84 048)	(108 603)
Cost of sales and administrative expenses	(84 048)	(108 603)

* Including change of estimates related to provisions - see note 20.

9.1. Employee benefit expenses

	<i>I semester 2020</i>	<i>I semester 2019</i>
Wages and salaries	(13 143)	(11 986)
Social security contributions and other benefits	(2 998)	(2 715)
Movement in employee benefits liabilities included in profit and loss:	(901)	(906)
Post-employment benefits	(71)	(56)
Jubilee bonuses liabilities	(279)	(262)
Other employee benefits	(551)	(588)
Total	(17 042)	(15 607)

10. Other income

	<i>I semester 2020</i>	<i>I semester 2019</i>
Rental income from passenger service areas	5 326	1 286
Compensations, contractual penalties and costs of court proceedings received	130	104
Reimbursement of real estate tax paid for previous periods	-	214
Interest from receivables	6	6
Time-barred liabilities written off	18	-
Net gain on disposal of property, plant and equipment and intangible assets	-	187
Other	173	190
Total	5 653	1 987

Rental income from passenger service sites is recognised in profit or loss on a straight-line basis over the term of the lease.

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11. Other expenses

	<i>I semester 2020</i>	<i>I semester 2019</i>
Donations granted	(58)	(11)
Repair of damages	(17)	(40)
Penalties, compensations, fees	(32)	(38)
Reversal of rental income from passenger service areas for previous periods due to reimbursement of real estate tax paid	-	(214)
Net loss on disposal of property, plant and equipment and intangible assets	(23)	-
Unrecoverable input VAT	(7)	(7)
Other	(4)	(11)
Total	(141)	(321)

12. Net finance expense

	<i>I semester 2020</i>	<i>I semester 2019</i>
Recognised in profit or loss for the period		
Dividend income:	-	7
- equity instruments - financial instruments measured at fair value through other comprehensive income (held at the reporting date)	-	7
Interest income under the effective interest method on:	3 427	5 784
- cash and cash equivalents	2 507	2 498
- non-current deposits	920	3 286
Net foreign exchange gain	40	-
Ineffective portion of changes in fair value of cash flow hedges	-	4
Other finance income	-	90
Finance income	3 467	5 885
Interest expense on liabilities measured at amortised cost, including:	(1 456)	(3 335)
- loans and borrowings, including:	-	(1 856)
- nominal	-	(1 196)
- other	-	(660)
- discount of Concession fees	(1 399)	(1 422)
- lease interest expense	(57)	(57)
Discount of provisions	(2 372)	(3 411)
Net foreign exchange loss	-	(17)
Net change in fair value of cash flow hedges reclassified from other comprehensive income	-	(1 148)
Other finance expenses	(304)	(37)
Finance expenses	(4 132)	(7 948)
Net finance expense recognised in profit or loss for the period	(665)	(2 063)
Recognised in other comprehensive income		
Foreign currency translation differences for foreign operations	28	78
Effective portion of changes in fair value of cash flow hedges	-	(48)
Net change in fair value of cash flow hedges reclassified to profit or loss for the period	-	1 148
Change in fair value of equity instruments	(302)	(142)
Finance income/(expenses) recognised in other comprehensive income	(274)	1 036

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13. Property, plant and equipment

