



STALEXPORT
Autostrady

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

for the nine-month period ended
30 September 2020

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

These condensed consolidated interim financial statements are unaudited

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2020

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Condensed consolidated interim statement of comprehensive income
for the three and nine-month periods ended

In thousands of PLN, unless stated otherwise

	Note	30 September 2020		30 September 2019	
		3 months (unaudited)	9 months (unaudited)	3 months (unaudited)	9 months (unaudited)
Revenue	6, 8	87 096	215 752	98 244	266 206
Cost of sales	6, 9	(31 224)	(75 768)	(18 691)	(64 528)
Gross profit		55 872	139 984	79 553	201 678
Other income	10	2 621	8 264	1 473	3 455
Administrative expenses	6, 9	(15 556)	(55 060)	(55 982)	(118 748)
Other expenses	11	(38)	(169)	(93)	(409)
Reversal of impairments losses/(Impairment losses) on trade and other receivables		(9)	(34)	6	(10)
Operating profit		42 890	92 985	24 957	85 966
Finance income		397	3 864	3 048	8 912
Finance expenses		(685)	(4 817)	(5 455)	(13 382)
Net finance expense	12	(288)	(953)	(2 407)	(4 470)
Share of profit/(loss) of equity accounted investees (net of income tax)		(39)	(254)	5	84
Profit before income tax		42 563	91 778	22 555	81 580
Income tax expense		10 951	(3 641)	(13 271)	(34 755)
Profit for the period		53 514	88 137	9 284	46 825
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	83	(219)	-	(142)
Remeasurement of employee benefits		-	(153)	-	(107)
Income tax on other comprehensive income		(16)	69	-	48
		67	(303)	-	(201)
<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	47	125
Effective portion of changes in fair value of cash flow hedges		-	-	2	(46)
Net change in fair value of cash flow hedges reclassified to profit or loss for the period		-	-	1 872	3 020
Income tax on other comprehensive income		-	-	(356)	(565)
		-	28	1 565	2 534
Other comprehensive income for the period, net of income tax		67	(275)	1 565	2 333
Total comprehensive income for the period		53 581	87 862	10 849	49 158
Profit attributable to:					
owners of the Company		51 801	84 768	7 862	43 000
non-controlling interest		1 713	3 369	1 422	3 825
Profit for the period		53 514	88 137	9 284	46 825
Total comprehensive income attributable to:					
owners of the Company		51 868	84 536	9 426	45 355
non-controlling interest		1 713	3 326	1 423	3 803
Total comprehensive income for the period		53 581	87 862	10 849	49 158
Earnings per share					
Basic earnings per share (PLN)		0.21	0.34	0.03	0.17
Diluted earnings per share (PLN)		0.21	0.34	0.03	0.17

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

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

These condensed consolidated interim financial statements are unaudited

Condensed consolidated interim statement of financial position
as at

<i>In thousands of PLN</i>	Note	30 September 2020 <i>(unaudited)</i>	30 June 2020 <i>(unaudited)</i>	31 December 2019	30 September 2019 <i>(unaudited)</i>
ASSETS					
Non-current assets					
Property, plant and equipment	13	30 266	31 254	31 813	31 234
Intangible assets	14	454 477	460 612	438 177	442 717
Investment property	15	6 037	6 176	6 455	6 594
Investments in associates		719	758	973	920
Other non-current investments		398 600	411 227	417 794	439 921
Deferred tax assets	16	25 328	22 608	23 033	26 058
Total non-current assets		915 427	932 635	918 245	947 444
Current assets					
Inventories		3 352	3 047	3 064	3 120
Current investments		1 037	953	1 574	1 651
Income tax receivables		98	293	-	-
Trade and other receivables	17	17 329	17 362	26 301	18 326
Cash and cash equivalents		434 069	375 504	372 868	313 625
Total current assets		455 885	397 159	403 807	336 722
Total assets		1 371 312	1 329 794	1 322 052	1 284 166
EQUITY AND LIABILITIES					
Equity					
Share capital	19.1	185 447	185 447	185 447	185 447
Share premium reserve		7 431	7 431	7 430	7 430
Fair value reserve		(246)	(313)	291	292
Other reserve capitals and supplementary capital		509 752	509 752	511 248	511 271
Foreign currency translation reserve		-	-	143	112
Retained earnings and uncovered losses		156 124	104 323	81 776	49 385
Total equity attributable to owners of the Company		858 508	806 640	786 335	753 937
Non-controlling interest		4 027	2 314	9 429	8 405
Total equity		862 535	808 954	795 764	762 342
Liabilities					
Non-current liabilities					
Lease liabilities		3 074	3 046	3 112	3 084
Employee benefits		5 729	5 454	4 452	3 940
Deferred income		4 567	4 775	5 191	5 399
Other non-current liabilities	21	19 544	18 134	17 567	20 300
Provisions	20	342 120	329 269	314 374	320 743
Total non-current liabilities		375 034	360 678	344 696	353 466
Current liabilities					
Lease liabilities		123	122	125	124
Income tax liabilities		2 063	11 024	20 555	19 198
Trade and other payables		53 820	59 413	90 307	75 578
Employee benefits		457	601	857	785
Deferred income		1 223	1 615	832	1 212
Contract liabilities	21	8 217	7 146	6 570	6 951
Provisions	20	67 840	80 241	62 346	64 510
Total current liabilities		133 743	160 162	181 592	168 358
Total liabilities		508 777	520 840	526 288	521 824
Total equity and liabilities		1 371 312	1 329 794	1 322 052	1 284 166

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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2020

These condensed consolidated interim financial statements are unaudited

Condensed consolidated interim statement of cash flows
for the three and nine-month periods ended

