



**STALEXPORT**  
**Autostrady**

**SEPARATE FINANCIAL STATEMENTS**

as at the day and for the year ended  
31 December 2020

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**Separate statement of comprehensive income  
for the year ended 31 December**

<i>In thousands of PLN, unless stated otherwise</i>	<i>Note</i>	<b>2020</b>	<b>2019*</b>
Revenue	6,8	3 463	3 767
Cost of sales	9	(4 595)	(3 881)
<b>Gross loss</b>		<b>(1 132)</b>	<b>(114)</b>
Other income	10	94	59
Administrative expenses	9	(5 614)	(3 815)
Other expenses	11	(6)	(10)
Reversal of impairments losses/(Impairment losses) on trade and other receivables		(4)	2
<b>Operating loss</b>		<b>(6 662)</b>	<b>(3 878)</b>
Finance income		165 634	3 868
Finance expenses		(129)	(116)
<b>Net finance income</b>	12	<b>165 505</b>	<b>3 752</b>
<b>Profit/(Loss) before income tax</b>		<b>158 843</b>	<b>(126)</b>
Income tax expense	13.1	(1 266)	(703)
<b>Profit/(Loss) for the period</b>		<b>157 577</b>	<b>(829)</b>
<b>Other comprehensive income</b>			
<i>Items that will never be reclassified to profit or loss for the period</i>			
Change in fair value of equity instruments	17	(168)	(219)
Remeasurement of employee benefits	26	(8)	(17)
Income tax on other comprehensive income	13.3	33	106
<b>Other comprehensive income for the period, net of income tax</b>		<b>(143)</b>	<b>(130)</b>
<b>Total comprehensive income for the period</b>		<b>157 434</b>	<b>(959)</b>
<b>Earnings per share</b>	24		
Basic earnings per share (PLN)		0.64	(0.00)
Diluted earnings per share (PLN)		0.64	(0.00)

\* Restated due to business combination with a subsidiary - see note 4.

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

**Separate statement of financial position**  
**as at**

<i>In thousands of PLN</i>	<i>Note</i>	<b>31 December 2020</b>	<b>31 December 2019*</b>	<b>1 January 2019*</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	14	199	272	358
Intangible assets		1	1	1
Investment property	15	5 898	6 455	7 012
Investments in subsidiaries and associates	16	67 060	67 060	67 060
Other non-current investments	17	65	173	143
Finance lease receivables	20	2 685	2 226	3 243
Deferred tax assets	18	962	2 175	2 596
<b>Total non-current assets</b>		<b>76 870</b>	<b>78 362</b>	<b>80 413</b>
<b>Current assets</b>				
Current investments	17	181 064	1 574	1 823
Income tax receivables	19	58	-	-
Finance lease receivables	20	1 086	1 336	1 636
Trade and other receivables	21	27 771	5 147	16 490
Cash and cash equivalents	22	135 506	189 200	269 887
<b>Total current assets</b>		<b>345 485</b>	<b>197 257</b>	<b>289 836</b>
<b>Total assets</b>		<b>422 355</b>	<b>275 619</b>	<b>370 249</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	23.1	185 447	185 447	185 447
Share premium reserve		7 431	7 430	7 430
Fair value reserve	23.3	(204)	291	407
Other reserve and supplementary capitals		62 695	64 662	151 717
Retained earnings		159 467	11 935	17 210
<b>Total equity</b>		<b>414 836</b>	<b>269 765</b>	<b>362 211</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Lease liabilities	25	3 102	3 112	3 122
Employee benefits	26	2 418	1 119	99
<b>Total non-current liabilities</b>		<b>5 520</b>	<b>4 231</b>	<b>3 221</b>
<b>Current liabilities</b>				
Lease liabilities	25	125	125	125
Income tax liabilities	19	-	29	-
Trade and other payables	27	1 745	1 367	1 484
Employee benefits	26	129	102	3 208
<b>Total current liabilities</b>		<b>1 999</b>	<b>1 623</b>	<b>4 817</b>
<b>Total liabilities</b>		<b>7 519</b>	<b>5 854</b>	<b>8 038</b>
<b>Total equity and liabilities</b>		<b>422 355</b>	<b>275 619</b>	<b>370 249</b>

\* Restated due to business combination with a subsidiary - see note 4.

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

**Separate statement of cash flows**  
**for the year ended 31 December**

<i>In thousands of PLN</i>	<i>Note</i>	<b>2020</b>	<b>2019*</b>
<b>Cash flows from operating activities</b>			
<b>Profit/(Loss) before income tax</b>		<b>158 843</b>	<b>(126)</b>
<b>Adjustments for</b>			
Depreciation and amortisation	9	653	652
Gain on disposal of intangible assets and property, plant and equipment	10	-	(2)
Interest and dividends		(165 827)	(3 376)
Change in receivables		(514)	1 511
Change in trade and other payables		2 123	(1 837)
<b>Cash used in operating activities</b>		<b>(4 722)</b>	<b>(3 178)</b>
Income tax paid	13.1	(107)	(147)
<b>Net cash used in operating activities</b>		<b>(4 829)</b>	<b>(3 325)</b>
<b>Cash flows from investing activities</b>			
<b>Investment proceeds</b>		<b>143 608</b>	<b>14 643</b>
Acquisition of intangible assets and property, plant and equipment		-	2
Dividends received	12	141 829	11 149
Interest received		1 779	3 492
<b>Investment expenditures</b>		<b>(179 984)</b>	<b>(392)</b>
Acquisition of intangible assets and property, plant and equipment		(23)	(392)
Acquisition of financial assets	17	(179 961)	-
<b>Net cash from/(used in) investing activities</b>		<b>(36 376)</b>	<b>14 251</b>
<b>Cash flows from financing activities</b>			
<b>Financial expenditures</b>		<b>(12 489)</b>	<b>(91 613)</b>
Dividends paid	23.4	(12 363)	(91 487)
Payment of lease liabilities		(126)	(126)
<b>Net cash used in financing activities</b>		<b>(12 489)</b>	<b>(91 613)</b>
<b>Total net cash flows</b>		<b>(53 694)</b>	<b>(80 687)</b>
<b>Change in cash and cash equivalents</b>	22	<b>(53 694)</b>	<b>(80 687)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>189 200</b>	<b>269 887</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>135 506</b>	<b>189 200</b>

\* Restated due to business combination with a subsidiary - see note 4.

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

**STALEXPORT AUTOSTRADY S.A.**  
**SEPARATE FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2020**

**Separate statement of changes in equity**

*In thousands of PLN*

	Share capital	Share premium reserve	Fair value reserve	Other reserve and supplementary capitals	Retained earnings	Total equity
<b>As at 1 January 2020</b>	<b>185 447</b>	<b>7 430</b>	<b>291</b>	<b>64 662</b>	<b>10 410</b>	<b>268 240</b>
Adjustments due to business combination	-	-	-	-	1 525	1 525
<b>As at 1 January 2020*</b>	<b>185 447</b>	<b>7 430</b>	<b>291</b>	<b>64 662</b>	<b>11 935</b>	<b>269 765</b>
<b>Profit for the period</b>	-	-	-	-	<b>157 577</b>	<b>157 577</b>
<b>Other comprehensive income</b>	-	-	<b>(137)</b>	-	<b>(6)</b>	<b>(143)</b>
Change in fair value of equity instruments	-	-	(168)	-	-	(168)
Remeasurement of employee benefits	-	-	-	-	(8)	(8)
Income tax on other comprehensive income	-	-	31	-	2	33
<b>Total comprehensive income for the period</b>	-	-	<b>(137)</b>	-	<b>157 571</b>	<b>157 434</b>
Liquidation/Redemption of equity instruments measured at fair value through other comprehensive income	-	-	(358)	-	358	-
Dividends paid	-	-	-	(1 966)	(10 397)	(12 363)
Other	-	1	-	(1)	-	-
<b>As at 31 December 2020</b>	<b>185 447</b>	<b>7 431</b>	<b>(204)</b>	<b>62 695</b>	<b>159 467</b>	<b>414 836</b>

\* Restated due to business combination with a subsidiary - see note 4.

*In thousands of PLN*

	Share capital	Share premium reserve	Fair value reserve	Other reserve and supplementary capitals	Retained earnings	Total equity
<b>As at 1 January 2019</b>	<b>185 447</b>	<b>7 430</b>	<b>407</b>	<b>151 717</b>	<b>4 459</b>	<b>349 460</b>
Adjustments due to business combination	-	-	-	-	12 751	12 751
<b>As at 1 January 2019*</b>	<b>185 447</b>	<b>7 430</b>	<b>407</b>	<b>151 717</b>	<b>17 210</b>	<b>362 211</b>
<b>Loss for the period*</b>	-	-	-	-	<b>(829)</b>	<b>(829)</b>
<b>Other comprehensive income</b>	-	-	<b>(116)</b>	-	<b>(14)</b>	<b>(130)</b>
Change in fair value of equity instruments	-	-	(219)	-	-	(219)
Remeasurement of employee benefits	-	-	-	-	(17)	(17)
Income tax on other comprehensive income	-	-	103	-	3	106
<b>Total comprehensive income for the period</b>	-	-	<b>(116)</b>	-	<b>(843)</b>	<b>(959)</b>
Allocation of profit to supplementary capital	-	-	-	4 432	(4 432)	-
Dividends paid	-	-	-	(91 487)	-	(91 487)
<b>As at 31 December 2019*</b>	<b>185 447</b>	<b>7 430</b>	<b>291</b>	<b>64 662</b>	<b>11 935</b>	<b>269 765</b>

\* Restated due to business combination with a subsidiary - see note 4.

