



STALEXPORT
Autostrady

**CONDENSED SEPARATE
INTERIM FINANCIAL STATEMENTS**

for the six-month period ended
30 June 2019

STALEXPORT AUTOSTRADY S.A.
CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

These condensed separate interim financial statements are unaudited

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CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

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Condensed separate 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>	2019 <i>(unaudited)</i>	2018 <i>(unaudited)</i>
Revenue		1 909	1 851
Cost of sales		(1 926)	(1 878)
Gross loss		(17)	(27)
Other income		45	8
Administrative expenses		(2 372)	(2 169)
Other expenses		(5)	(12)
Impairment losses on trade and other receivables		(9)	(5)
Operating loss		(2 358)	(2 205)
Finance income	8.2	12 974	2 851
Finance expenses		(57)	(4)
Net finance income		12 917	2 847
Profit before income tax		10 559	642
Income tax expense		(149)	(149)
Profit for the period		10 410	493
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		(142)	382
Remeasurement of employee benefits		(8)	(1)
Income tax on other comprehensive income		29	(73)
Other comprehensive income for the period, net of income tax		(121)	308
Total comprehensive income for the period		10 289	801
Earnings per share			
Basic earnings per share (PLN)		0.04	0.00
Diluted earnings per share (PLN)		0.04	0.00

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

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Condensed separate interim statement of financial position
as at

<i>In thousands of PLN</i>	<i>Note</i>	30 June 2019 <i>(unaudited)</i>	31 December 2018
ASSETS			
Non-current assets			
Property, plant and equipment		317	358
Intangible assets		2	1
Investment property	16*	6 733	3 765
Investments in subsidiaries and associates	6	67 118	67 118
Other non-current investments		173	143
Finance lease receivables	8.1	2 635	3 243
Deferred tax assets		2 476	2 596
Total non-current assets		79 454	77 224
Current assets			
Current investments		1 651	1 823
Finance lease receivables	8.1	1 462	1 636
Trade and other receivables		5 695	5 584
Cash and cash equivalents		188 498	267 946
Total current assets		197 306	276 989
Total assets		276 760	354 213
EQUITY AND LIABILITIES			
Equity			
Share capital		185 447	185 447
Share premium reserve		7 430	7 430
Fair value reserve		292	407
Other reserve and supplementary capitals		64 662	151 717
Retained earnings		10 431	4 459
Total equity		268 262	349 460
Liabilities			
Non-current liabilities			
Lease liabilities	4	3 056	-
Employee benefits		629	99
Total non-current liabilities		3 685	99
Current liabilities			
Lease liabilities	4	122	-
Trade and other payables		1 482	1 446
Employee benefits		3 209	3 208
Total current liabilities		4 813	4 654
Total liabilities		8 498	4 753
Total equity and liabilities		276 760	354 213

* Reference made to the note to the condensed consolidated interim financial statements as at the day and for the six-month period ended 30 June 2019.

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

STALEXPORT AUTOSTRADY S.A.
CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS
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Condensed separate interim statement of cash flows
for the six-month period ended 30 June

<i>In thousands of PLN</i>	<i>Note</i>	2019 <i>(unaudited)</i>	2018 <i>(unaudited)</i>
Cash flows from operating activities			
Profit before income tax		10 559	642
Adjustments for			
Depreciation and amortisation		326	266
Interest and dividends		(12 937)	(2 956)
Change in receivables		678	813
Change in trade and other payables		941	752
Net cash used in operating activities		(433)	(483)
Cash flows from investing activities			
Investment proceeds		12 987	7 756
Dividends received	8.2	10 908	4 971
Interest received		2 079	2 785
Investment expenditures		(390)	(9)
Acquisition of intangible assets and property, plant and equipment		(390)	(9)
Net cash from investing activities		12 597	7 747
Cash flows from financing activities			
Financial expenditures		(91 612)	(71 706)
Dividends paid	20.5*	(91 487)	(71 706)
Payment of lease liabilities		(125)	-
Net cash used in financing activities		(91 612)	(71 706)
Total net cash flows		(79 448)	(64 442)
Change in cash and cash equivalents		(79 448)	(64 442)
Cash and cash equivalents at the beginning of the period		267 946	327 386
Cash and cash equivalents at the end of the period		188 498	262 944

* Reference made to the note to the condensed consolidated interim financial statements as at the day and for the six-month period ended 30 June 2019.