In thousands of PLN	Note	30 September 2020		30 September 2019	
		3 months (unaudited)	9 months (unaudited)	3 months (unaudited)	9 months (unaudited)
Cash flows from operating activities					
Profit before income tax		42 563	91 778	22 555	81 580
Adjustments for					
Depreciation and amortisation	9	14 674	43 735	14 361	42 574
Foreign currency translation differences for foreign operations		-	28	47	125
(Gain)/Loss on disposal of intangible assets and property, plant and equipment	10,11	(10)	13	5	(182)
Interest and dividends		(520)	(4 056)	119	(2 867)
Share of (profit)/loss of equity accounted investees		39	254	(5)	(84)
Change in receivables		460	9 399	4 088	19 034
Change in inventories		(305)	(288)	(528)	(396)
Change in trade and other payables		8 997	(29 707)	34 738	43 916
Change in provisions		11	263	(7 256)	(5 330)
Change in deferred income		(600)	(233)	(588)	(243)
Change in contract liabilities		1 071	1 647	(46)	849
Cash generated from operating activities		66 380	112 833	67 490	178 976
Income tax paid		(552)	(24 458)	(5 112)	5 154
Net cash from operating activities		65 828	88 375	62 378	184 130
Cash flows from investing activities					
Investment proceeds		13 241	23 304	42 880	10 681
Sale of intangible assets and property, plant and equipment		65	76	11	203
Proceeds from non-current deposits held for investment expenditures		12 627	18 847	38 579	-
Dividends received		-	-	7	7
Dividends from equity accounted investees		-	-	234	234
Interest received		549	4 381	4 049	10 237
Investment expenditures		(8 140)	(32 636)	(4 626)	(39 306)
Acquisition of intangible assets and property, plant and equipment		(8 140)	(32 636)	(4 626)	(17 281)
Non-current deposits held for investment expenditures		-	-	-	(22 025)
Net cash from/(used in) investing activities		5 101	(9 332)	38 254	(28 625)
Cash flows from financing activities					
Financial expenditures		(12 364)	(17 842)	(59 611)	(175 621)
Dividends paid, including attributable to:	19.4	(12 363)	(17 716)	-	(91 487)
owners of the Company		(12 363)	(12 363)	-	(91 487)
non-controlling interest		-	(5 353)	-	-
Repayment of loans and borrowings		-	-	(56 021)	(77 723)
Interest paid		-	-	(3 589)	(6 285)
Payment of lease liabilities		(1)	(126)	(1)	(126)
Net cash used in financing activities		(12 364)	(17 842)	(59 611)	(175 621)
Total net cash flows		58 565	61 201	41 021	(20 116)
Change in cash and cash equivalents		58 565	61 201	41 021	(20 116)
Cash and cash equivalents at the beginning of the period		375 504	372 868	272 604	333 741
Cash and cash equivalents at the end of the period		434 069	434 069	313 625	313 625

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

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

These condensed consolidated interim financial statements are unaudited

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		-	-	-	-	-	84 768	84 768	3 369	88 137
Other comprehensive income:		-	-	(179)	15	(19)	(49)	(232)	(43)	(275)
Remeasurement of employee benefits		-	-	-	-	-	(100)	(100)	(53)	(153)
Change in fair value of equity instruments		-	-	(219)	-	-	-	(219)	-	(219)
Foreign currency translation differences for foreign operations		-	-	-	15	(19)	32	28	-	28
Income tax on other comprehensive income		-	-	40	-	-	19	59	10	69
Total comprehensive income for the period		-	-	(179)	15	(19)	84 719	84 536	3 326	87 862
Liquidation/Redemption of equity instruments measured at fair value through other comprehensive income		-	-	(358)	-	-	358	-	-	-
Dividends paid		-	-	-	(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		-	-	-	-	(124)	124	-	-	-
Other		-	1	-	-	-	(1)	-	-	-
As at 30 September 2020		185 447	7 431	(246)	509 752	-	156 124	858 508	4 027	862 535

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

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

These condensed consolidated interim financial statements are unaudited

Condensed consolidated interim statement of changes in equity (continued)

In thousands of PLN

	Note	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		-	-	-	-	-	-	75 526	75 526	4 870	80 396
Other comprehensive income:		-	-	(116)	2 409	(8)	11	(69)	2 227	(43)	2 184
Effective portion of changes in fair value of cash flow hedges		-	-	-	(46)	-	-	-	(46)	-	(46)
Net change in fair value of cash flow hedges reclassified to profit or loss for the period		-	-	-	3 020	-	-	-	3 020	-	3 020
Remeasurement of employee benefits		-	-	-	-	-	-	(183)	(183)	(53)	(236)
Change in fair value of equity instruments	18	-	-	(219)	-	-	-	-	(219)	-	(219)
Foreign currency translation differences for foreign operations		-	-	-	-	(8)	11	79	82	-	82
Income tax on other comprehensive income		-	-	103	(565)	-	-	35	(427)	10	(417)
Total comprehensive income for the period		-	-	(116)	2 409	(8)	11	75 457	77 753	4 827	82 580
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 31 December 2019		185 447	7 430	291	-	511 248	143	81 776	786 335	9 429	795 764

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		-	-	-	-	-	-	43 000	43 000	3 825	46 825
Other comprehensive income:		-	-	(115)	2 409	15	(20)	66	2 355	(22)	2 333
Effective portion of changes in fair value of cash flow hedges		-	-	-	(46)	-	-	-	(46)	-	(46)
Net change in fair value of cash flow hedges reclassified to profit or loss for the period		-	-	-	3 020	-	-	-	3 020	-	3 020
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		-	-	-	-	15	(20)	130	125	-	125
Income tax on other comprehensive income		-	-	27	(565)	-	-	15	(523)	6	(517)
Total comprehensive income for the period		-	-	(115)	2 409	15	(20)	43 066	45 355	3 803	49 158
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 September 2019		185 447	7 430	292	-	511 271	112	49 385	753 937	8 405	762 342

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 September 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 nine-month period ended 30 September 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).

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.

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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.

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 6 November 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.

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 14, 15, 16, 17 and 20.

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
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Notes to the condensed consolidated interim financial statements

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

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 the period of 3 quarters 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.

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.

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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 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.

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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, where all Group's non-current assets are located (excluding financial instruments).

Business segments

Business segments include:

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

Business segments results

For the three and nine-month periods ended 30 September 2020

	Management, advisory and rental services		Management and operation of motorways		Total	
	3 months	9 months	3 months	9 months	3 months	9 months
Operating revenues						
Revenue from external customers	833	2 430	86 263	213 322	87 096	215 752
Total revenue	833	2 430	86 263	213 322	87 096	215 752
Operating expenses						
Cost of sales to external customers	(1 053)	(3 038)	(30 171)	(72 730)	(31 224)	(75 768)
Total cost of sales	(1 053)	(3 038)	(30 171)	(72 730)	(31 224)	(75 768)
Other income	12	88	2 612	8 184	2 624	8 272
Other expenses	(1)	(4)	(40)	(173)	(41)	(177)
Impairment losses on trade and other receivables	(2)	(6)	(7)	(28)	(9)	(34)
Administrative expenses*	(997)	(3 477)	(14 559)	(51 583)	(15 556)	(55 060)
Results from operating activities	(1 208)	(4 007)	44 098	96 992	42 890	92 985
Net finance income/(expense)	120	1 218	(408)	(2 171)	(288)	(953)
Share of loss of equity accounted investees (net of income tax)	(39)	(254)	-	-	(39)	(254)
Income tax expense	(548)	(1 194)	11 499	(2 447)	10 951	(3 641)
Profit/(Loss) for the period	(1 675)	(4 237)	55 189	92 374	53 514	88 137
Other comprehensive income, net of income tax					67	(275)
Total comprehensive income for the period	(1 675)	(4 237)	55 189	92 374	53 581	87 862
Major non-cash items						
Depreciation and amortisation	(163)	(489)	(14 511)	(43 246)	(14 674)	(43 735)
Impairment losses on trade and other receivables	(2)	(6)	(7)	(28)	(9)	(34)
Unwinding of discount (including lease interest expense)	(29)	(86)	(656)	(4 427)	(685)	(4 513)

* 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 (for nine-month period of 2020).