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

## **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 31 December 2020 the Company's business activity includes management and business advisory (holding activity), rental of investment properties and also finance lease services.

The Company is a parent entity of Stalexport Autostrady S.A. Capital Group and prepares consolidated financial statements.

The Company also constitutes a part of the Capital Group Atlantia S.p.A. (Italy) and is included within the consolidated financial statements drawn up by the higher-level parent entity Atlantia S.p.A. The ultimate parent company is Edizione S.r.l. (Italy).

## **2. Basis of preparation of the separate financial statements**

### **2.1. Statement of compliance**

The separate financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS EU") and other regulations in force.

The separate financial statements were approved by the Management Board of the Company on 1 March 2021.

The Company prepared also the consolidated financial statements drawn up in accordance with IFRS EU, which were approved by the Management Board of the Company on 1 March 2021.

IFRS EU contain all International Accounting Standards ("IAS"), International Financial Reporting Standards ("IFRS") as well as related Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") except for Standards and Interpretations which are awaiting approval of the European Union as well as those Standards and Interpretations which have been approved by the European Union but are not yet effective.

### **2.2. Basis of measurement**

The separate financial statements have been prepared on the historical cost basis, except for equity instruments measured at fair value through other comprehensive income.

### **2.3. Functional and presentation currency**

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

### **2.4. New standards and interpretations not adopted**

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 separate 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.

**2.5. Use of estimates and judgements**

The preparation of the separate financial statements in conformity with IFRS EU 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. These 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 ongoing basis. Revisions to 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 while applying IFRS EU, which had significant impact on the separate financial statements, have been discussed in notes 15, 16, 17, 18, 19, 25, 26, 28 and 29.1.

*Uncertainty over tax treatments*

Regulations regarding VAT, corporate income tax and social security contributions are subject to frequent changes. These changes result in there being little point of reference and few established precedents that may be followed. The binding regulations also contain uncertainties, resulting in differences in opinion regarding the legal interpretation of tax regulations both between government bodies, and between government bodies and companies.

Tax settlements and other areas of business activity may be subject to inspection by administrative bodies authorised to impose high penalties and fines, and any additional taxation liabilities calculated as a result must be paid together with high interest. The above circumstances mean that tax exposure is greater in Poland than in countries that have a more established taxation system.

Accordingly, the amounts shown in the financial statements may change at a later date as a result of the final decision of the tax authorities.

On 15 July 2016, amendments were made to the Tax Ordinance to introduce the provisions of General Anti-Avoidance Rule (GAAR). GAAR aim is to prevent origination and use of factitious legal structures made to avoid payment of tax in Poland. GAAR defines tax evasion as an activity performed mainly with a view to realising tax gains, which is contrary, under given circumstances, to the subject and objective of the tax law. New regulations require considerably greater judgment in assessing tax effects of individual transactions.

The Company recognises and measures receivables/liabilities due to current income tax, as well as deferred tax assets/liabilities applying the requirements of IAS 12 *Income Taxes*, based on taxable profit (tax loss), tax bases, unused tax losses, and relevant tax rates, taking into the account the uncertainty related to tax settlements.

In October 2018, EU endorsed interpretation IFRIC 23 *Uncertainty over income tax treatments*, which is effective for reporting periods beginning on 1 January 2019 or later. This Interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments.



**3. Going concern**

The separate financial statements have been prepared under the assumption that the Company will continue to operate as a going concern for the foreseeable future. Taking into account the overall economic and legal situation of the Company, including the known negative economic and social impact of the COVID-19 epidemic, as at the date of approval of these separate financial statements, there is no evidence indicating that the Company will not be able to operate as a going concern.

**4. Business combination with a subsidiary**

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

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

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

Considering that IFRS EU do not contain any specific regulations for this type of transaction, it has been carried by means of so called "pooling of interest method". Under the pooling of interest method the carrying amounts of individual items of assets and liabilities, as well as income and expenses of the entities subject to combination, are aggregated as at the date of a business combination, after prior unification of valuation methods and elimination of the result of mutual transactions. The total impact of business combination on separate statement of financial position as at the date of business combination has been presented on the following page.

**STALEXPORT AUTOSTRADY S.A.**  
**SEPARATE FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2020**

*Notes to the separate financial statements*

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

*Separate statement of financial position as at 28 February 2020*

<i>In thousands of PLN</i>	<b>Stalexport Autostrady S.A.</b> <i>(before business combination)</i>	<b>Stalexport Autoroute S.à r.l.</b>	<b>Adjustments due to business combination</b>	<b>Stalexport Autostrady S.A.</b> <i>(after business combination)</i>
<b>ASSETS</b>				
Investments in subsidiaries and associates	67 118	268 979	(269 037) 1)	67 060
Other items of non-current assets	10 959	-	-	10 959
<b>Total non-current assets</b>	<b>78 077</b>	<b>268 979</b>	<b>(269 037)</b>	<b>78 019</b>
Cash and cash equivalents				
Other items of current assets				
<b>Total current assets</b>	<b>196 309</b>	<b>1 566</b>	<b>-</b>	<b>197 875</b>
<b>Total assets</b>	<b>274 386</b>	<b>270 545</b>	<b>(269 037)</b>	<b>275 894</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	185 447	243 436	(243 436) 2)	185 447
Share premium reserve	7 430	1 274	(1 274) 2)	7 430
Fair value reserve	291	-	-	291
Other reserve and supplementary capitals	64 662	24 344	(24 344) 3)	64 662
Foreign currency translation reserve	-	(1)	1 4)	-
Retained earnings, including:	9 815	1 433	16 5)	11 264
<i>Loss for the period</i>	<i>(594)</i>	<i>(104)</i>	<i>27 6)</i>	<i>(671)</i>
<b>Total equity</b>	<b>267 645</b>	<b>270 486</b>	<b>(269 037)</b>	<b>269 094</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Income tax liabilities	31	5	-	36
Trade and other payables	2 086	54	-	2 140
Other items of current liabilities	227	-	-	227
<b>Total current liabilities</b>	<b>2 344</b>	<b>59</b>	<b>-</b>	<b>2 403</b>
<b>Total liabilities</b>	<b>6 741</b>	<b>59</b>	<b>-</b>	<b>6 800</b>
<b>Total equity and liabilities</b>	<b>274 386</b>	<b>270 545</b>	<b>(269 037)</b>	<b>275 894</b>

- 1) Elimination of Stalexport Autoroute S.à r.l. shares held by the Company (at cost amounting to TPLN 67,086) and recognition of Stalexport Autostrada Małopolska S.A. and VIA4 S.A. shares held by Stalexport Autoroute S.à r.l. at the original purchase price of these assets by the Company, i.e. TPLN 66,753 and TPLN 275 respectively (these shares were in previous years the subject of a non-cash contribution made by the Company to Stalexport Autoroute S.à r.l.);
- 2) Elimination of share capital and share premium reserve of Stalexport Autoroute S.à r.l.;
- 3) Elimination of supplementary capital of Stalexport Autoroute S.à r.l. resulting from the increase of share capital increase in previous years and reclassification of the remaining part of the supplementary capital to "Retained earnings";
- 4) Reclassification of foreign currency translation reserve to „Retained earnings“;
- 5) Total impact of adjustments on „Retained earnings“.
- 6) Total impact of adjustments on “Loss for the period”.

**STALEXPORT AUTOSTRADY S.A.**  
**SEPARATE FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2020**

**Notes to the separate financial statements**

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

**Restatement of comparative data as the result of the business combination with a subsidiary**

The comparative data included in these separate financial statements, has been restated accordingly by the Company as if the business combination had been concluded at the beginning of previous financial year.

The total impact of business combination on separate statement of financial position and separate statement of comprehensive income for the restated comparative periods presented in these separate financial statements has been outlined below.