	Buildings and constructions	Plant and equipment	Vehicles	Other	Under construction	Total
Cost as at 1 January 2019	20 940	23 826	18 686	8 296	401	72 149
Acquisitions	-	371	481	16	123	991
Transfer from property, plant and equipment under construction	-	171	-	196	(367)	-
Transfer from provisions for capital expenditure	-	-	-	-	164	164
Disposals	(1)	(34)	(489)	(28)	-	(552)
Cost as at 30 June 2019	20 939	24 334	18 678	8 480	321	72 752
Cost as at 1 January 2020	21 167	26 691	18 787	8 506	1 060	76 211
Acquisitions	-	1 371	-	2	1 762	3 135
Transfer from property, plant and equipment under construction	-	2 079	-	-	(2 079)	-
Disposals	-	(95)	(256)	-	-	(351)
Cost as at 30 June 2020	21 167	30 046	18 531	8 508	743	78 995
Depreciation and impairment losses as at 1 January 2019	(14 363)	(10 673)	(9 316)	(4 134)	-	(38 486)
Depreciation for the period	(463)	(1 468)	(939)	(411)	-	(3 281)
Disposals	-	34	486	28	-	548
Depreciation and impairment losses as at 30 June 2019	(14 826)	(12 107)	(9 769)	(4 517)	-	(41 219)
Depreciation and impairment losses as at 1 January 2020	(15 297)	(13 621)	(10 562)	(4 918)	-	(44 398)
Depreciation for the period	(478)	(1 813)	(953)	(416)	-	(3 660)
Disposals	-	85	232	-	-	317
Depreciation and impairment losses as at 30 June 2020	(15 775)	(15 349)	(11 283)	(5 334)	-	(47 741)
Carrying amounts						
As at 1 January 2019	6 577	13 153	9 370	4 162	401	33 663
As at 30 June 2019	6 113	12 227	8 909	3 963	321	31 533
As at 1 January 2020	5 870	13 070	8 225	3 588	1 060	31 813
As at 30 June 2020	5 392	14 697	7 248	3 174	743	31 254

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Impairment losses

As at 30 June 2020, 31 December 2019 and 30 June 2019 there were no indicators, which would require the Group to test property, plant and equipment for impairment.

14. Intangible assets

	Concession intangible assets	Other concessions, licences, software and other	Other intangible assets	Intangible assets not ready for use	Total
Cost as at 1 January 2019	938 183	12 643	970	125	951 921
Acquisitions	-	49	-	3 085	3 134
Revaluation of concession intangible assets	16 407	-	-	-	16 407
Disposals	-	(53)	-	-	(53)
Cost as at 30 June 2019	954 590	12 639	970	3 210	971 409
Cost as at 1 January 2020	969 262	12 647	2 798	5 201	989 908
Acquisitions	-	2	-	2 529	2 531
Transfer from intangible assets not ready for use	-	981	-	(981)	-
Revaluation of concession intangible assets	45 026	-	-	-	45 026
Other reclassifications	-	1 828	(1 828)	-	-
Cost as at 30 June 2020	1 014 288	15 458	970	6 749	1 037 465
Amortisation and impairment losses as at 1 January 2019	(496 718)	(4 311)	(970)	-	(501 999)
Amortisation for the period	(23 941)	(712)	-	-	(24 653)
Disposals	-	53	-	-	53
Amortisation and impairment losses as at 30 June 2019	(520 659)	(4 970)	(970)	-	(526 599)
Amortisation and impairment losses as at 1 January 2020	(545 051)	(5 710)	(970)	-	(551 731)
Amortisation for the period	(24 164)	(958)	-	-	(25 122)
Amortisation and impairment losses as at 30 June 2020	(569 215)	(6 668)	(970)	-	(576 853)
Carrying amounts					
As at 1 January 2019	441 465	8 332	-	125	449 922
As at 30 June 2019	433 931	7 669	-	3 210	444 810
As at 1 January 2020	424 211	6 937	1 828	5 201	438 177
As at 30 June 2020	445 073	8 790	-	6 749	460 612

During the current reporting period the Group revalued concession intangible assets recognized in relation to estimated costs of Phase II and liabilities due to Concession fees:

- (i) due to changes of discount rates used for valuation of provision for capital expenditures (see note 20), which resulted in their increase by TPLN 12,079 (I semester 2019: increase of TPLN 1,296);
- (ii) due to changes of estimates regarding construction works schedule and capital expenditures, which according to the Concession Agreement are to be executed by the Group before the end of the concession period (see note 20), resulting in an increase of concession intangible assets by TPLN 32,485 (I semester 2019: increase of TPLN 14,933);
- (iii) due to remeasurement of Concession fees (indexation), which resulted in their increase by TPLN 462 (I semester 2019: increase of TPLN 178).

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The amortization charge on concession intangible assets is recognized in cost of sales. The amortization charge on other intangible assets is recognized in administrative expenses.

The annual amortization rate calculated based on estimated traffic increase during the concession period in relation to present net value of intangible asset at the beginning of the period equalled 11.20% in I semester 2020 (I semester 2019: 10.77%). According to current amortization schedule, based on updated estimates of traffic increase, the proportion of annual amortization costs to the carrying value of intangible asset as at 30 June 2020 will range from 10.89% to 15.93% during the concession period.