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For the three and nine-month periods ended 30 September 2019

	Management, advisory and rental services		Management and operation of motorways		Total	
	3 months	9 months	3 months	9 months	3 months	9 months
Operating revenues						
Revenue from external customers	836	2 510	97 408	263 696	98 244	266 206
Total revenue	836	2 510	97 408	263 696	98 244	266 206
Operating expenses						
Cost of sales to external customers	(909)	(2 835)	(17 782)	(61 693)	(18 691)	(64 528)
Total cost of sales	(909)	(2 835)	(17 782)	(61 693)	(18 691)	(64 528)
Other income	8	54	1 467	3 401	1 475	3 455
Other expenses	(2)	(7)	(93)	(402)	(95)	(409)
Reversal of impairments losses/(Impairment losses) on trade and other receivables	5	(4)	1	(6)	6	(10)
Administrative expenses*	(221)	(2 777)	(55 761)	(115 971)	(55 982)	(118 748)
Results from operating activities	(283)	(3 059)	25 240	89 025	24 957	85 966
Net finance income/(expense)	651	2 505	(3 058)	(6 975)	(2 407)	(4 470)
Share of profit of equity accounted investees (net of income tax)	5	84	-	-	5	84
Income tax expense	(419)	(671)	(12 852)	(34 084)	(13 271)	(34 755)
Profit/(Loss) for the period	(46)	(1 141)	9 330	47 966	9 284	46 825
Other comprehensive income, net of income tax					1 565	2 333
Total comprehensive income for the period	(46)	(1 141)	9 330	47 966	10 849	49 158
Major non-cash items						
Depreciation and amortisation	(163)	(489)	(14 198)	(42 085)	(14 361)	(42 574)
Reversal of impairments losses/(Impairment losses) on trade and other receivables	5	(4)	1	(6)	6	(10)
Unwinding of discount (including lease interest expense)	(86)	(86)	(2 251)	(7 141)	(2 337)	(7 227)

* 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 88,800 (for nine-month period of 2019).

Financial position according to business segments as at

	30 September 2020	30 June 2020	31 December 2019	30 September 2019
Management, advisory and rental services				
Assets of the segment	328 171	346 045	205 941	205 360
Liabilities of the segment	6 037	18 423	5 851	5 242
Management and operation of motorways				
Assets of the segment	1 043 141	983 749	1 116 111	1 078 806
Liabilities of the segment	502 740	502 417	520 437	516 582
Total assets	1 371 312	1 329 794	1 322 052	1 284 166
Total liabilities	508 777	520 840	526 288	521 824

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

	3 quarters 2020			3 quarters 2019		
	Management, advisory and rental services	Management and operation of motorways	Total	Management, advisory and rental services	Management and operation of motorways	Total
Revenue from contracts with customers						
Toll revenue, including:	-	212 781	212 781	-	263 222	263 222
Manual toll collection (cash, bank cards)	-	119 449	119 449	-	167 199	167 199
Fleet cards	-	43 852	43 852	-	53 065	53 065
Electronic toll collection	-	47 824	47 824	-	39 472	39 472
KartA4	-	1 656	1 656	-	3 486	3 486
Revenue due to other services rendered	-	6	6	-	4	4
	-	212 787	212 787	-	263 226	263 226
Other revenue						
Revenue from rental of investment property	2 429	-	2 429	2 508	-	2 508
Revenue due to other services rendered	1	-	1	2	-	2
Other revenue	-	535	535	-	470	470
	2 430	535	2 965	2 510	470	2 980
Total	2 430	213 322	215 752	2 510	263 696	266 206

	III quarter 2020			III quarter 2019		
	Management, advisory and rental services	Management and operation of motorways	Total	Management, advisory and rental services	Management and operation of motorways	Total
Revenue from contracts with customers						
Toll revenue, including:	-	86 078	86 078	-	97 228	97 228
Manual toll collection (cash, bank cards)	-	51 468	51 468	-	62 983	62 983
Fleet cards	-	15 332	15 332	-	18 138	18 138
Electronic toll collection	-	18 778	18 778	-	14 918	14 918
KartA4	-	500	500	-	1 189	1 189
Revenue due to other services rendered	-	2	2	-	2	2
	-	86 080	86 080	-	97 230	97 230
Other revenue						
Revenue from rental of investment property	834	-	834	835	-	835
Revenue due to other services rendered	-	-	-	1	-	1
Other revenue	-	182	182	-	178	178
	834	182	1 016	836	178	1 014
Total	834	86 262	87 096	836	97 408	98 244

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).

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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.

ADT	January			February			March		
	2020	2019	change	2020	2019	change	2020	2019	change
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%
ADT	April			May			June		
	2020	2019	change	2020	2019	change	2020	2019	change
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%
ADT	July			August			September		
	2020	2019	change	2020	2019	change	2020	2019	change
Light vehicles	39 833	44 196	-9,9%	42 849	47 303	-9,4%	37 067	40 027	-7,4%
Heavy vehicles	7 088	7 633	-7,1%	6 725	7 039	-4,5%	7 504	7 549	-0,6%
Total	46 921	51 828	-9,5%	49 574	54 342	-8,8%	44 572	47 576	-6,3%

9. Expenses by nature

	30 September 2020		30 September 2019	
	3 months	9 months	3 months	9 months
Depreciation and amortisation	(14 674)	(43 735)	(14 361)	(42 574)
Energy and materials consumption	(911)	(3 135)	(1 128)	(3 995)
(Accrual)/Reversal of provision for motorway resurfacing disclosed within cost of sales (external services)*	(10 892)	(15 139)	1 354	(4 737)
Other external services	(11 629)	(22 742)	(8 935)	(18 685)
Payments to the State Treasury (net amount)	-	(14 880)	(44 444)	(88 800)
Taxes and charges	(710)	(5 079)	(340)	(1 062)
Employee benefit expenses	(7 381)	(24 423)	(6 264)	(21 871)
Other costs	(581)	(1 688)	(555)	(1 552)
Cost of goods and materials sold	(2)	(7)	-	-
Total expenses by nature	(46 780)	(130 828)	(74 673)	(183 276)
Cost of sales and administrative expenses	(46 780)	(130 828)	(74 673)	(183 276)