*Separate statement of comprehensive income for the 12-month period ended 31 December 2019*

<i>In thousands of PLN, unless stated otherwise</i>	<i>Stalexport Autostrady S.A. published</i>	<i>Stalexport Autoroute S.à r.l. published</i>	<i>Adjustments due to business combination</i>	<i>Stalexport Autostrady S.A. restated</i>
Revenue	3 767	-	-	3 767
Cost of sales	(3 881)	-	-	(3 881)
<b>Gross loss</b>	<b>(114)</b>	<b>-</b>	<b>-</b>	<b>(114)</b>
Other income	59	-	-	59
Administrative expenses	(3 543)	(272)	-	(3 815)
Other expenses	(10)	-	-	(10)
Reversal of impairments losses/(Impairment losses) on trade and other receivables	2	-	-	2
<b>Operating loss</b>	<b>(3 606)</b>	<b>(272)</b>	<b>-</b>	<b>(3 878)</b>
Finance income	14 758	15	(10 905) 1), 2)	3 868
Finance expenses	(116)	(63)	63 2)	(116)
<b>Net finance income</b>	<b>14 642</b>	<b>(48)</b>	<b>(10 842)</b>	<b>3 752</b>
<b>Profit/(Loss) before income tax</b>	<b>11 036</b>	<b>(320)</b>	<b>(10 842)</b>	<b>(126)</b>
Income tax expense	(639)	(64)	-	(703)
<b>Profit/(Loss) for the period</b>	<b>10 397</b>	<b>(384)</b>	<b>(10 842)</b>	<b>(829)</b>
<b>Other comprehensive income</b>				
<i>Items that will never be reclassified to profit or loss for the period</i>				
Change in fair value of equity instruments	(219)	-	-	(219)
Remeasurement of employee benefits	(17)	-	-	(17)
Income tax on other comprehensive income	106	-	-	106
<b>Other comprehensive income for the period, net of income tax</b>	<b>(130)</b>	<b>-</b>	<b>-</b>	<b>(130)</b>
<b>Total comprehensive income for the period</b>	<b>10 267</b>	<b>(384)</b>	<b>(10 842)</b>	<b>(959)</b>

- 1) Elimination of finance income due to dividends received by the Company from Stalexport Autoroute S.à r.l. (TPLN 10,908) and recognition of foreign exchange gains;
- 2) Elimination of foreign exchange losses.

**STALEXPORT AUTOSTRADY S.A.**  
**SEPARATE FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2020**

*Notes to the separate financial statements*

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

*Separate statement of financial position as at 31 December 2019*

<i>In thousands of PLN</i>	<i>Stalexport Autostrady S.A. published</i>	<i>Stalexport Autoroute S.à r.l.</i>	<i>Adjustments due to business combination</i>	<i>Stalexport Autostrady S.A. restated</i>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	272	-	-	272
Intangible assets	1	-	-	1
Investment property	6 455	-	-	6 455
Investments in subsidiaries and associates	67 118	264 202	(264 260) 1)	67 060
Other non-current investments	173	-	-	173
Finance lease receivables	2 226	-	-	2 226
Deferred tax assets	2 175	-	-	2 175
<b>Total non-current assets</b>	<b>78 420</b>	<b>264 202</b>	<b>(264 260)</b>	<b>78 362</b>
<b>Current assets</b>				
Current investments	1 574	-	-	1 574
Finance lease receivables	1 336	-	-	1 336
Trade and other receivables	5 147	-	-	5 147
Cash and cash equivalents	187 609	1 591	-	189 200
<b>Total current assets</b>	<b>195 666</b>	<b>1 591</b>	<b>-</b>	<b>197 257</b>
<b>Total assets</b>	<b>274 086</b>	<b>265 793</b>	<b>(264 260)</b>	<b>275 619</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	185 447	239 113	(239 113) 2)	185 447
Share premium reserve	7 430	1 252	(1 252) 2)	7 430
Fair value reserve	291	-	-	291
Other reserve and supplementary capitals	64 662	23 911	(23 911) 3)	64 662
Foreign currency translation reserve	-	4	(4) 4)	-
Retained earnings	10 410	1 505	20 5)	11 935
<b>Total equity</b>	<b>268 240</b>	<b>265 785</b>	<b>(264 260)</b>	<b>269 765</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Lease liabilities	3 112	-	-	3 112
Employee benefits	1 119	-	-	1 119
<b>Total non-current liabilities</b>	<b>4 231</b>	<b>-</b>	<b>-</b>	<b>4 231</b>
<b>Current liabilities</b>				
Lease liabilities	125	-	-	125
Income tax liabilities	29	-	-	29
Trade and other payables	1 359	8	-	1 367
Employee benefits	102	-	-	102
<b>Total current liabilities</b>	<b>1 615</b>	<b>8</b>	<b>-</b>	<b>1 623</b>
<b>Total liabilities</b>	<b>5 846</b>	<b>8</b>	<b>-</b>	<b>5 854</b>
<b>Total equity and liabilities</b>	<b>274 086</b>	<b>265 793</b>	<b>(264 260)</b>	<b>275 619</b>

1) Elimination of Stalexport Autoroute S.à r.l. shares held by the Company and recognition of Stalexport Autostrada Małopolska S.A. and VIA4 S.A. shares held by Stalexport Autoroute S.à r.l.;

2) Elimination of share capital and share premium reserve of Stalexport Autoroute S.à r.l.;

3) Elimination of supplementary capital of Stalexport Autoroute S.à r.l. resulting from the increase of share capital increase in previous years and reclassification of the remaining part of the supplementary capital to "Retained earnings";

4) Reclassification of foreign currency translation reserve to „Retained earnings“;

5) Total impact of adjustments on „Retained earnings“.

**STALEXPORT AUTOSTRADY S.A.**  
**SEPARATE FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2020**

*Notes to the separate financial statements*

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

*Separate statement of financial position as at 1 January 2019*

<i>In thousands of PLN</i>	<i>Stalexport Autostrady S.A. published</i>	<i>Stalexport Autoroute S.à r.l.</i>	<i>Adjustments due to business combination</i>	<i>Stalexport Autostrady S.A. restated</i>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	358	-	-	358
Intangible assets	1	-	-	1
Investment property	7 012	-	-	7 012
Investments in subsidiaries and associates	67 118	266 777	(266 835) 1)	67 060
Other non-current investments	143	-	-	143
Finance lease receivables	3 243	-	-	3 243
Deferred tax assets	2 596	-	-	2 596
<b>Total non-current assets</b>	<b>80 471</b>	<b>266 777</b>	<b>(266 835)</b>	<b>80 413</b>
<b>Current assets</b>				
Current investments	1 823	-	-	1 823
Finance lease receivables	1 636	-	-	1 636
Trade and other receivables	5 584	10 906	-	16 490
Cash and cash equivalents	267 946	1 941	-	269 887
<b>Total current assets</b>	<b>276 989</b>	<b>12 847</b>	<b>-</b>	<b>289 836</b>
<b>Total assets</b>	<b>357 460</b>	<b>279 624</b>	<b>(266 835)</b>	<b>370 249</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	185 447	241 443	(241 443) 2)	185 447
Share premium reserve	7 430	1 264	(1 264) 2)	7 430
Fair value reserve	407	-	-	407
Other reserve and supplementary capitals	151 717	24 144	(24 144) 3)	151 717
Retained earnings	4 459	12 735	16 4)	17 210
<b>Total equity</b>	<b>349 460</b>	<b>279 586</b>	<b>(266 835)</b>	<b>362 211</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Lease liabilities	3 122	-	-	3 122
Employee benefits	99	-	-	99
<b>Total non-current liabilities</b>	<b>3 221</b>	<b>-</b>	<b>-</b>	<b>3 221</b>
<b>Current liabilities</b>				
Lease liabilities	125	-	-	125
Trade and other payables	1 446	38	-	1 484
Employee benefits	3 208	-	-	3 208
<b>Total current liabilities</b>	<b>4 779</b>	<b>38</b>	<b>-</b>	<b>4 817</b>
<b>Total liabilities</b>	<b>8 000</b>	<b>38</b>	<b>-</b>	<b>8 038</b>
<b>Total equity and liabilities</b>	<b>357 460</b>	<b>279 624</b>	<b>(266 835)</b>	<b>370 249</b>

- 1) Elimination of Stalexport Autoroute S.à r.l. shares held by the Company and recognition of Stalexport Autostrada Małopolska S.A. and VIA4 S.A. shares held by Stalexport Autoroute S.à r.l.;
- 2) Elimination of share capital and share premium reserve of Stalexport Autoroute S.à r.l.;
- 3) Elimination of supplementary capital of Stalexport Autoroute S.à r.l. resulting from the increase of share capital increase in previous years and reclassification of the remaining part of the supplementary capital to "Retained earnings";
- 4) Total impact of adjustments on „Retained earnings”.

## **5. Description of significant accounting principles applied**

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 Company's accounting policies, and as the result, on these separate financial statements.

With the exception of changes described above, the accounting policies set out below have been applied consistently to all periods presented in these separate financial statements.

### **5.1. Foreign currency transactions**

Transactions in foreign currencies on the day of transaction are translated into Polish zloty at the National Bank of Poland ("NBP") average exchange rate for particular currency at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the average NBP rate at that date. Foreign exchange differences arising on settlement of foreign transactions or balance sheet translation are recognized in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the average NBP rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the average NBP rate at the date the fair value was determined.

### **5.2. Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (see note 5.11).

The cost includes the purchase price of the assets and costs directly related to the purchase and completion of the asset, so that it can be available for use, including the transport, loading, unloading and storing costs. Rebates, discounts and other similar reductions decrease the cost. The construction cost of property, plant and equipment or assets under construction includes total cost incurred by the entity in the period of their construction, assembly, adjustment and modernization till the date of their transfer to use (or up to the end of the reporting period, if the asset was not transferred to use before this date). If required, the construction cost also includes preliminary estimates of the cost of dismantling and removing the components of tangible fixed assets and the restoration cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) shall be capitalised as part of the cost of that asset. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are costs which could have been avoided, if the capital expenditure on qualified asset had not been incurred. The capitalisation of borrowing costs as part of the cost of a qualifying asset shall commence when expenditures for the asset are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs shall cease when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

#### **Reclassification to investment property**

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property.