As at 30 June 2020, 31 December 2019 and 30 June 2019 there were no indicators, which would require the Group to test intangible assets for impairment.

15. Investment property

	Right-of-use assets	Other investment property	Total
Cost as at 1 January 2019	3 247	30 879	34 126
Cost as at 30 June 2019	3 247	30 879	34 126
Cost as at 1 January 2020	3 247	30 879	34 126
Cost as at 30 June 2020	3 247	30 879	34 126
Depreciation and impairment losses as at 1 January 2019	-	(27 114)	(27 114)
Depreciation for the period	(23)	(256)	(279)
Depreciation and impairment losses as at 30 June 2019	(23)	(27 370)	(27 393)
Depreciation and impairment losses as at 1 January 2020	(46)	(27 625)	(27 671)
Depreciation for the period	(23)	(256)	(279)
Depreciation and impairment losses as at 30 June 2020	(69)	(27 881)	(27 950)
Carrying amounts			
As at 1 January 2019	3 247	3 765	7 012
As at 30 June 2019	3 224	3 509	6 733
As at 1 January 2020	3 201	3 254	6 455
As at 30 June 2020	3 178	2 998	6 176

Investment property held by the Group as right-of-use assets is measured according to IFRS 16, i.e. at cost less any accumulated depreciation and impairment losses, taking into account adjustments resulting from revaluation of lease liabilities, with which these assets were initially recognised.

Other investment property is measured at cost less accumulated depreciation and impairment losses.

Investment property comprises the Group-owned part of the building property, consisting of land (subject to perpetual usufruct) on which office building and the adjacent parking lot are situated, as well as parking lot property, consisting of land (subject to perpetual usufruct) on which parking lot and garages are situated. Both properties are located in Katowice.

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16. Deferred tax

Deferred tax assets have not been recognised in full amount of excess of negative temporary differences and tax losses over positive temporary differences, due to uncertainty of some temporary differences utilization (particularly in respect of property, plant and equipment, as well as provisions for capital expenditures) and estimates regarding tax losses carried forward utilization.

Change in temporary differences during the period

	1 January 2020	Change of deferred tax on temporary differences recognised in		30 June 2020
		profit or loss for the period	other comprehensive income	
Concession intangible assets	(78 879)	(3 512)	-	(82 391)
Property, plant and equipment and other intangible assets	32 924	(980)	-	31 944
Investment property	(503)	7	-	(496)
Other non-current investments	(72)	44	21	(7)
Trade and other receivables	209	1	-	210
Inventories	7	-	-	7
Current investments	284	1	35	320
Cash and cash equivalents	(81)	33	-	(48)
Lease liabilities	615	(14)	-	601
Other non-current liabilities	2 159	(25)	-	2 134
Deferred income	1 144	70	-	1 214
Contract liabilities	1 248	110	-	1 358
Employee benefits	1 355	(167)	29	1 217
Provisions	71 578	6 229	-	77 807
Trade and other payables	861	117	-	978
Tax loss carry-forwards	1 782	55	-	1 837
Valuation adjustment	(11 598)	(2 479)	-	(14 077)
Total	23 033	(510)	85	22 608

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	1 January 2019	Change of deferred tax on temporary differences recognised in		30 June 2019
		profit or loss for the period	other comprehensive income	
Concession intangible assets	(81 918)	1 311	-	(80 607)
Property, plant and equipment and other intangible assets	38 431	(2 960)	-	35 471
Investment property	99	(609)	-	(510)
Other non-current investments	(304)	55	(6)	(255)
Trade and other receivables	(422)	479	-	57
Inventories	7	-	-	7
Current investments	175	-	33	208
Cash and cash equivalents	(285)	117	-	(168)
Loans and borrowings	319	(218)	-	101
Lease liabilities	-	604	-	604
Other non-current liabilities	2 895	(652)	-	2 243
Deferred income	1 302	66	-	1 368
Contract liabilities	1 159	170	-	1 329
Employee benefits	1 588	218	21	1 827
Provisions	71 489	1 971	-	73 460
Trade and other payables	334	606	-	940
Derivative financial instruments	587	101	(209)	479
Tax loss carry-forwards	1 923	(175)	-	1 748
Valuation adjustment	(8 797)	(1 402)	-	(10 199)
Total	28 582	(318)	(161)	28 103