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

9.1. Employee benefit expenses

	30 September 2020		30 September 2019	
	3 months	9 months	3 months	9 months
Wages and salaries	(5 929)	(19 072)	(5 859)	(17 845)
Social security contributions and other benefits	(1 176)	(4 174)	(1 195)	(3 910)
Movement in employee benefits liabilities included in profit and loss:				
Post-employment benefits	-	(71)	-	(56)
Jubilee bonuses liabilities	-	(279)	-	(262)
Other employee benefits	(276)	(827)	790	202
Total	(7 381)	(24 423)	(6 264)	(21 871)

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10. Other income

	30 September 2020		30 September 2019	
	3 months	9 months	3 months	9 months
Rental income from passenger service areas	1 013	6 339	794	2 080
Compensations, grants, contractual penalties and costs of court proceedings received	1 499	1 629	675	779
Reimbursement of real estate tax paid for previous periods	-	-	-	214
Interest from receivables	4	10	4	10
Time-barred liabilities written off	-	18	-	-
Net gain on disposal of property, plant and equipment and intangible assets	10	-	-	182
Other	95	268	-	190
Total	2 621	8 264	1 473	3 455

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

11. Other expenses

	30 September 2020		30 September 2019	
	3 months	9 months	3 months	9 months
Donations granted	(7)	(65)	(22)	(33)
Repair of damages	(5)	(22)	(30)	(70)
Penalties, compensations, fees	(4)	(36)	(15)	(53)
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	-	(13)	(5)	-
Unrecoverable input VAT	(18)	(25)	(5)	(12)
Other	(4)	(8)	(16)	(27)
Total	(38)	(169)	(93)	(409)

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12. Net finance expense

	30 September 2020		30 September 2019	
	3 months	9 months	3 months	9 months
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:	355	3 782	2 893	8 677
- cash and cash equivalents	355	2 862	1 153	3 651
- non-current deposits	-	920	1 740	5 026
Net foreign exchange gain	42	82	46	29
Other finance income	-	-	109	199
Finance income	397	3 864	3 048	8 912
Interest expense on liabilities measured at amortised cost, including:	(682)	(2 138)	(1 828)	(5 163)
- loans and borrowings, including:	-	-	(1 125)	(2 981)
- nominal	-	-	(496)	(1 692)
- other	-	-	(629)	(1 289)
- discount of Concession fees	(653)	(2 052)	(674)	(2 096)
- lease interest expense	(29)	(86)	(29)	(86)
Discount of provisions	(3)	(2 375)	(1 634)	(5 045)
Net change in fair value of cash flow hedges reclassified from other comprehensive income	-	-	(1 872)	(3 020)
Ineffective portion of changes in fair value of cash flow hedges	-	-	(32)	(28)
Other finance expenses	-	(304)	(89)	(126)
Finance expenses	(685)	(4 817)	(5 455)	(13 382)
Net finance expense recognised in profit or loss for the period	(288)	(953)	(2 407)	(4 470)
Recognised in other comprehensive income				
Foreign currency translation differences for foreign operations	-	28	47	125
Effective portion of changes in fair value of cash flow hedges	-	-	2	(46)
Net change in fair value of cash flow hedges reclassified to profit or loss for the period	-	-	1 872	3 020
Change in fair value of equity instruments	83	(219)	-	(142)
Finance income/(expenses) recognised in other comprehensive income	83	(191)	1 921	2 958

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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	-	1 202	778	56	327	2 363
Transfer from property, plant and equipment under construction	-	276	-	195	(471)	-
Transfer from provisions for capital expenditure	-	-	-	-	164	164
Disposals	-	(45)	(623)	(40)	-	(708)
Cost as at 30 September 2019	20 940	25 259	18 841	8 507	421	73 968
Cost as at 1 January 2020	21 167	26 691	18 787	8 506	1 060	76 211
Acquisitions	20	1 558	493	2	2 055	4 128
Transfer from property, plant and equipment under construction	-	2 079	-	-	(2 079)	-
Disposals	-	(126)	(482)	(7)	-	(615)
Cost as at 30 September 2020	21 187	30 202	18 798	8 501	1 036	79 724
Depreciation and impairment losses as at 1 January 2019	(14 363)	(10 673)	(9 316)	(4 134)	-	(38 486)
Depreciation for the period	(695)	(2 217)	(1 405)	(618)	-	(4 935)
Disposals	-	45	602	40	-	687
Depreciation and impairment losses as at 30 September 2019	(15 058)	(12 845)	(10 119)	(4 712)	-	(42 734)
Depreciation and impairment losses as at 1 January 2020	(15 297)	(13 621)	(10 562)	(4 918)	-	(44 398)
Depreciation for the period	(693)	(2 828)	(1 440)	(625)	-	(5 586)
Disposals	-	114	405	7	-	526
Depreciation and impairment losses as at 30 September 2020	(15 990)	(16 335)	(11 597)	(5 536)	-	(49 458)
Carrying amounts						
As at 1 January 2019	6 577	13 153	9 370	4 162	401	33 663
As at 30 September 2019	5 882	12 414	8 722	3 795	421	31 234
As at 1 January 2020	5 870	13 070	8 225	3 588	1 060	31 813
As at 30 September 2020	5 197	13 867	7 201	2 965	1 036	30 266

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Impairment losses

As at 30 September 2020, 31 December 2019 and 30 September 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	-	51	-	5 476	5 527
Revaluation of concession intangible assets	24 489	-	-	-	24 489
Disposals	-	(53)	-	-	(53)
Cost as at 30 September 2019	962 672	12 641	970	5 601	981 884
Cost as at 1 January 2020	969 262	12 647	2 798	5 201	989 908
Acquisitions	-	34	-	3 117	3 151
Transfer from intangible assets not ready for use	-	981	-	(981)	-
Revaluation of concession intangible assets	50 880	-	-	-	50 880
Disposals	-	(1)	-	-	(1)
Other reclassifications	-	1 828	(1 828)	-	-
Cost as at 30 September 2020	1 020 142	15 489	970	7 337	1 043 938
Amortisation and impairment losses as at 1 January 2019	(496 718)	(4 311)	(970)	-	(501 999)
Amortisation for the period	(36 153)	(1 068)	-	-	(37 221)
Disposals	-	53	-	-	53
Amortisation and impairment losses as at 30 September 2019	(532 871)	(5 326)	(970)	-	(539 167)
Amortisation and impairment losses as at 1 January 2020	(545 051)	(5 710)	(970)	-	(551 731)
Amortisation for the period	(36 279)	(1 452)	-	-	(37 731)
Disposals	-	1	-	-	1
Amortisation and impairment losses as at 30 September 2020	(581 330)	(7 161)	(970)	-	(589 461)
Carrying amounts					
As at 1 January 2019	441 465	8 332	-	125	449 922
As at 30 September 2019	429 801	7 315	-	5 601	442 717
As at 1 January 2020	424 211	6 937	1 828	5 201	438 177
As at 30 September 2020	438 812	8 328	-	7 337	454 477

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 13,529, out of which by TPLN 1,451 in III quarter (3 quarters 2019: increase of TPLN 1,895, III quarter 2019: increase of TPLN 599);
- (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 36,889, out of which by TPLN 4,404 in III quarter (3 quarters 2019: increase of TPLN 22,415, III quarter 2019: increase of TPLN 7,482);

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(iii) due to remeasurement of Concession fees (indexation), which resulted in their increase by TPLN 462 (3 quarters 2019: increase of TPLN 179).