**Notes to the separate financial statements**

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

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**Subsequent expenditures**

The Company recognizes in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost can be measured reliably. The expenditures related to maintenance of property part and equipment are recognized as incurred.

**Depreciation**

Items of property, plant and equipment, relatively their significant and separate components, are depreciated on a straight – line basis over their estimated useful lives, considering residual values. Land is not depreciated.

The Company adopted following useful lives for particular categories of property plant and equipment:

- buildings 25-40 years
- plant and equipment 1-15 years
- vehicles 5 years
- other 1-5 years

The adequacy of useful lives, depreciation methods and residual values (if significant) is reassessed annually.

**5.3. Intangible assets**

Intangible assets that are acquired by the Company are measured at cost less accumulated depreciation and impairment losses (see note 5.11).

**Subsequent expenditures**

Subsequent expenditures on existing intangible assets are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

**Amortisation**

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite.

The estimated useful lives are as follows:

- intellectual property rights up to 5 years
- computer software up to 5 years
- licenses 3-5 years

The adequacy of amortisation methods, useful lives and residual values is reviewed at each reporting date and adjusted if appropriate.

**5.4. Investment property**

Investment property is property (land or a building—or part of a building—or both) held (by the Company as an owner or by the lessee as a right-of-use asset) to earn rentals or for capital appreciation or both.

An owned investment property is measured initially at its cost. Subsequently such investment properties are measured at cost less accumulated depreciation and impairment losses.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of investment property (residual values are taken into account).

***Notes to the separate financial statements***

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

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Considering that the part of the office building owned by the Company and building's component parts are only marginally used in administrative activities, all these assets are treated entirely as investment property. The Company assumed 40-year period of economic useful life for the aforementioned office building.

Investment property held by the Company as right-of-use assets is recognised and measured according to policies described in note 5.5, i.e. at cost less any accumulated depreciation and impairment losses, taking into account adjustments resulting from remeasurement of lease liabilities, with which these assets were initially recognised.

**5.5. Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, the customer has both of the following:

- the right to obtain substantially all of the economic benefits from use of the identified asset, and
- the right to direct the use of the identified asset.

If the customer has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The lease commencement date is the date on which a lessor makes an underlying asset available for use by a lessee, i.e. an asset that is the subject of a lease, for which the right to use that asset has been provided by a lessor to a lessee.

***Company as a lessor***

The Company recognises assets held under a finance lease in its separate statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. Under a finance lease substantially all the risks and rewards incidental to legal ownership are transferred by the Company, and thus the lease payments receivable are treated by the Company as repayment of principal and finance income to reimburse and reward the lessor for its investment and services.

Other leases which are not classified as finance lease contracts are treated as operating lease.

Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease.

***Company as a lessee***

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

At the lease commencement date, the Company measures the right-of-use asset at cost comprising the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the Company and also an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Subsequently right-of-use assets are measured at cost less any accumulated depreciation and impairment losses, taking into account adjustments resulting from a potential revaluation of lease liabilities. The right-of-use assets are depreciated using the straight-line method from the lease commencement date to the end of the lease term.



***Notes to the separate financial statements***

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

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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.

At the commencement date, the lease payments included in the measurement of the lease liability comprise:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

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.

The Company recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset, or, if the carrying amount of the right-of-use asset has been reduced to zero, in profit or loss for the period.

After the lease commencement date, the Company recognises in profit or loss for the period, unless the costs are included in the carrying amount of another asset, both:

- interest on the lease liability; and
- variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

If a right-of-use asset meets the definition of investment property, it is presented within the separate statement of financial position as investment property, in other cases, the Company includes assets in question within the same line item as that within which the corresponding underlying assets would be presented if they were owned by the Company. Lease liabilities are presented separately from other liabilities, broken down into current and non-current liabilities.

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.

#### *Perpetual usufruct of land*

In the Company's opinion, the perpetual usufruct of the land meets the prerequisites for the identification of the lease.

## **5.6. Investments in subsidiaries and associates**

Investments in subsidiaries and associates are measured at cost less impairment losses (see note 5.11).

## **5.7. Inventories**

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is determined based on the first in, first out principle. The cost includes expenditure incurred directly in acquiring the inventories and their adoption for use or sale.

**5.8. Non-current assets held for sale**

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Company's accounting policies. Thereafter, as at the day of initial classification as held for sale, the assets (or disposal group) are measured at the lower of their carrying amount or fair value less cost to sell.

**5.9. Non-derivative financial instruments****5.9.1. Recognition and initial measurement**

The Company recognises a financial asset or a financial liability in the separate statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument

Except for trade receivables without a significant financing component, at initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Trade receivables without a significant financing component are initially measured at the transaction price.

**5.9.2. Classification and subsequent measurement***Financial assets*

At initial recognition the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (debt investments and investments in equity instruments) or fair value through profit or loss on the basis of both:

- a) the Company's business model for managing the financial assets, and
- b) the contractual cash flow characteristics of the financial asset.

Financial assets are measured at amortised cost if both of the following conditions are met and these assets are not designated as at fair value through profit or loss:

- (i) the financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- (ii) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the financial asset is derecognised, through the amortisation process or in order to recognise impairment gains or losses.

All foreign exchange gains and losses on monetary assets are recognised in profit or loss.

Debt investments are measured at fair value through other comprehensive income if both of the following conditions are met and these assets are not designated as at fair value through profit or loss:

- (i) they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- (ii) their contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative

***Notes to the separate financial statements***

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

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gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest calculated using the effective interest method, impairment gains or losses and foreign exchange gains and losses are recognised in profit or loss.

In line with an option foreseen in IFRS 9 *Financial Instruments*, the Company measures investments in equity instruments, that are not held for trading, at fair value (however in limited circumstances cost may be an appropriate estimate of fair value), which subsequent changes are recognised in other comprehensive income (without possibility of subsequent transfer to profit or loss). Dividends on such investments are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

Financial assets not classified as measured at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a financial asset that is measured at fair value through profit or loss, including interest expense and dividends, is recognised in profit or loss.

***Financial liabilities***

Financial liabilities are classified as measured at amortised cost or at fair value through profit or loss. A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

A gain or loss on a financial liability that is measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the financial liability is derecognised and through the amortisation process. A gain or loss on a financial liability that is measured at fair value through profit or loss, including any interest expense, is recognised in profit or loss. All foreign exchange gains and losses on monetary liabilities are recognised in profit or loss.

**5.9.3. Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The difference between the carrying amount measured at the date of derecognition and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The Company removes a financial liability (or a part of a financial liability) when, and only when, it is extinguished—i.e. when the obligation specified in the contract is discharged or cancelled or expires. Substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

**5.9.4. Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount presented in the separate statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**5.10. Derivative financial instruments**

Derivative financial instruments are recognized initially at fair value. Subsequent to initial recognition, derivatives are valued at fair value and changes therein are recognized immediately in profit or loss.

**5.11. Impairment****5.11.1. Financial assets**

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. Because expected credit losses consider the amount and timing of payments, a credit loss arises even if the Company expects to be paid in full but later than when contractually due.

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;
- lease receivables;
- debt investments measured at fair value through other comprehensive income;
- contract assets (IFRS 15 *Revenue from Contracts with Customers*).

The Company recognises loss allowances for expected credit losses at the amount equal to:

- lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, or
- 12-month expected credit losses if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition.

For trade receivables, contract assets and lease receivables the Company measures loss allowances at an amount equal to lifetime expected credit losses.

When determining whether the credit risk has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information, based on the Company's historical experience and informed credit assessment including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

When determining whether the credit risk on a financial instrument has increased significantly, the Company considers the change in the risk of a default occurring since initial recognition. The Company considers a financial asset to be in default when: i) the borrower is unlikely to pay its credit obligations to the Company in full, without the Company realising security (if any is held), or ii) the financial asset is more than 90 days past due.

The maximum period over which expected credit losses shall be measured is the maximum contractual period (including extension option) over which the entity is exposed to credit risk.

For financial assets, a credit loss is the present value of the difference (cash shortfall) between:

- the contractual cash flows that are due to the Company under the contract; and
- the cash flows that the Company expects to receive.

Expected credit losses are discounted to the reporting date, not to the expected default or some other date, using the effective interest rate determined at initial recognition or an approximation thereof.

**Notes to the separate financial statements**

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

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For the purposes of measuring expected credit losses, the estimate of expected cash shortfalls shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms and are not recognised separately by the Company. The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable (i.e. the estimate of expected cash flows considers the probability of a foreclosure and the cash flows that would result from it). Consequently, any cash flows that are expected from the realisation of the collateral beyond the contractual maturity of the contract should be included in this analysis.

As at the end of the current reporting period for trade receivables the Company determined the amount of expected credit losses using a provision (allowance) matrix, defined on the basis of historical credit loss experience in the period of 9 previous years.