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CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

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Condensed separate 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 and supplementary capitals	Retained earnings	Total equity
As at 1 January 2019		185 447	7 430	407	151 717	4 459	349 460
Profit for the period		-	-	-	-	10 410	10 410
Other comprehensive income		-	-	(115)	-	(6)	(121)
Change in fair value of equity instruments		-	-	(142)	-	-	(142)
Remeasurement of employee benefits		-	-	-	-	(8)	(8)
Income tax on other comprehensive income		-	-	27	-	2	29
Total comprehensive income for the period		-	-	(115)	-	10 404	10 289
Dividends paid	20.5*	-	-	-	(91 487)	-	(91 487)
Allocation of profit to supplementary capital		-	-	-	4 432	(4 432)	-
As at 30 June 2019		185 447	7 430	292	64 662	10 431	268 262

In thousands of PLN

<i>(unaudited)</i>	<i>Note</i>	Share capital	Share premium reserve	Fair value reserve	Other reserve and supplementary capitals	Retained earnings	Total equity
As at 1 January 2018		185 447	7 430	-	150 215	73 235	416 327
Profit for the period		-	-	-	-	493	493
Other comprehensive income		-	-	309	-	(1)	308
Change in fair value of equity instruments		-	-	382	-	-	382
Remeasurement of employee benefits		-	-	-	-	(1)	(1)
Income tax on other comprehensive income		-	-	(73)	-	-	(73)
Total comprehensive income for the period		-	-	309	-	492	801
Dividends paid	20.5*	-	-	-	-	(71 706)	(71 706)
Allocation of profit to supplementary capital		-	-	-	1 502	(1 502)	-
As at 30 June 2018		185 447	7 430	309	151 717	519	345 422

* Reference made to the note to the condensed consolidated interim financial statements as at the day and for the six-month period ended 30 June 2019.

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

STALEXPORT AUTOSTRADY S.A.
CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

These condensed separate interim financial statements are unaudited

Notes to the condensed separate interim financial statements

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

1. Company 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.

As at 30 June 2019 the Company's business activity includes management and business advisory, rental of office space and also finance lease services.

2. Basis for preparation of condensed separate interim financial statements

2.1. Statement of compliance

These condensed separate interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union and other regulations in force.

These condensed separate interim financial statements do not include all the information required for yearly financial statements and therefore should be analyzed together with the separate financial statements prepared as at the day and for the year ended 31 December 2018 and the condensed consolidated interim financial statements prepared as at the day and for the six-month period ended 30 June 2019.

The condensed separate interim financial statements were approved by the Management Board of the Company on 31 July 2019.

2.2. Functional and presentation currency

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

2.3. Use of estimates and judgments

The preparation of condensed separate 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. 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.

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

New standards, amendments to standards and interpretations, which are effective for annual periods beginning after 1 January 2019, have not been applied in preparation of these condensed separate interim financial statements. Neither of the new standards nor amendments to the already existing standards, are expected to have a significant impact on the separate financial statements of the Company for the period for which they will become effective.

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3. Going concern

The condensed separate interim financial statements have been prepared under the assumption that the Company will continue to operate as a going concern for the foreseeable future. As at the date of approval of these condensed separate interim financial statements, there is no evidence indicating that the Company will not be able to operate as a going concern.

4. Description of significant accounting principles

Except for the changes resulting from the introduction of new standards and interpretations, as well as amendments to existing standards, effective for reporting periods beginning on 1 January 2019 or later, the accounting policies applied by the Company in these condensed separate interim financial statements are the same as those described in the separate financial statements as at and for the year ended 31 December 2018. The changes, which had significant impact on these condensed separate interim financial statements, has been presented below.