17. Trade and other receivables

	30 June 2020	31 December 2019
Trade receivables from related parties	1 762	1 103
Trade receivables from other parties	13 052	14 065
Receivables from taxes, duties, social and health insurances and other benefits	80	10 593
Other receivables from other parties	2 468	540
Total	17 362	26 301

The movement in loss allowances in respect of trade and other receivables and other was as follows:

	I semester 2020	I semester 2019
Balance as at 1 January	(91 558)	(91 553)
Net remeasurement of loss allowance	(25)	(16)
Amounts written off	8	-
Reclassifications	(3)	-
Balance as at 30 June	(91 578)	(91 569)

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18. Financial instruments

18.1. Classification and fair value of financial instruments

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels on the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 June 2020

	Carrying amount			Fair value			
	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Equity instruments*	1 018	-	1 018	-	-	1 018	1 018
	1 018	-	1 018				
Financial assets not measured at fair value							
Trade and other receivables**	-	17 282	17 282				
Bank deposits (non-current investments)	-	411 162	411 162				
Cash and cash equivalents	-	375 504	375 504				
	-	803 948	803 948				
Financial liabilities not measured at fair value							
Lease liabilities	-	(3 168)	(3 168)				
Liabilities due to Concession fees	-	(14 543)	(14 543)				
Payments to the State Treasury	-	(14 880)	(14 880)				
Trade and other payables**	-	(38 608)	(38 608)				
	-	(71 199)	(71 199)				

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31 December 2019

	Carrying amount			Fair value			
	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Equity instruments*	1 747	-	1 747	-	-	1 747	1 747
	1 747	-	1 747				
Financial assets not measured at fair value							
Trade and other receivables**	-	15 708	15 708				
Bank deposits (non-current investments)	-	417 621	417 621				
Cash and cash equivalents	-	372 868	372 868				
	-	806 197	806 197				
Financial liabilities not measured at fair value							
Lease liabilities	-	(3 237)	(3 237)				
Liabilities due to Concession fees	-	(14 570)	(14 570)				
Payments to the State Treasury	-	(54 667)	(54 667)				
Trade and other payables**	-	(32 544)	(32 544)				
	-	(105 018)	(105 018)				

* Equity instruments belonging to the Group are not listed on financial markets, the Group has also no information on recent observable arm's length transactions in these instruments. Considering the above, the fair value of the equity instruments determined based on the Group's share in net assets of their issuers as at the end of the last reporting period for which the Group has adequate financial data. In I semester 2020 the Group recorded losses due to valuation of aforementioned equity instruments amounting to TPLN 302 (I semester 2019: loss of TPLN 142), presented within item "Change in fair value of equity instruments" of the consolidated statement of comprehensive income.

** Without consideration of receivables due to VAT/payables due to taxes, duties, social and health insurance and other benefits, payroll liabilities, liabilities due to Concession fees and Payments to the State Treasury.

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18.2. Hierarchy of financial instruments carried at fair value

Financial instruments carried at fair value can be classified according to the following valuation methods:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly,
- Level 3: inputs that are not based on observable market data (unobservable inputs).

19. Equity

19.1. Share capital

	30 June 2020	31 December 2019
Number of shares at the beginning of the period	247 262 023	247 262 023
Number of shares at the end of the period (fully paid)	247 262 023	247 262 023
Nominal value of 1 share (PLN)	0.75	0.75
Nominal value of A-series issue	6 256	6 256
Nominal value of B-series issue	370	370
Nominal value of D-series issue	3 000	3 000
Nominal value of E-series issue	71 196	71 196
Nominal value of F-series issue	37 500	37 500
Nominal value of G-series issue	67 125	67 125
Total	185 447	185 447

19.2. Fair value reserve

All gains and losses from valuation of investments in equity instruments measured at fair value through other comprehensive income are attributed to this equity item.

19.3. Other reserve capitals and supplementary capital

Other reserve capitals may be created by the General Meeting from a part or total of approved profits of the companies constituting the Group. The General Meeting may also define a particular aim to which such resources should be assigned.