The Company recognises in profit or loss, as an impairment gain or loss under separate item of separate statement of comprehensive income, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with accounting policy applied.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

For a financial asset that is credit-impaired at the reporting date, but that is not a purchased or originated credit-impaired financial asset, the Company measures the expected credit losses as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

#### 5.11.2. Non-financial assets

The carrying amounts of the Company's non-financial assets, other than biological assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In case of assets, which do not generate independent cash flows, value in use is estimated for the smallest identifiable cash-generating unit to which the asset belongs.

**5.11.3. Non-current assets held for sale**

An impairment loss in respect of disposal group is allocated to assets on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, which continue to be measured in accordance with the Company's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

**5.12. Equity****Ordinary shares**

Incremental costs directly attributable to issue of ordinary shares are recognised as a deduction from equity.

**Repurchase of treasury shares**

When treasury shares are bought, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

**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.

**5.13. Employee benefits****5.13.1. Retirement and disability benefits**

The Company in accordance with its remuneration rules is obliged to payment of retirement and disability benefits.

The Company's obligation resulting from retirement/disability benefits is measured by estimation of future salary of a given employee for the period in which an employee will receive the benefit and by estimation of future retirement/disability benefit. Retirement/disability benefits are discounted using market Treasury bond return rate at the end of reporting period. The retirement/disability benefits obligation is recognized proportionally to the projected length of service of a given employee. Recognising the liability due to retirement/disability benefits, the Company discloses total actuarial gains or losses in other comprehensive income, for the period in which they arisen.

**5.13.2. Jubilee bonuses**

The Company offers to some of its employees jubilee bonuses, which depend on the current length of service of a given employee and the current average remuneration in the industry.

The Company's obligation resulting from jubilee bonuses is measured by estimation of future salary of a given employee for the period in which an employee will become entitled to a particular jubilee bonus and by estimation of future jubilee bonus. Jubilee bonuses are discounted using market Treasury bond return rate at the end of the reporting period. Disclosing liability due to jubilee bonuses, the Company discloses total actuarial gains or losses in profit or loss, within the period in which they arisen.

Staff rotation is estimated on the basis of historical data and forecasts on level of employment in the future.

*Notes to the separate financial statements*

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

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**5.13.3. Current employee benefits**

Current employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised in the amount expected to be paid under short-term employee benefits, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**5.14. Provisions**

A provision is recognized in the separate statement of financial position, when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**5.15. Revenue**

*Revenue from contracts with customers (sale of goods and services)*

The Company recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

The Company allocates the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for transferring the promised goods or services to the customer.

*Rental income*

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

**5.16. Finance income and expenses**

Finance income comprises interest income on funds invested by the Company and due to finance lease agreements, dividend income, changes in the fair value of financial assets at fair value through profit or loss and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Company's right to receive payment is established.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance costs, depending on whether foreign currency movements are in a net gain or net loss position.

**5.17. Income tax**

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payables or receivables due to tax on taxable income of the year, calculated using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit, temporary differences in relation to investments in subsidiaries, which utilization in foreseeable future is considered doubtful. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized. These reductions are reversed when it is probable that sufficient taxable profits will be available.

**5.18. Discontinued operations**

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively for future resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

**5.19. Earnings per share (EPS)**

In preparation of the separate financial statements basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares for the reporting date.



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**6. Segment reporting**

**6.1. Business and geographical segments**

The Company's business activity includes management and business advisory and also rental of office space and its revenues derive exclusively from Poland, where all Company's non-current assets are located (excluding financial instruments).

**6.2. Major customer**

Revenues from two of the customers of management, advisory and rental services segment exceeded 10% of revenue and amounted to TPLN 599 and TPLN 324 for 2020 (for 2019: TPLN 648 and TPLN 406).

**7. Non-current assets held for sale**

As at 31 December 2020 and 31 December 2019 the Company had no assets classified as non-current assets held for sale.

**8. Revenue**

	<b>2020</b>	<b>2019</b>
<b>Revenue from contracts with customers</b>		
IT services	204	204
	<b>204</b>	<b>204</b>
<b>Other revenue</b>		
Revenue from rental of investment property	3 258	3 358
Revenue due to other services rendered	1	205
	<b>3 259</b>	<b>3 563</b>
<b>Total</b>	<b>3 463</b>	<b>3 767</b>

**9. Expenses by nature**

	<b>2020</b>	<b>2019*</b>
Depreciation and amortisation	(653)	(652)
Energy and materials consumption	(1 127)	(1 023)
External services, including:	(3 959)	(3 320)
- property management services	(1 041)	(877)
- advisory services	(994)	(962)
Taxes and charges	(404)	(500)
Employee benefit expenses	(3 961)	(2 045)
Other costs	(105)	(156)
<b>Total expenses by nature</b>	<b>(10 209)</b>	<b>(7 696)</b>
<b>Cost of sales and administrative expenses</b>	<b>(10 209)</b>	<b>(7 696)</b>

\* Restated due to business combination with a subsidiary - see note 4.

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	<b>2020</b>	<b>2019</b>
Wages and salaries	(2 436)	(1 907)
Social security contributions and other benefits	(207)	(225)
Movement in employee benefits liabilities included in profit and loss:		
Post-employment benefits	(8)	(7)
Jubilee bonuses liabilities	(6)	(7)
Other employee benefits	(1 304)	101
<b>Total</b>	<b>(3 961)</b>	<b>(2 045)</b>

**10. Other income**

	<b>2020</b>	<b>2019</b>
Compensations, grants, contractual penalties and costs of court proceedings received	64	6
Interest from receivables	11	13
Time-barred liabilities written off	19	-
Net gain on sale of property, plant and equipment and intangible assets	-	2
Other	-	38
<b>Total</b>	<b>94</b>	<b>59</b>

**11. Other expenses**

	<b>2020</b>	<b>2019</b>
Penalties, compensations, charges	-	(1)
Unrecoverable input VAT	(6)	(9)
<b>Total</b>	<b>(6)</b>	<b>(10)</b>

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**12. Net finance income**

	<b>2020</b>	<b>2019*</b>
<b>Recognised in profit or loss for the period</b>		
Dividend income:	164 147	241
- investments in subsidiaries	164 147	-
- investment in associates	-	234
- 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:	1 398	3 455
- cash and cash equivalents	1 382	3 455
- debt instruments (corporate bonds)	16	-
Interest income on lease receivables	89	169
- from related entities	89	169
Net foreign exchange gain	-	3
<b>Finance income</b>	<b>165 634</b>	<b>3 868</b>
Interest expense on liabilities measured at amortised cost, including:	(117)	(116)
- lease interest expense	(116)	(116)
- other	(1)	-
Net foreign exchange loss	(12)	-
<b>Finance expenses</b>	<b>(129)</b>	<b>(116)</b>
<b>Net finance income recognised in profit or loss for the period</b>	<b>165 505</b>	<b>3 752</b>
<b>Recognised in other comprehensive income</b>		
Change in fair value of equity instruments	(168)	(219)
<b>Finance expenses recognised in other comprehensive income</b>	<b>(168)</b>	<b>(219)</b>

\* Restated due to business combination with a subsidiary - see note 4.

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**13. Income tax**

**13.1. Income tax recognised in profit or loss for the period**

	<b>2020</b>	<b>2019*</b>
<b>Current income tax expense</b>	<b>(20)</b>	<b>(176)</b>
Current income tax on profits for the year	(28)	(176)
Adjustment in respect of prior years	8	-
<b>Deferred tax</b>	<b>(1 246)</b>	<b>(527)</b>
Recognition and reversal of temporary differences	(1 246)	(527)
<b>Income tax impacting profit or loss for the period</b>	<b>(1 266)</b>	<b>(703)</b>

\* Restated due to business combination with a subsidiary - see note 4.

The income tax rate which embraced the Company's activity amounted to 19% in 2019-2020. It is assumed that the income tax rate shouldn't change in upcoming years.

In 2020 the Company suffered a tax loss amounting to TPLN 2,247 (2019: tax loss of TPLN 1,200). The current income tax recognised in the statement of comprehensive income comprises tax on income from buildings (so-called "minimum income tax"), as well as income taxes that the Company is obliged to pay under Luxembourg law as the legal successor of the acquired subsidiary Stalexport Autoroute S.à r.l. (see note 4).

**13.2. Effective tax rate**

	<b>2020</b>		<b>2019*</b>	
	%		%	
<b>Profit/(Loss) before income tax</b>		<b>158 843</b>		<b>(126)</b>
Income tax calculated using domestic tax rate	(19.0%)	(30 180)	(19.0%)	24
Permanent differences**	19.6%	31 066	43.6%	(55)
Unrecognised temporary differences / temporary differences previously unrecognised	(1.5%)	(2 373)	533.4%	(672)
Current-year losses for which no deferred tax asset is recognised	0.1%	213	-	-
Current income tax adjustment in respect of prior years	0.0%	8	-	-
<b>Total</b>	<b>(0.8%)</b>	<b>(1 266)</b>	<b>558.0%</b>	<b>(703)</b>

\* Restated due to business combination with a subsidiary - see note 4.

\*\* Including TPLN 31,188 in respect of finance income from dividends (2019 r.: TPN 46).