IFRS 16 Leases

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, replacing IAS 17 *Leases* and interpretations related to such agreements. The standard introduces a single lessee accounting model for agreements meeting the definition of lease, however lessors will still distinguish two kinds of lease, i.e. financial lease, if substantially all the risks and rewards incidental to ownership of an underlying asset are transferred, or otherwise an operating lease.

i) Accounting policies applied

Considering the extent to which IFRS 16 has affected the existing accounting policies of the Company, the accounting policies that follow apply only to cases where the Company is the lessee.

At the lease commencement date the Company recognises a right-of-use asset and a lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the interest rate implicit in the lease, or if that rate can't be readily determined, using the Company's incremental borrowing rate.

The Company subsequently measures the lease liabilities by

- increasing the carrying amount to reflect interest on the lease liability,
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

At the lease commencement date the Company measures the right-of-use asset at cost. Subsequently these assets are measured at cost less any accumulated depreciation and impairment losses, taking into account adjustments resulting from aforementioned revaluation of lease liabilities.

If a right-of-use asset meets the definition of investment property, it is presented as such within separate statement of financial position.

In case of short-term leases and leases for which the underlying asset is of low value, the Company recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

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ii) Impact of initial application

The Company applied IFRS 16 using the modified retrospective approach, with the cumulative effect of the implementation recognised at the date of initial application, i.e. 1 January 2019, as an adjustment to the opening balance of retained earnings at that date. As the result, the comparative information has not been restated.

So far the Company classified perpetual usufruct of land as operating lease, with the payments for perpetual usufruct expensed to profit or loss when incurred. As the result of IFRS 16 introduction the Company recognised a lease liability amounting to the present value of payments for perpetual usufruct that are not yet paid (the perpetual usufruct expires in December 2089), discounted using the Company's incremental borrowing rate (3.67%) as of initial application date. Lease liability related to payments for perpetual usufruct of land amounted to TPLN 3,247 at the date of initial application of IFRS 16. The Company recognised a right-of-use asset measured at the amount equal to the aforementioned liability, as the consequence of which Company's equity were not subject to any changes as at 1 January 2019. Considering that this right-of-use asset meets the definition of investment property, it has been presented as such within the condensed separate interim statement of financial position.

5. Segment reporting

The Company's business activity includes management and business advisory and also rental of office space and its revenue is earned exclusively in Poland.

6. Investments in subsidiaries and associates

Investments in subsidiaries and associates relate to the following companies:

	Cost	Impairment loss	Carrying amount	Ownership
30 June 2019				
Petrostal S.A. w likwidacji	1 727	(1 727)	-	100.00%
Stalexport Autoroute S.a r.l	67 086	-	67 086	100.00%
Biuro Centrum Sp. z o.o.	32	-	32	40.63%
Total	68 845	(1 727)	67 118	
31 December 2018				
Petrostal S.A. w likwidacji	1 727	(1 727)	-	100.00%
Stalexport Autoroute S.a r.l	67 086	-	67 086	100.00%
Biuro Centrum Sp. z o.o.	32	-	32	40.63%
Total	68 845	(1 727)	67 118	

Company's investments in subsidiaries and associates weren't subject to any changes in the six-month period ended 30 June 2019.

7. Contingent liabilities

Contingent liabilities relate to guarantees granted to related entities amounting to TPLN 23,818 (31 December 2018: TPLN 23,668).