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 10.89% in III quarter 2020 (III quarter 2019: 10,73%). 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 September 2020 will range from 11.27% to 16.37% during the concession period.

As at 30 September 2020, 31 December 2019 and 30 September 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 September 2019	3 247	30 879	34 126
Cost as at 1 January 2020	3 247	30 879	34 126
Cost as at 30 September 2020	3 247	30 879	34 126
Depreciation and impairment losses as at 1 January 2019	-	(27 114)	(27 114)
Depreciation for the period	(34)	(384)	(418)
Depreciation and impairment losses as at 30 September 2019	(34)	(27 498)	(27 532)
Depreciation and impairment losses as at 1 January 2020	(46)	(27 625)	(27 671)
Depreciation for the period	(34)	(384)	(418)
Depreciation and impairment losses as at 30 September 2020	(80)	(28 009)	(28 089)
Carrying amounts			
As at 1 January 2019	3 247	3 765	7 012
As at 30 September 2019	3 213	3 381	6 594
As at 1 January 2020	3 201	3 254	6 455
As at 30 September 2020	3 167	2 870	6 037

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 9-month periods ended 30 September 2020 and 30 September 2019

	1 January 2020	Change of deferred tax on temporary differences recognised in		30 September 2020
		profit or loss for the period	other comprehensive income	
Concession intangible assets	(78 879)	(2 951)	-	(81 830)
Property, plant and equipment and other intangible assets	32 924	(1 542)	-	31 382
Investment property	(503)	11	-	(492)
Other non-current investments	(72)	44	21	(7)
Trade and other receivables	209	1	-	210
Inventories	7	-	-	7
Current investments	284	1	19	304
Cash and cash equivalents	(81)	70	-	(11)
Lease liabilities	615	(7)	-	608
Other non-current liabilities	2 159	70	-	2 229
Deferred income	1 144	(44)	-	1 100
Contract liabilities	1 248	313	-	1 561
Employee benefits	1 355	41	29	1 425
Provisions	71 578	6 314	-	77 892
Trade and other payables	861	2 932	-	3 793
Tax loss carry-forwards	1 782	178	-	1 960
Valuation adjustment	(11 598)	(3 205)	-	(14 803)
Total	23 033	2 226	69	25 328

	1 January 2019	Change of deferred tax on temporary differences recognised in		30 September 2019
		profit or loss for the period	other comprehensive income	
Concession intangible assets	(81 918)	2 096	-	(79 822)
Property, plant and equipment and other intangible assets	38 431	(4 873)	-	33 558
Investment property	99	(605)	-	(506)
Other non-current investments	(304)	281	(6)	(29)
Trade and other receivables	(422)	616	-	194
Inventories	7	-	-	7
Current investments	175	-	33	208
Cash and cash equivalents	(285)	214	-	(71)
Loans and borrowings	319	(319)	-	-
Lease liabilities	-	609	-	609
Other non-current liabilities	2 895	(583)	-	2 312
Deferred income	1 302	(45)	-	1 257
Contract liabilities	1 159	161	-	1 320
Employee benefits	1 588	(447)	21	1 162
Provisions	71 489	1 709	-	73 198
Trade and other payables	334	638	-	972
Derivative financial instruments	587	(22)	(565)	-
Tax loss carry-forwards	1 923	239	-	2 162
Valuation adjustment	(8 797)	(1 676)	-	(10 473)
Total	28 582	(2 007)	(517)	26 058

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Change in temporary differences during 3-month periods ended 30 September 2020 and 30 September 2019

	Change of deferred tax on temporary differences recognised in			30 September 2020
	1 July 2020	profit or loss		
		for the period	other comprehensive income	
Concession intangible assets	(82 391)	561	-	(81 830)
Property, plant and equipment and other intangible assets	31 944	(562)	-	31 382
Investment property	(496)	4	-	(492)
Other non-current investments	(7)	-	-	(7)
Trade and other receivables	210	-	-	210
Inventories	7	-	-	7
Current investments	320	-	(16)	304
Cash and cash equivalents	(48)	37	-	(11)
Lease liabilities	601	7	-	608
Other non-current liabilities	2 134	95	-	2 229
Deferred income	1 214	(114)	-	1 100
Contract liabilities	1 358	203	-	1 561
Employee benefits	1 217	208	-	1 425
Provisions	77 807	85	-	77 892
Trade and other payables	978	2 815	-	3 793
Tax loss carry-forwards	1 837	123	-	1 960
Valuation adjustment	(14 077)	(726)	-	(14 803)
Total	22 608	2 736	(16)	25 328

	Change of deferred tax on temporary differences recognised in			30 September 2019
	1 July 2019	profit or loss		
		for the period	other comprehensive income	
Concession intangible assets	(80 607)	785	-	(79 822)
Property, plant and equipment and other intangible assets	35 471	(1 913)	-	33 558
Investment property	(510)	4	-	(506)
Other non-current investments	(255)	226	-	(29)
Trade and other receivables	57	137	-	194
Inventories	7	-	-	7
Current investments	208	-	-	208
Cash and cash equivalents	(168)	97	-	(71)
Loans and borrowings	101	(101)	-	-
Lease liabilities	604	5	-	609
Other non-current liabilities	2 243	69	-	2 312
Deferred income	1 368	(111)	-	1 257
Contract liabilities	1 329	(9)	-	1 320
Employee benefits	1 827	(665)	-	1 162
Provisions	73 460	(262)	-	73 198
Trade and other payables	940	32	-	972
Derivative financial instruments	479	(123)	(356)	-
Tax loss carry-forwards	1 748	414	-	2 162
Valuation adjustment	(10 199)	(274)	-	(10 473)
Total	28 103	(1 689)	(356)	26 058

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17. Trade and other receivables

	30 September 2020	30 June 2020	31 December 2019	30 September 2019
Trade receivables from related parties	2 596	1 762	1 103	1 298
Trade receivables from other parties	13 101	13 052	14 065	13 719
Receivables due to VAT and other taxes and charges	-	80	10 593	2 275
Other receivables from related parties	2	-	-	-
Other receivables from other parties	1 630	2 468	540	1 034
Total	17 329	17 362	26 301	18 326