19.4. Dividends

1 semester 2020

On 19 June 2020 the Ordinary General Meeting of the Company decided to pay out the dividend in amount of TPLN 12,363, i.e. PLN 0.05 per share. The dividend date was set for 26 June 2020 and the dividend payment date for 6 July 2020.

On 24 March 2020 the Ordinary General Meeting of VIA4 S.A. decided to pay out dividend amounting to TPLN 19,395, out of which TPLN 8,728 was attributed to non-controlling interest.

1 semester 2019

On 3 April 2019 the Ordinary General Meeting of the Company decided to pay out the dividend in amount of TPLN 91,487, i.e. PLN 0.37 per share. The dividend date was set for 18 April 2019 and the dividend payment date for 20 May 2019.

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On 21 March 2019 the Ordinary General Meeting of VIA4 S.A. decided to pay out dividend amounting to TPLN 3,045 (the amount was paid in full in 2018 as interim dividend), out of which TPLN 1,370 was attributed to non-controlling interest.

20. Provisions

	Provisions for motorway resurfacing	Provisions for capital expenditures (Phase II)	Total
Non-current provisions			
Balance at 1 January 2019	2 460	294 903	297 363
Additions, including:	5 441	2 628	8 069
- due to discounting	38	2 628	2 666
Change of estimates	868	16 017	16 885
Reclassifications	(6 007)	(18 056)	(24 063)
Balance at 30 June 2019	2 762	295 492	298 254
Balance at 1 January 2020	-	314 374	314 374
Additions, including:	-	1 970	1 970
- due to discounting	-	1 970	1 970
Change of estimates	-	48 096	48 096
Reclassifications	-	(35 171)	(35 171)
Balance at 30 June 2020	-	329 269	329 269
Current provisions			
Balance at 1 January 2019	27 614	51 280	78 894
Additions, including:	247	498	745
- due to discounting	247	498	745
Change of estimates	(180)	212	32
Utilisation	(7 398)	(8 121)	(15 519)
Capital expenditures transferred to property, plant and equipment	-	164	164
Reclassifications	6 007	18 056	24 063
Balance at 30 June 2019	26 290	62 089	88 379
Balance at 1 January 2020	14 001	48 345	62 346
Additions, including:	5 325	310	5 635
- due to discounting	92	310	402
Change of estimates	(986)	(3 532)	(4 518)
Utilisation	(6 367)	(12 026)	(18 393)
Reclassifications	-	35 171	35 171
Balance at 30 June 2020	11 973	68 268	80 241

Provision for capital expenditures constitutes the present value of future construction costs to be incurred in relation to section Katowice-Kraków of A4 motorway (Phase II), due to obligations undertaken by Concession Holder under the Concession Agreement (see note 4).

As at 30 June 2020 the Group changed estimates regarding discount rates used for calculation of the present value of provisions for resurfacing and provision for capital expenditures of Phase II (in both cases as at 31 December 2019 the rates ranged from 1.69% to 1.98%, currently from 0.003% to 2.33%). As the result of these changes the provision for resurfacing increased by TPLN 180 (I semester 2019: increase of TPLN 24), which in line with IAS 37 was recognized as an increase of operating expenses for the period. At the same time the provision for capital expenditures (Phase II) increased by TPLN 12,079 (I semester 2019: increase of TPLN 1,296), which was recognized as an increase of concession intangible assets.

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As at 30 June 2020 the Group revalued also the provision for resurfacing and the provision for capital expenditures of Phase II following the change of estimates regarding expected expenditures and future works schedule. As the result of these changes the provision for resurfacing decreased by TPLN 1,166 (I semester 2019: increase of TPLN 664), which in line with IAS 37 was recognised as a decrease of operating expenses for the period. At the same time the provision for capital expenditures (Phase II) increased by TPLN 32,485 (I semester 2019: increase of TPLN 14,933), which was recognized as an increase of concession intangible assets.