**13.3. Income tax recognised in other comprehensive income**

	<b>2020</b>			<b>2019</b>		
	Before tax	Tax (expense) /benefit	Net	Before tax	Tax (expense) /benefit	Net
Change in fair value of equity instruments	(168)	31	(137)	(219)	103	(116)
Remeasurement of employee benefits	(8)	2	(6)	(17)	3	(14)
<b>Other comprehensive income that will never be reclassified to profit or loss for the period</b>	<b>(176)</b>	<b>33</b>	<b>(143)</b>	<b>(236)</b>	<b>106</b>	<b>(130)</b>

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**14. Property, plant and equipment**

	Buildings	Plant and equipment	Vehicles	Other	Under construction	Total
<b>Cost as at 1 January 2019</b>	<b>67</b>	<b>3</b>	<b>447</b>	<b>663</b>	-	<b>1 180</b>
Acquisitions	-	-	-	8	-	8
Disposals	-	-	-	(37)	-	(37)
<b>Cost as at 31 December 2019</b>	<b>67</b>	<b>3</b>	<b>447</b>	<b>634</b>	-	<b>1 151</b>
<b>Cost as at 1 January 2020</b>	<b>67</b>	<b>3</b>	<b>447</b>	<b>634</b>	-	<b>1 151</b>
Acquisitions	-	-	-	23	-	23
Disposals	-	-	-	(4)	-	(4)
<b>Cost as at 31 December 2020</b>	<b>67</b>	<b>3</b>	<b>447</b>	<b>653</b>	-	<b>1 170</b>
<b>Depreciation and impairment losses as at 1 January 2019</b>	<b>(51)</b>	<b>(3)</b>	<b>(110)</b>	<b>(658)</b>	-	<b>(822)</b>
Depreciation for the period	(1)	-	(89)	(4)	-	(94)
Disposals	-	-	-	37	-	37
<b>Depreciation and impairment losses as at 31 December 2019</b>	<b>(52)</b>	<b>(3)</b>	<b>(199)</b>	<b>(625)</b>	-	<b>(879)</b>
<b>Depreciation and impairment losses as at 1 January 2020</b>	<b>(52)</b>	<b>(3)</b>	<b>(199)</b>	<b>(625)</b>	-	<b>(879)</b>
Depreciation for the period	(1)	-	(90)	(5)	-	(96)
Disposals	-	-	-	4	-	4
<b>Depreciation and impairment losses as at 31 December 2020</b>	<b>(53)</b>	<b>(3)</b>	<b>(289)</b>	<b>(626)</b>	-	<b>(971)</b>
<b>Carrying amounts</b>						
As at 1 January 2019	16	-	337	5	-	358
As at 31 December 2019	15	-	248	9	-	272
As at 1 January 2020	15	-	248	9	-	272
As at 31 December 2020	14	-	158	27	-	199

As at 31 December 2020 and 31 December 2019, the property, plant and equipment were not subject to any impairment.

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**15. Investment property**

	Right-of-use assets	Other investment property	Total
<b>Cost as at 1 January 2019</b>	<b>3 247</b>	<b>30 879</b>	<b>34 126</b>
<b>Cost as at 31 December 2019</b>	<b>3 247</b>	<b>30 879</b>	<b>34 126</b>
<b>Cost as at 1 January 2020</b>	<b>3 247</b>	<b>30 879</b>	<b>34 126</b>
<b>Cost as at 31 December 2020</b>	<b>3 247</b>	<b>30 879</b>	<b>34 126</b>
<b>Depreciation and impairment losses as at 1 January 2019</b>	-	<b>(27 114)</b>	<b>(27 114)</b>
Depreciation for the period	(46)	(511)	<b>(557)</b>
<b>Depreciation and impairment losses as at 31 December 2019</b>	<b>(46)</b>	<b>(27 625)</b>	<b>(27 671)</b>
<b>Depreciation and impairment losses as at 1 January 2020</b>	<b>(46)</b>	<b>(27 625)</b>	<b>(27 671)</b>
Depreciation for the period	(46)	(511)	<b>(557)</b>
<b>Depreciation and impairment losses as at 31 December 2019</b>	<b>(92)</b>	<b>(28 136)</b>	<b>(28 228)</b>
<b>Carrying amounts</b>			
As at 1 January 2019	3 247	3 765	<b>7 012</b>
As at 31 December 2019	3 201	3 254	<b>6 455</b>
As at 1 January 2020	3 201	3 254	<b>6 455</b>
As at 31 December 2020	3 155	2 743	<b>5 898</b>

Investment property comprises the Company-owned part of the building property at Mickiewicza St. in Katowice including the land (subject to perpetual usufruct) on which the office building and the adjacent parking lot are situated, as well as the parking lot property at Sokolska St. in Katowice, consisting of land (subject to perpetual usufruct) on which parking lot and garages are situated.

Based on property expert's valuation, conducted in January 2021 as at 31 December 2020, the fair value of the Company-owned part of the building at Mickiewicza St. (appraised using the comparative approach, paired comparison method) and the fair value of perpetual usufruct of land on which aforementioned building is situated (appraised using income-based approach, investment method, simple capitalization technique of net income) were estimated at PLN 15.2 million – the fair value of the investment property situated at Sokolska St. was estimated at PLN 8.9 million (the perpetual usufruct of land was appraised using the comparative approach, paired comparison method and the building component using replacement cost method, index technique). The fair value measurement for all of the Company's investment properties has been categorised as a Level 3 of fair value hierarchy.

Rental income (office and parking space) in 2020 amounted to TPLN 3,258 (in 2019: TPLN 3,358) and it was presented in the separate statement of comprehensive income under "Revenue" – costs directly attributable to rental income amounted to TPLN 4,595 (in 2019: TPLN 3,881) and were presented under "Cost of sales".

**STALEXPORT AUTOSTRADY S.A.****SEPARATE FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2020***Notes to the separate financial statements**(all amounts in PLN thousand (TPLN), unless stated otherwise)***16. Investments in subsidiaries and associates**

Investments in subsidiaries and associates included following entities:

	Cost	Impairment loss	Carrying amount	Ownership
<b>31 December 2020</b>				
Petrostal S.A. w likwidacji	1 727	(1 727)	-	100.00%
Stalexport Autostrada Małopolska S.A.	66 753	-	66 753	100.00%
VIA4 S.A.	275	-	275	55.00%
Biuro Centrum Sp. z o.o.	32	-	32	40.63%
<b>Total</b>	<b>68 787</b>	<b>(1 727)</b>	<b>67 060</b>	
<b>31 December 2019*</b>				
Petrostal S.A. w likwidacji	1 727	(1 727)	-	100.00%
Stalexport Autostrada Małopolska S.A.	66 753	-	66 753	100.00%
VIA4 S.A.	275	-	275	55.00%
Biuro Centrum Sp. z o.o.	32	-	32	40.63%
<b>Total</b>	<b>68 787</b>	<b>(1 727)</b>	<b>67 060</b>	
<b>1 January 2019*</b>				
Petrostal S.A. w likwidacji	1 727	(1 727)	-	100.00%
Stalexport Autostrada Małopolska S.A.	66 753	-	66 753	100.00%
VIA4 S.A.	275	-	275	55.00%
Biuro Centrum Sp. z o.o.	32	-	32	40.63%
<b>Total</b>	<b>68 787</b>	<b>(1 727)</b>	<b>67 060</b>	

\* Restated due to business combination with a subsidiary - see note 4.

Financial information on above entities, which shares were not subject to 100% impairment was as follows:

	Ownership	Assets	Liabilities	Equity	Revenue	Profit/(Loss) for the period
<b>31 December 2020</b>						
Stalexport Autostrada Małopolska S.A.	100.00%	1 091 923	583 673	508 250	285 619	89 152
VIA4 S.A.	55.00%	29 434	18 649	10 785	45 651	9 322
Biuro Centrum Sp. z o.o.	40.63%	2 769	1 719	1 050	10 973	53
<b>Total</b>		<b>1 124 126</b>	<b>604 041</b>	<b>520 085</b>	<b>342 243</b>	<b>98 527</b>
<b>31 December 2019*</b>						
Stalexport Autostrada Małopolska S.A.	100.00%	1 096 673	524 055	572 618	347 424	70 646
VIA4 S.A.	55.00%	40 638	19 684	20 954	49 109	10 822
Biuro Centrum Sp. z o.o.**	40.63%	2 494	1 497	997	10 073	(405)
<b>Total</b>		<b>1 139 805</b>	<b>545 236</b>	<b>594 569</b>	<b>406 606</b>	<b>81 063</b>

\* Restated due to business combination with a subsidiary - see note 4.

\*\* Updated based on final version of the financial statements of Biuro Centrum Sp. z o.o. for 2019.

As at 31 December 2019 the shares of Stalexport Autoroute S.à r.l., of which the Company was the sole shareholder (see also note 4), and shares of companies Stalexport Autostrada Małopolska S.A. and VIA4 S.A. owned by that company constituted the security (in form of pledge) in relation to Project Loan Agreement to which subsidiary Stalexport Autostrada Małopolska S.A. was a party.

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 Company received a complete set of decisions on removal of aforementioned collaterals from the relevant court registers.