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

	3 quarters 2020	3 quarters 2019
Balance as at 1 January	(91 558)	(91 553)
Net remeasurement of loss allowance	(34)	(10)
Amounts written off	14	-
Reclassifications	(4)	-
Balance as at 30 September	(91 582)	(91 563)

	III quarter 2020	III quarter 2019
Balance as at 1 July	(91 578)	(91 569)
Net remeasurement of loss allowance	(9)	6
Amounts written off	6	-
Reclassifications	(1)	-
Balance as at 30 September	(91 582)	(91 563)

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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 September 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*	1 102	-	1 102	-	-	1 102	1 102
	1 102	-	1 102				
Financial assets not measured at fair value							
Trade and other receivables**	-	17 329	17 329				
Bank deposits (non-current investments)	-	398 535	398 535				
Cash and cash equivalents	-	434 069	434 069				
	-	849 933	849 933				
Financial liabilities not measured at fair value							
Lease liabilities	-	(3 197)	(3 197)				
Liabilities due to Concession fees	-	(15 196)	(15 196)				
Payments to the State Treasury	-	(14 880)	(14 880)				
Trade and other payables**	-	(33 884)	(33 884)				
	-	(67 157)	(67 157)				

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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)				

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30 September 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*	1 824	-	1 824	-	-	1 824	1 824
	1 824	-	1 824				
Financial assets not measured at fair value							
Trade and other receivables**	-	16 051	16 051				
Bank deposits (non-current investments)	-	439 748	439 748				
Cash and cash equivalents	-	313 625	313 625				
	-	769 424	769 424				
Financial liabilities not measured at fair value							
Lease liabilities	-	(3 208)	(3 208)				
Liabilities due to Concession fees	-	(15 682)	(15 682)				
Payments to the State Treasury	-	(44 444)	(44 444)				
Trade and other payables**	-	(26 470)	(26 470)				
	-	(89 804)	(89 804)				

* 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 the period of 3 quarters 2020 the Group recorded losses due to valuation of aforementioned equity instruments amounting to TPLN 219 (3 quarters 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 September 2020	30 June 2020	31 December 2019	30 September 2019
Number of shares at the beginning of the period	247 262 023	247 262 023	247 262 023	247 262 023
Number of shares at the end of the period (fully paid)	247 262 023	247 262 023	247 262 023	247 262 023
Nominal value of 1 share (PLN)	0.75	0.75	0.75	0.75
Nominal value of A-series issue	6 256	6 256	6 256	6 256
Nominal value of B-series issue	370	370	370	370
Nominal value of D-series issue	3 000	3 000	3 000	3 000
Nominal value of E-series issue	71 196	71 196	71 196	71 196
Nominal value of F-series issue	37 500	37 500	37 500	37 500
Nominal value of G-series issue	67 125	67 125	67 125	67 125
Total	185 447	185 447	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

3 quarters 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.

3 quarters 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

For nine-month periods ended 30 September 2020 and 30 September 2019

	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:	8 161	3 876	12 037
- due to discounting	50	3 876	3 926
Change of estimates	(1 122)	39 902	38 780
Reclassifications	(9 285)	(18 152)	(27 437)
Balance at 30 September 2019	214	320 529	320 743
Balance at 1 January 2020	-	314 374	314 374
Additions, including:	-	1 973	1 973
- due to discounting	-	1 973	1 973
Change of estimates	785	73 025	73 810
Reclassifications	-	(48 037)	(48 037)
Balance at 30 September 2020	785	341 335	342 120
Current provisions			
Balance at 1 January 2019	27 614	51 280	78 894
Additions, including:	358	761	1 119
- due to discounting	358	761	1 119
Change of estimates	(2 252)	(15 592)	(17 844)
Utilisation	(14 933)	(10 327)	(25 260)
Capital expenditures transferred to property, plant and equipment	-	164	164
Reclassifications	9 285	18 152	27 437
Balance at 30 September 2019	20 072	44 438	64 510
Balance at 1 January 2020	14 001	48 345	62 346
Additions, including:	7 889	310	8 199
- due to discounting	92	310	402
Change of estimates	6 557	(22 607)	(16 050)
Utilisation	(16 789)	(17 903)	(34 692)
Reclassifications	-	48 037	48 037
Balance at 30 September 2020	11 658	56 182	67 840

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For three-month periods ended 30 September 2020 and 30 September 2019

	Provisions for motorway resurfacing	Provisions for capital expenditures (Phase II)	Total
Non-current provisions			
Balance at 1 July 2019	2 762	295 492	298 254
Additions, including:	2 720	1 248	3 968
- due to discounting	12	1 248	1 260
Change of estimates	(1 990)	23 885	21 895
Reclassifications	(3 278)	(96)	(3 374)
Balance at 30 September 2019	214	320 529	320 743
Balance at 1 July 2020	-	329 269	329 269
Additions, including:	-	3	3
- due to discounting	-	3	3
Change of estimates	785	24 929	25 714
Reclassifications	-	(12 866)	(12 866)
Balance at 30 September 2020	785	341 335	342 120
Current provisions			
Balance at 1 July 2019	26 290	62 089	88 379
Additions, including:	111	263	374
- due to discounting	111	263	374
Change of estimates	(2 072)	(15 804)	(17 876)
Utilisation	(7 535)	(2 206)	(9 741)
Reclassifications	3 278	96	3 374
Balance at 30 September 2019	20 072	44 438	64 510
Balance at 1 July 2020	11 973	68 268	80 241
Additions, including:	2 564	-	2 564
- due to discounting	-	-	-
Change of estimates	7 543	(19 075)	(11 532)
Utilisation	(10 422)	(5 877)	(16 299)
Reclassifications	-	12 866	12 866
Balance at 30 September 2020	11 658	56 182	67 840

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 September 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 -0.02% to 2.03%). As result of these changes the provision for resurfacing increased by TPLN 185 (out of which by TPLN 5 in III quarter), 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 13,529 (out of which by TPLN 1,451 in III quarter), which was recognized as an increase of concession intangible assets.

As at 30 September 2020 the Group also remeasured the provision for resurfacing and provision for capital expenditures of Phase II following the change of estimates regarding expected expenditures and future construction works schedule. As result of these changes the provision for resurfacing increased by TPLN 7,156 (out of which by TPLN 8,321 in III quarter), which in line with IAS 37 was recognised as an increase of operating expenses for the period. At the same time the provision for capital expenditures (Phase II) increased by TPLN 36,889 (out of which by TPLN 4,404 in III quarter), which was recognized as an increase of concession intangible assets.