21. Trade and other payables

	30 June 2020	31 December 2019
Non-current		
Liabilities due to Concession fees	11 230	11 363
Other payables to related parties	6 338	5 752
Other payables to other parties	566	452
Total	18 134	17 567
Current		
Trade payables to related parties	4 217	13 774
Trade payables to other parties	4 208	4 817
Amounts due to taxes, duties, social and health insurance and other benefits	4 918	2 403
Payroll liabilities	3 156	2 695
Dividends payable	15 738	-
Liabilities due to Concession fees	3 313	3 207
Payments to the State Treasury	14 880	54 667
Other payables and accruals to related parties	4 568	4 417
Other payables and accruals to other parties	4 415	4 327
Total	59 413	90 307

22. Capital expenditure commitments

On 4 July 2017 SAM S.A. employed Pavimental Polska Sp. z o.o. for the contract ROM48 "Renovation of M48 bridge supports" currently amounting to TPLN 22,169 (including change orders). As at 30 June 2020 the financial progress of the project (value of works recorded) amounted to TPLN 22,169 (100% of the contract value), out of which TPLN 12 was recorded in 2020.

On 21 November 2018 SAM S.A. and consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. signed a contract ROM09-54 "Renovation of bridges M09L and M09P and also replacement of expansion joints on the bridge M54P" amounting currently to TPLN 11,917 (including change orders). As at 30 June 2020 the financial progress of the project (value of works recorded) amounted to TPLN 10,410 (87.4% of the contract value), out of which TPLN 3,553 was recorded in 2020.

On 4 February 2019 SAM S.A. and Pavimental Polska Sp. z o.o. signed the contract HM-4-2019 „Resurfacing 2019-2020” for the resurfacing of motorway sections with a total length of 42.4 km, resurfacing of bridges and the partial reconstruction of linear drainage within the motorway median. The current value of the contract amounts to TPLN 55,346 (including change orders). As at 30 June 2020 the financial progress of the project (value of works recorded) amounted to TPLN 36,667 (66.3% of the contract value), out of which TPLN 9,275 was recorded in 2020.

On 9 July 2019 SAM S.A. and Pavimental Polska Sp. z o.o. signed the contract F2b-10-2018 "Reconstruction of A-4 motorway drainage – part III" including reconstruction of drainage for one catchment in Małopolskie voivodeship. The value of the contract amounts to TPLN 15,654 (including change orders). As at 30 June 2020

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the financial progress of the project (value of works recorded) amounted to TPLN 5,070 (32.4% of the contract value), out of which TPLN 4,341 was recorded in 2020.

On 30 November 2018 SAM S.A., VIA4 S.A. and Autostrade Tech S.p.A signed a Software Service Agreement pursuant to which SAM S.A. is entitled to commission investment projects related to the development of the toll collection system. In 2020, under the said agreement, works were carried out, among others, on the implementation of integration module and automation of dedicated lanes. The value of capital expenditures for projects commissioned under the Software Maintenance Agreement amounted to TPLN 3,065 in I semester 2020.

On 14 August 2019 SAM S.A. and Future Processing Sp. z o.o. signed a software support and development agreement under which a new e-commerce system will be implemented to replace the existing Internet Customer Service. In I semester 2020 capital expenditures amounting to TPLN 1,097 were incurred under the aforementioned agreement.

On 29 January 2020 SAM S.A. and Pavimental Polska Sp. z o.o. signed a contract MPA12-2019 "Modernisation of 12 culverts located in section of the A4 motorway Katowice – Kraków subject to the concession" amounting to TPLN 7,305. As at 30 June 2020 the financial progress of the project (value of works recorded) amounted to TPLN 451 (6.2% of the contract value),

On 25 June 2020 SAM S.A. and Pavimental Polska Sp. z o.o. signed the contract F2b-12-2020 "Reconstruction of A-4 motorway drainage – part IV" including reconstruction of drainage for 13 catchments in Małopolskie voivodeship. The value of the contract amounts to TPLN 64,730. As at 30 June 2020 no capital expenditures have yet been incurred in relation to the contract.

23. Collateral established on Group's property

As at 31 December 2019 property, plant and equipment with a carrying value of TPLN 15,935 provided a collateral for the Project Loan Agreement.

Apart from the aforementioned securities established on property, plant and equipment, the most significant collateral established in relation to the bank loan included:

- pledge of shares of Stalexport Autoroute S.à r.l., Stalexport Autostrada Małopolska S.A. and VIA4 S.A.,
- transfer of rights deriving from agreements related to project Toll Motorway A-4 Katowice-Kraków,
- transfer of rights to bank accounts of Stalexport Autostrada Małopolska S.A.,
- cession of Stalexport Autostrada Małopolska S.A. claims in relation to project Toll Motorway A-4 Katowice-Kraków.