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**17. Other investments**

	<b>31 December 2020</b>	<b>31 December 2019</b>
<b>Non-current</b>		
Equity instruments measured at fair value through other comprehensive income	65	173
<b>Total</b>	<b>65</b>	<b>173</b>
<b>Current</b>		
Debt instruments measured at amortised cost (corporate bonds)	179 977	-
Equity instruments measured at fair value through other comprehensive income	1 087	1 574
<b>Total</b>	<b>181 064</b>	<b>1 574</b>

Following investments constitute equity instruments measured at fair value through other comprehensive income:

	<i>Fair value at 31 December 2020</i>	<i>Dividend income recognised in 2020</i>
Dom Maklerski BDM S.A.	1 087	-
Zakłady Metalowe DEZAMET S.A.	65	-

	<i>Fair value at 31 December 2019</i>	<i>Dividend income recognised in 2019</i>
Dom Maklerski BDM S.A.	1 147	-
Konsorcjum Autostrada Śląsk S.A. w likwidacji	427	-
Zakłady Metalowe DEZAMET S.A.	173	7

Debt instruments measured at amortised cost comprise zero-coupon bonds issued by Pekao Faktoring Sp. z o.o. (guaranteed by Bank Polska Kasa Opieki S.A.) with the nominal value amounting to TPLN 180,000, acquired by the Company in December 2020 for the amount of TPLN 179,961. The maturity date for the bonds was set at 1 February 2021.



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**18. Deferred tax**

**18.1. Deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following items of assets and liabilities:

	Assets		Liabilities		Net	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Property, plant and equipment	755	673	(10)	-	745	673
Investment property	-	-	(489)	(503)	(489)	(503)
Other non-current investments	-	-	(7)	(27)	(7)	(27)
Finance lease receivables	-	-	(716)	(677)	(716)	(677)
Trade and other receivables	271	271	(62)	(62)	209	209
Current investments	295	284	(3)	-	292	284
Cash and cash equivalents	-	-	(4)	(79)	(4)	(79)
Lease liabilities	613	615	-	-	613	615
Employee benefits	484	232	-	-	484	232
Trade and other payables	184	86	-	-	184	86
<b>Deferred tax assets/liabilities on temporary differences</b>	<b>2 602</b>	<b>2 161</b>	<b>(1 291)</b>	<b>(1 348)</b>	<b>1 311</b>	<b>813</b>
Tax loss carry-forwards	2 135	1 782	-	-	2 135	1 782
Set off of tax	(1 291)	(1 348)	1 291	1 348	-	-
Unrecognised temporary differences and tax losses	(2 484)	(420)	-	-	(2 484)	(420)
<b>Net deferred tax assets as in statement of financial position</b>	<b>962</b>	<b>2 175</b>	<b>-</b>	<b>-</b>	<b>962</b>	<b>2 175</b>

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 and estimates regarding tax losses carried forward utilization.

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**18.2. Changes of deferred tax during the period**

	1 January 2020	Change of deferred tax on temporary differences recognised in		31 December 2020
		profit or loss for the period	other comprehensive income	
Property, plant and equipment	673	72	-	745
Investment property	(503)	14	-	(489)
Other non-current investments	(27)	-	20	(7)
Finance lease receivables	(677)	(39)	-	(716)
Trade and other receivables	209	-	-	209
Current investments	284	(3)	11	292
Cash and cash equivalents	(79)	75	-	(4)
Lease liabilities	615	(2)	-	613
Employee benefits	232	250	2	484
Trade and other payables	86	98	-	184
Tax loss carry-forwards	1 782	353	-	2 135
Unrecognised temporary differences and tax losses	(420)	(2 064)	-	(2 484)
<b>Total</b>	<b>2 175</b>	<b>(1 246)</b>	<b>33</b>	<b>962</b>

	1 January 2019	Change of deferred tax on temporary differences recognised in		31 December 2019
		profit or loss for the period	other comprehensive income	
Property, plant and equipment	884	(211)	-	673
Investment property	99	(602)	-	(503)
Other non-current investments	(21)	-	(6)	(27)
Finance lease receivables	(927)	250	-	(677)
Trade and other receivables	209	-	-	209
Current investments	175	-	109	284
Cash and cash equivalents	(86)	7	-	(79)
Lease liabilities	-	615	-	615
Employee benefits	628	(399)	3	232
Trade and other payables	82	4	-	86
Tax loss carry-forwards	1 923	(141)	-	1 782
Unrecognised temporary differences and tax losses	(370)	(50)	-	(420)
<b>Total</b>	<b>2 596</b>	<b>(527)</b>	<b>106</b>	<b>2 175</b>

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### 18.3. Tax losses

According to the tax regulations, tax loss incurred in a given tax year can reduce taxable income over the next five consecutive tax years, however the decrease in whichever of those years cannot exceed 50% of the loss for a given year. As at 31 December 2020 the maximum amount of tax losses remaining to be utilized during next five tax years amounted to TPLN 11,236 (31 December 2019: TPLN 9,380). Due to uncertainty regarding the utilization of some of the tax losses in the foreseeable future, the Company recognised the corresponding deferred tax assets only partially, i.e. the amount of TPLN 962 (31 December 2019: TPLN 1,362).

Year of tax loss	2016	2017	2019	2020	Total
<i>Expected utilization date</i>					
2022	-	3 350	591	1 124	5 065
<b>Total</b>	-	<b>3 350</b>	<b>591</b>	<b>1 124</b>	<b>5 065</b>
<i>Expected expiry date</i>					
2021	1 107	3 350	-	-	4 457
2024	-	-	591	-	591
2025	-	-	-	1 123	1 123
<b>Total</b>	<b>1 107</b>	<b>3 350</b>	<b>591</b>	<b>1 123</b>	<b>6 171</b>
<b>Remaining tax loss</b>	<b>1 107</b>	<b>6 700</b>	<b>1 182</b>	<b>2 247</b>	<b>11 236</b>
<b>Deferred tax assets recognised</b>	-	<b>637</b>	<b>112</b>	<b>214</b>	<b>962</b>

### 19. Income tax receivables and liabilities

As at 31 December 2020 the income tax receivables amounted TPLN 1,399 (31 December 2019: TPLN 1,341). These receivables comprised the amount due to the Company to be settled with a future income tax liabilities (TPLN 1,341) and the difference between the payments made for the current tax year in respect of tax on income from buildings (so-called "minimum income tax"), as well as income taxes that the Company is obliged to pay under Luxembourg law as legal successor to the acquired subsidiary Stalexport Autoroute S.à r.l. (see note 4), and the amount of taxes payable. Due to uncertain recovery of these receivables as at 31 December 2020, an allowance of TPLN 1,341 was recognized (31 December 2019: TPLN 1,341).

Income tax liabilities of TPLN 29 as at 31 December 2019 represented the difference between payments made for the current tax year and the amount of tax payable on income from buildings (so-called "minimum income tax").

### 20. Finance lease receivables

The receivables derive from lease agreements struck with a related company VIA4 S.A., which acts as operator on Katowice-Kraków section of A-4 Motorway. Assets subject to the lease included cars, trucks and special purpose vehicles, which are used by VIA4 S.A. in its activity. The finance lease receivables were recognized at an amount equal to the net investment in the lease.

	31 December 2020	31 December 2019
Gross investment in leases	3 950	3 809
Unearned finance lease income	(179)	(247)
<b>Net investment in leases</b>	<b>3 771</b>	<b>3 562</b>

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Future lease payments to be received are as follows:

	Lease payments	Finance income (interest)	Net investment in leases
<b>31 December 2020</b>			
up to 1 year	1 157	71	1 086
from 1 to 2 years	960	50	910
from 2 to 3 years	784	32	752
from 3 to 4 years	561	16	545
from 4 to 5 years	294	8	286
over 5 years	194	2	192
<b>Total</b>	<b>3 950</b>	<b>179</b>	<b>3 771</b>
<b>31 December 2019</b>			
up to 1 year	1 447	111	1 336
from 1 to 2 years	873	67	806
from 2 to 3 years	666	41	625
from 3 to 4 years	480	20	460
from 4 to 5 years	317	8	309
over 5 years	26	-	26
<b>Total</b>	<b>3 809</b>	<b>247</b>	<b>3 562</b>

**21. Trade and other receivables**

	31 December 2020	31 December 2019	1 January 2019*
Trade receivables from related entities	22	23	157
Trade receivables from other entities	4 990	4 962	4 985
Receivables due to VAT	424	143	415
Dividends receivable from related entities	22 319	-	10 906
Other receivables from other entities	16	19	27
<b>Total</b>	<b>27 771</b>	<b>5 147</b>	<b>16 490</b>

\* Restated due to business combination with a subsidiary - see note 4.

Receivables from contracts with customers included within trade and other receivables amounted to TPLN 4,883 as at 31 December 2020, 31 December 2019 and 1 January 2019.

Information about the Company's exposure to credit and market risks, as well as information on impairment losses are included in note 29.1.

**22. Cash and cash equivalents**

	31 December 2020	31 December 2019*	1 January 2019*
Bank balances	11 489	-	268
Current bank deposits	124 017	189 200	269 619
<b>Cash and cash equivalents in the statement of financial position</b>	<b>135 506</b>	<b>189 200</b>	<b>269 887</b>
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>135 506</b>	<b>189 200</b>	<b>269 887</b>

\* Restated due to business combination with a subsidiary - see note 4.