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21. Trade and other payables

	30 September 2020	30 June 2020	31 December 2019	30 September 2019
Non-current				
Liabilities due to Concession fees	11 735	11 230	11 363	12 333
Other payables to related parties	7 128	6 338	5 752	7 311
Other payables to other parties	681	566	452	656
Total	19 544	18 134	17 567	20 300
Current				
Trade payables to related parties	8 964	4 217	13 774	9 474
Trade payables to other parties	5 304	4 208	4 817	4 483
Amounts due to taxes, duties, social and health insurance and other benefits	5 925	4 918	2 403	6 349
Payroll liabilities	2 143	3 156	2 695	1 884
Dividends payable	3 375	15 738	-	-
Liabilities due to Concession fees	3 461	3 313	3 207	3 349
Payments to the State Treasury	14 880	14 880	54 667	44 444
Other payables and accruals to related parties	5 365	4 568	4 417	1 441
Other payables and accruals to other parties	4 403	4 415	4 327	4 154
Total	53 820	59 413	90 307	75 578

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 September 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 12,388 (including change orders). As at 30 September 2020 the financial progress of the project (value of works recorded) amounted to TPLN 11,837 (96% of the contract value), out of which TPLN 4,981 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 57,300 (including change orders). As at 30 September 2020 the financial progress of the project (value of works recorded) amounted to TPLN 48,658 (85% of the contract value), out of which TPLN 21,266 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 15,820 (including change orders). As at 30 September 2020 the financial progress of the project (value of works recorded) amounted to TPLN 9,370 (59% of the contract value), out of which TPLN 8,641 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 3,748 in the period of 3 quarters 2020.

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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 the period of 3 quarters 2020 capital expenditures amounting to TPLN 1,227 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 September 2020 the financial progress of the project (value of works recorded) amounted to TPLN 773 (11% 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 September 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

As at 30 September 2020, 30 June 2020 and 31 December 2019 the Group had no contingent liabilities.

As at 30 September 2019 the contingent liabilities amounting to TPLN 24,483 related to guarantees granted to related entities.

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25. Related party transactions

25.1. Intragroup receivables and liabilities

30 September 2020

	Trade and other receivables	Trade and other payables	Guarantees and suspended amounts
Biuro Centrum Sp. z o.o.	2	8	-
Associates	2	8	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	-	3 378
Pavimental Polska Sp. z o.o.	10	8 385	9 115
Telepass S.p.A.	2 581	-	-
Autostrade Tech S.p.A.	5	571	-
Other related entities	2 596	8 956	12 493
Total	2 598	8 964	12 493

30 June 2020

	Trade and other receivables	Trade and other payables	Guarantees and suspended amounts
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

31 December 2019

	Trade and other receivables	Trade and other payables	Guarantees and suspended amounts
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

30 September 2019

	Trade and other receivables	Trade and other payables	Guarantees and suspended amounts
Atlantia S.p.A.	-	17	-
Parent entities	-	17	-
Biuro Centrum Sp. z o.o.	48	8	-
Associates	48	8	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	1 093	3 714
Pavimental Polska Sp. z o.o.	32	3 428	5 038
Telepass S.p.A.	1 213	-	-
Autostrade Tech S.p.A.	5	4 918	-
Autogrill Polska Sp. z o.o.	-	-	10
Other related entities	1 250	9 439	8 762
Total	1 298	9 464	8 762

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25.2. Related party transactions amounts

3 quarters 2020	Revenue	Other income	Cost of acquired goods and services	Capital expenditures and resurfacing works
Atlantia S.p.A.	-	18	-	-
Parent entities	-	18	-	-
Biuro Centrum Sp. z o.o.	161	-	(2 425)	-
Associates	161	-	(2 425)	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	-	(2 261)	(2 720)
Pavimental Polska Sp. z o.o.	138	9	(2 946)	(28 450)
Telepass S.p.A.	8 620	-	-	-
Autostrade Tech S.p.A.	-	8	(1 597)	(4 677)
Other related entities	8 758	17	(6 804)	(35 847)
Total	8 919	35	(9 229)	(35 847)

3 quarters 2019	Revenue	Other income	Cost of acquired goods and services	Capital expenditures and resurfacing works
Biuro Centrum Sp. z o.o.	164	-	(2 207)	-
Associates	164	-	(2 207)	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	-	(1 298)	(1 291)
Pavimental Polska Sp. z o.o.	101	9	(2 297)	(18 098)
Autogrill Polska Sp. z o.o.	9	-	-	-
Telepass S.p.A.	7 872	-	-	-
Autostrade Tech S.p.A.	-	10	(1 326)	(5 612)
Other related entities	7 982	19	(4 921)	(25 001)
Total	8 146	19	(7 128)	(25 001)

III quarter 2020	Revenue	Other income	Cost of acquired goods and services	Capital expenditures and resurfacing works
Biuro Centrum Sp. z o.o.	54	-	(848)	-
Associates	54	-	(848)	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	-	(1 043)	(385)
Pavimental Polska Sp. z o.o.	36	-	(2 772)	(14 545)
Telepass S.p.A.	3 116	-	-	-
Autostrade Tech S.p.A.	-	4	(518)	(676)
Other related entities	3 152	4	(4 333)	(15 606)
Total	3 206	4	(5 181)	(15 606)

III quarter 2019	Revenue	Other income	Cost of acquired goods and services	Capital expenditures and resurfacing works
Biuro Centrum Sp. z o.o.	55	-	(700)	-
Associates	55	-	(700)	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	-	(967)	(573)
Pavimental Polska Sp. z o.o.	58	(2)	(1 631)	(7 380)
Autogrill Polska Sp. z o.o.	3	-	-	-
Telepass S.p.A.	2 885	-	-	-
Autostrade Tech S.p.A.	-	6	(467)	(2 326)
Other related entities	2 946	4	(3 065)	(10 279)
Total	3 001	4	(3 765)	(10 279)

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25.3. Information on transactions concluded by the Parent Entity or its subsidiaries with related entities under terms different than arm's length

All transactions concluded by the Parent Entity or its subsidiaries with related entities were concluded at arm's length.

25.4. Transactions with key personnel

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

	30 September 2020		30 September 2019	
	3 months	9 months	3 months	9 months
the Company				
Management Board	423	1 366	(618)	341
Salaries	171	623	243	689
Movement in employee benefits liabilities	252	743	(861)	(348)
Supervisory Board	43	73	17	52
Salaries	43	73	17	52
Subsidiaries				
Management Boards	934	1 841	635	1 697
Salaries	908	1 760	607	1 652
Movement in employee benefits liabilities	26	81	28	45
Supervisory Boards	-	1	-	2
Salaries	-	1	-	2
Total	1 400	3 281	34	2 092

In the period of 3 quarters 2020 and 3 quarters 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.