Following the repayment of entire debt resulting from the Project Loan Agreement on 30 September 2019, in I semester 2020 the security agent confirmed the release of collateral under the said agreement and the Group received a complete set of decisions on removal of aforementioned collaterals from the relevant court registers.

24. Contingent liabilities

Both as at 30 June 2020 and 31 December 2019 the Group had no contingent liabilities.

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25. Related party transactions

25.1. Intragroup receivables and liabilities

	Trade and other receivables	Trade and other payables	Guarantees and suspended amounts
30 June 2020			
Biuro Centrum Sp. z o.o.	15	8	-
Associates	15	8	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	1 456	3 235
Pavimental Polska Sp. z o.o.	20	532	7 672
Telepass S.p.A.	1 727	-	-
Autostrade Tech S.p.A.	-	2 220	-
Other related entities	1 747	4 208	10 907
Total	1 762	4 216	10 907

	Trade and other receivables	Trade and other payables	Guarantees and suspended amounts
31 December 2019			
Atlantia S.p.A.	-	17	-
Parent entities	-	17	-
Biuro Centrum Sp. z o.o.	2	112	-
Associates	2	112	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	589	3 202
Pavimental Polska Sp. z o.o.	15	5 842	6 969
Telepass S.p.A.	1 086	-	-
Autostrade Tech S.p.A.	-	7 212	-
Other related entities	1 101	13 643	10 171
Total	1 103	13 772	10 171

25.2. Related party transactions amounts

	Revenue	Other income	Cost of acquired goods and services	Capital expenditures and resurfacing works
I semester 2020				
Atlantia S.p.A.	-	18	-	-
Parent entities	-	18	-	-
Biuro Centrum Sp. z o.o.	107	-	(1 577)	-
Associates	107	-	(1 577)	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	-	(1 218)	(2 335)
Pavimental Polska Sp. z o.o.	102	9	(174)	(13 905)
Telepass S.p.A.	5 504	-	-	-
Autostrade Tech S.p.A.	-	4	(1 079)	(4 001)
Other related entities	5 606	13	(2 471)	(20 241)
Total	5 713	31	(4 048)	(20 241)

	Revenue	Other income	Cost of acquired goods and services	Capital expenditures and resurfacing works
I semester 2019				
Biuro Centrum Sp. z o.o.	109	-	(1 507)	-
Associates	109	-	(1 507)	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	-	(331)	(718)
Pavimental Polska Sp. z o.o.	43	11	(666)	(10 718)
Autogrill Polska Sp. z o.o.	6	-	-	-
Telepass S.p.A.	4 987	-	-	-
Autostrade Tech S.p.A.	-	4	(859)	(3 286)
Other related entities	5 036	15	(1 856)	(14 722)
Total	5 145	15	(3 363)	(14 722)

Related party transactions were at an arm's length basis (see also point 2.3 of the Management Board's Report on the activities of the Capital Group of Stalexport Autostrady S.A. in I semester 2020).

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25.3. Transactions with key personnel

The remuneration cost of the managing and supervising personnel of the Group was as follows:

	I semester 2020	I semester 2019
the Company		
Management Board	943	959
Salaries	452	446
Movement in employee benefits liabilities	491	513
Supervisory Board	30	35
Salaries	30	35
Subsidiaries		
Management Boards	907	846
Salaries	852	778
Movement in employee benefits liabilities	55	68
Supervisory Boards	2	2
Salaries	2	2
Total	1 882	1 842

In the I semester of 2020 and 2019 the Group did not grant any loans to the members of Management Board or Supervisory Board Members of the companies constituting the Group. The Group also did not grant any advance payments or guarantees to the above-mentioned individuals.

26. Subsequent events

There were no significant subsequent events, which should be disclosed in the condensed consolidated interim financial statements for the 6-month period ended 30 June 2020.

Explanation

This document constitutes a translation of the condensed consolidated interim financial statements of Stalexport Autostrady S.A. Capital Group, which were originally issued in Polish. In case of ambiguities in interpretation of terminology, the original Polish terminology should be treated as binding.