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8. Related party transactions

8.1. Intragroup receivables and liabilities

30 June 2019

Atlantia SpA	-	-	17
Parent entity	-	-	17
Stalexport Autostrada Małopolska S.A.	-	-	3
VIA4 S.A.	154	4 097	-
Subsidiaries	154	4 097	3
Biuro Centrum Spółka z o.o.	90	-	342
Associates	90	-	342
Autogrill Polska Sp. z o.o.	-	-	10
Other related entities	-	-	10
Total	244	4 097	372

Trade and other receivables	Finance lease receivables	Trade and other payables
-	-	17
-	-	17
-	-	3
154	4 097	-
154	4 097	3
90	-	342
90	-	342
-	-	10
-	-	10
244	4 097	372

31 December 2018

Atlantia SpA	-	-	17
Parent entity	-	-	17
Stalexport Autostrada Małopolska S.A.	-	-	3
VIA4 S.A.	155	4 879	-
Subsidiaries	155	4 879	3
Biuro Centrum Spółka z o.o.	2	-	629
Associates	2	-	629
Autogrill Polska Sp. z o.o.	-	-	10
Other related entities	-	-	10
Total	157	4 879	659

Trade and other receivables	Finance lease receivables	Trade and other payables
-	-	17
-	-	17
-	-	3
155	4 879	-
155	4 879	3
2	-	629
2	-	629
-	-	10
-	-	10
157	4 879	659

8.2. Related party transactions amounts

I semester 2019

Stalexport Autostrada Małopolska S.A.	-	-	-	(13)
VIA4 S.A.	235	-	93	-
Stalexport Autoroute S.a.r.l	-	10 908	-	-
Subsidiaries	235	10 908	93	(13)
Biuro Centrum Spółka z o.o.	109	-	-	(1 505)
Associates	109	-	-	(1 505)
Autogrill Polska Sp. z o.o.	6	-	-	-
Other related entities	6	-	-	-
Total	350	10 908	93	(1 518)

Revenue	Finance income (dividends)	Finance income (other)	Cost of sales
-	-	-	(13)
235	-	93	-
-	10 908	-	-
235	10 908	93	(13)
109	-	-	(1 505)
109	-	-	(1 505)
6	-	-	-
6	-	-	-
350	10 908	93	(1 518)

I semester 2018

Stalexport Autostrada Małopolska S.A.	-	-	-	(13)
VIA4 S.A.	215	-	118	-
Subsidiaries	215	-	118	(13)
Biuro Centrum Spółka z o.o.	106	171	-	(1 427)
Associates	106	171	-	(1 427)
Autogrill Polska Sp. z o.o.	23	-	-	-
Other related entities	23	-	-	-
Total	344	171	118	(1 440)

Revenue	Finance income (dividends)	Finance income (other)	Cost of sales
-	-	-	(13)
215	-	118	-
215	-	118	(13)
106	171	-	(1 427)
106	171	-	(1 427)
23	-	-	-
23	-	-	-
344	171	118	(1 440)

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9. Subsequent events

- On 19 July 2019 the Polish Financial Supervision Authority approved the Company's prospectus drawn up in connection with the intention to apply for admission and introduction to public trading on the regulated market operated by Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange) of 89,500,000 series G ordinary bearer shares (numbered from G 157,762,024 to G 247,262,023) held by Atlantia S.p.A. The prospectus was published on 24 July 2019.
- On 24 July 2019 the Management Board of Stalexport Autostrada Małopolska S.A. (hereinafter referred to as "SAM S.A.") adopted a resolution in accordance with which it decided to make on 30 September 2019 the full prepayment of outstanding debt resulting from the Project Loan Agreement and, after making the prepayment, take any actual or legal actions to remove the debt resulting from the said agreement from the relevant register of securities.

Taking into account the above decision of the Management Board of SAM S.A., on 24 July 2019 the Management Board of the Company adopted a resolution pursuant to which it decided that in the event that SAM S.A. effectively performs the actions referred to above, the Management Board of the Company shall take actions aimed at simplifying the Group's structure in order to reduce the costs of its operation by terminating the business activity of Stalexport Autoroute S.à r.l. with its registered office in Luxembourg (hereinafter referred to as "Holdco") and its legal status. The legal existence of Holdco will be terminated through a cross-border merger of the Company and Holdco consisting in a cross-border takeover of Holdco by the Company, without increasing the share capital of the Company, using a simplified merger procedure in accordance with the Commercial Companies Code and pursuant to the relevant provisions of Luxembourg law.

Explanation

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