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26. Financial results of the Capital Group and its Parent Entity for the III quarter 2020

26.1. Financial results of Stalexport Autostrady S.A.

In III quarter 2020 the Company generated revenue on sales amounting to TPLN 884, so at similar level as in comparable quarterly period of 2019 (TPLN 886) and 12% higher than in II quarter 2020 (TPLN 788). The increase of revenue in comparison to II quarter 2020 resulted mainly from greater revenue due to rental of office space.

The Company suffered a loss from operating activities for III quarter 2020 of TPLN 1,164 – for similar period of 2019 a loss amounting to TPLN 238 was incurred. The cumulative operating loss for 3 quarters 2020 amounted to TPLN 3,876 (3 quarters 2019: loss of TPLN 2,793). The aforementioned negative variation is mainly the consequence of lower employee benefit expenses recorded in the period of 3 quarters 2019 (by TPLN 990 in relation to 3 quarters 2020), dominantly due to lower than forecasted benefits paid to the Management Board of the Company based on the 3-year incentive scheme endorsed by the Supervisory Board in 2016.

The financial activity of Stalexport Autostrady S.A. generated a profit of TPLN 138 for III quarter 2020 (III quarter 2019: TPLN 970). Interest on bank deposits amounting to TPLN 150 (III quarter 2019: TPLN 729) constituted the main items of financial income in III quarter 2020.

As the result, Stalexport Autostrady S.A. suffered a net loss for the III quarter 2020 amounting to TPLN 1,584 (3 quarters 2020: net profit of TPLN 138,084), comparing to TPLN 328 net profit for III quarter 2019 (3 quarters 2019: net profit of TPLN 413).

26.2. Financial results of motorway business

The motorway activity, consisting mainly of exploitation, toll collecting and execution of motorway investments on section Katowice – Kraków of A4 motorway, has the biggest impact on Group's consolidated financial results. The activity is performed mainly by two related entities: Stalexport Autostrada Małopolska S.A. and VIA4 S.A. SAM S.A. organizes and supervises motorway investments and has the right to receive profits from the motorway, while VIA4 S.A is responsible for motorway operation and on behalf of SAM S.A. collects tolls for vehicle passage.

Financial results of Group's motorway business in III quarter 2020 were significantly impacted by the change in traffic levels due to social and economic effect of COVID-19.

Consolidated revenue on sales generated by motorway activity for III quarter 2020 amounted to TPLN 86,263, decreasing by 11.4% in relation to revenue for III quarter 2019 (TPLN 97,408) and increasing by 57.7% in relation to revenue for II quarter 2020 (TPLN 54,709).

The aforementioned variation in relation to III quarter 2019 was mainly the consequence of:

- (i) 8.3% decrease of traffic level in relation to III quarter 2019, resulting from 9% decrease of traffic level for light vehicles and 4.1% decrease of traffic level for heavy vehicles. The average daily traffic (ADT) for each month of 2020 and 2019 has been presented within note 8.;
- (ii) the introduction of preferential toll rates for automatic payments (A4Go, Autopay, Telepass) from 1 January 2020:
 - a) for vehicles category 1 (other than the motorcycles) – PLN 7.00 instead of PLN 10.00,
 - b) for vehicles category 2 and 3 – PLN 17.00 instead of PLN 20.00,
 - c) for vehicles category 4 and 5 – PLN 30.00 instead of PLN 35.00.

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The variation in relation to II quarter 2020 was mainly the consequence of 72.5% increase of traffic level, which comprised of 86.2% increase of traffic level for light vehicles and 22% increase of traffic level for heavy vehicles, dominantly due to restrictions related to COVID-19 which were in force in Poland during II quarter 2020.

Operating expenses incurred in relation to motorway activity amounted to TPLN 44,770 for III quarter 2020, decreasing by 39% in relation to III quarter 2019 (TPLN 73,636).

The above resulted mainly from the recognition of liability due to Payments to the State Treasury in amount of TPLN 44,444 as at 30 September 2019, increase of other services costs by TPLN 2,763 and depreciation/amortisation costs by TPLN 313, as well as the increase of accrued cost of provision for motorway resurfacing by the amount of TPLN 12,246, which comprised of a negative variance between the effects of estimates changes in relation to the provision recorded during the periods subject to comparison (TPLN 12,390) and lower current accrued cost of the provision recorded in III quarter 2020 (decrease of TPLN 144).

The financial activity of motorway segment for III quarter 2020 resulted in a loss amounting to TPLN 408, comparing to a loss of TPLN 3,058 for III quarter 2019. This positive variation was mainly the consequence of expenses related to the Project Loan Agreement (TPLN 1,125) and expenses resulting from the reclassification of net change in fair value of cash flow hedges (TPLN 1,872) recorded in III quarter 2019 – these costs did not occur in III quarter 2020 due to full prepayment of the above mentioned credit agreement and early settlement of transactions securing interest payments resulting from it.

As the result of all the above, the Group's motorway activity generated a net profit of TPLN 55,189 for III quarter 2020 (3 quarters 2020: profit of TPLN 92,374), comparing to net profit of TPLN 9,330 for III quarter 2019 (3 quarters 2019: profit of TPLN 47,966).

27. Other important events within the Stalexport Autostrady S.A. Capital Group during the period from 1 July to 30 September 2020

On 1 September 2020 SAM S.A. received from the First Silesian Tax Office in Sosnowiec the amount of TPLN 1,123 as the reimbursement of overpayment of CIT for 2018, which was identified based on the application submitted by the company in June 2020. On 30 September 2020 SAM S.A. submitted an application for the recognition and reimbursement of the overpayment of CIT for 2019 in amount of TPLN 16,872. Both these applications are the consequence of company's change in approach regarding tax deductibility of Payments to the State Treasury.

28. Shareholders holding directly or indirectly via their subsidiaries at least 5% of total number of votes at the Annual General Meeting of the Parent Entity at quarterly report's date

List of Shareholders holding more than 5% of total number of votes eligible for Annual General Meeting of Stalexport Autostrady S.A.:

Shareholder	Number of ordinary shares held*	Share in share capital (%)	Number of votes at AGM	Share in total number of votes at AGM (%)
Atlantia S.p.A.	151,323,463	61.20%	151,323,463	61.20%

*Based on notifications received by the Company according to article 69 and 69a in connection with article 87 of the Act on Public Offering and conditions of introducing the financial instruments to public trading and on public companies.

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29. Parent Entity's shares held by managing and supervising personnel at quarterly report's date

The President of the Management Board of the Parent Entity Emil Wąsacz held 59,000 shares at report's issue date. There were no changes in the number of Parent Entity's shares held by managing and supervising personnel since the previous report's issue date.

30. Subsequent events

There were no significant subsequent events, which should be disclosed in the condensed consolidated interim financial statements for the 9-month period ended 30 September 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.