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**23. Equity**

**23.1. Share capital**

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

The holders of ordinary shares are entitled to dividends as declared and are entitled to one vote per share at General Meeting of the Company. All shares entitle the shareholders to Company's assets in the same extent in case of its division.

**23.2. 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 Company. The General Meeting may also define a particular aim to which such resources should be assigned.

**23.3. 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.

**23.4. Dividends**

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 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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**24. Earnings per share**

The calculation of basic earnings per share was performed based on the net profit attributable to the ordinary shareholders of the Company of TPLN 157,577 (2019: net profit of TPLN 829) and a weighted average number of ordinary shares at the reporting date of 247,262 thousand (31 December 2019: 247,262 thousand).

**Net profit attributable to shareholders per ordinary share**

	<b>2020</b>	<b>2019*</b>
Profit for the period attributable to Company's shareholders (in TPLN)	157 577	(829)
Weighted average number of ordinary shares at the end of the period (thousands of shares)	247 262	247 262
<b>Profit/(Loss) for the period per ordinary share attributable to Company's shareholders (in PLN)</b>	<b>0.64</b>	<b>(0.00)</b>

\* Restated due to business combination with a subsidiary - see note 4.

As at 31 December 2020 and 31 December 2019 no factors were determined that would result in dilution of profit per one share.

**25. Lease liabilities**

As the result of IFRS 16 *Leases* 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, i.e. 1 January 2019

<b>Lease liabilities as at 1 January 2020</b>	<b>3 237</b>
<b>Changes from financing cash flows</b>	<b>(126)</b>
Payment of lease liabilities	(126)
<b>Other changes</b>	<b>116</b>
Interest expense	116
<b>Lease liabilities as at 31 December 2020</b>	<b>3 227</b>
current amount	125
non-current amount	3 102
<b>Lease liabilities as at 1 January 2019</b>	<b>3 247</b>
<b>Changes from financing cash flows</b>	<b>(126)</b>
Payment of lease liabilities	(126)
<b>Other changes</b>	<b>116</b>
Interest expense	116
<b>Lease liabilities as at 31 December 2019</b>	<b>3 237</b>
current amount	125
non-current amount	3 112

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**26. Employee benefits**

	<b>31 December 2020</b>	<b>31 December 2019</b>
<b>Non-current</b>		
Retirement benefits	94	78
Disability benefits	3	3
Jubilee bonuses liabilities	27	48
Other employee benefits	2 294	990
<b>Total</b>	<b>2 418</b>	<b>1 119</b>
<b>Current</b>		
Retirement benefits	102	102
Jubilee bonuses liabilities	27	-
<b>Total</b>	<b>129</b>	<b>102</b>

Amounts of future liabilities due to retirement benefits, disability benefits and jubilee bonuses were calculated on the basis of actuarial appraisal model.

Other employee benefits as at 31 December 2020 comprised accrued amount of bonuses attributable to members of the Management Board of the Company under 3-year incentive plan for years 2019-2021, enacted by the Supervisory Board on 15 December 2020, estimated assuming the maximum level of benefits awarded.

In 2019, the 2016-2018 incentive plan enacted by the Supervisory Board was settled.

**26.1. Movement in employee benefits liabilities**

	Post-employment benefits		Jubilee bonuses liabilities		Other employee benefits		Total	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>As at 1 January</b>	<b>183</b>	<b>165</b>	<b>48</b>	<b>41</b>	<b>990</b>	<b>3 101</b>	<b>1 221</b>	<b>3 307</b>
<b>Included in profit or loss</b>	<b>8</b>	<b>7</b>	<b>6</b>	<b>7</b>	<b>1 304</b>	<b>(101)</b>	<b>1 318</b>	<b>(87)</b>
Current service cost	7	5	2	2	1 147	990	1 156	997
Past service cost	-	-	-	-	157	-	157	-
Gains arising from settlements	-	-	-	-	-	(1 091)	-	(1 091)
Interest cost	1	2	1	1	-	-	2	3
Actuarial loss	-	-	3	4	-	-	3	4
<b>Included in other comprehensive income</b>	<b>8</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>17</b>
Actuarial loss arising from:	8	17	-	-	-	-	8	17
- financial assumptions	6	8	-	-	-	-	6	8
- other assumptions	2	9	-	-	-	-	2	9
<b>Benefits paid</b>	<b>-</b>	<b>(6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2 010)</b>	<b>-</b>	<b>(2 016)</b>
<b>As at 31 December</b>	<b>199</b>	<b>183</b>	<b>54</b>	<b>48</b>	<b>2 294</b>	<b>990</b>	<b>2 547</b>	<b>1 221</b>

**26.2. Actuarial assumptions**

Liabilities due to retirement benefits, disability benefits and jubilee bonuses were calculated according to following assumptions:

	<b>31 December 2020</b>	<b>31 December 2019</b>
Discount rate	1.40%	2.00%
Future remuneration increase	3.50%	3.50%
Probability of resignation	1.96%	2.15%
Weighted-average duration of liabilities (in years)		
Post-employment benefits	11.82	12.52
Jubilee bonuses liabilities	3.8	4.8

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**26.3. Sensitivity analysis**

Below a sensitive analysis has been disclosed, showing how reasonably possible changes of material actuarial assumptions made at the reporting date, holding other assumptions constant, would have impacted the liabilities due to employee benefits.

<b>31 December 2020</b>	<b>Discount rate change</b>		<b>Remuneration increase change</b>		<b>Probability of resignation change</b>	
	- 0.5 ppt	+ 0.5 ppt	- 0.5 ppt	+ 0.5 ppt	- 0.5 ppt	+ 0.5 ppt
Retirement benefits	200	191	191	200	200	191
Disability benefits	3	3	3	3	3	3
Jubilee bonuses liabilities	55	53	53	55	54	53
<b>Total</b>	<b>258</b>	<b>247</b>	<b>247</b>	<b>258</b>	<b>257</b>	<b>247</b>

<b>31 December 2019</b>	- 0.5 ppt	+ 0.5 ppt	- 0.5 ppt	+ 0.5 ppt	- 0.5 ppt	+ 0.5 ppt
Retirement benefits	184	176	176	184	184	176
Disability benefits	3	3	3	3	3	3
Jubilee bonuses liabilities	49	48	48	49	49	48
<b>Total</b>	<b>236</b>	<b>227</b>	<b>227</b>	<b>236</b>	<b>236</b>	<b>227</b>

**27. Trade and other payables**

	<b>31 December 2020</b>	<b>31 December 2019*</b>	<b>1 January 2019*</b>
Trade payables to related entities	343	132	182
Trade payables to other entities	277	242	279
Amounts due to taxes, duties, social and other benefits	61	55	56
Payroll liabilities	698	277	295
Other payables and accruals to other entities	366	661	195
<b>Total</b>	<b>1 745</b>	<b>1 367</b>	<b>1 484</b>

\* Restated due to business combination with a subsidiary - see note 4.



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**28. Financial instruments – classification and fair value**

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in 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.

**31 December 2020**

	Note	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
<b>Financial assets measured at fair value</b>								
Equity instruments **	17	1 152	-	1 152	-	-	1 152	1 152
		<b>1 152</b>	<b>-</b>	<b>1 152</b>				
<b>Financial assets not measured at fair value</b>								
Debt instruments (corporate bonds)	17	-	179 977	179 977				
Finance lease receivables	20	-	3 771	3 771				
Trade and other receivables***	21	-	27 347	27 347				
Cash and cash equivalents	22	-	135 506	135 506				
		<b>-</b>	<b>346 601</b>	<b>346 601</b>				
<b>Financial liabilities not measured at fair value</b>								
Lease liabilities	25	-	3 227	3 227				
Trade and other payables***	27	-	808	808				
		<b>-</b>	<b>4 035</b>	<b>4 035</b>				

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**31 December 2019\***

	Note	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
<b>Financial assets measured at fair value</b>								
Equity instruments**	17	1 747	-	1 747	-	-	1 747	1 747
		<b>1 747</b>	<b>-</b>	<b>1 747</b>				
<b>Financial assets not measured at fair value</b>								
Finance lease receivables	20	-	3 562	3 562				
Trade and other receivables***	21	-	5 004	5 004				
Cash and cash equivalents	22	-	189 200	189 200				
		<b>-</b>	<b>197 766</b>	<b>197 766</b>				
<b>Financial liabilities not measured at fair value</b>								
Lease liabilities	25	-	3 237	3 237				
Trade and other payables***	27	-	928	928				
		<b>-</b>	<b>4 165</b>	<b>4 165</b>				

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**1 January 2019\***

	Note	Carrying amount		Total	Fair value			Total
		Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost		Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value</b>								
Equity instruments**		1 966	-	<b>1 966</b>	-	-	1 966	<b>1 966</b>
		<b>1 966</b>	-	<b>1 966</b>				
<b>Financial assets not measured at fair value</b>								
Finance lease receivables		-	4 879	<b>4 879</b>				
Trade and other receivables***	21	-	16 075	<b>16 075</b>				
Cash and cash equivalents	22	-	269 887	<b>269 887</b>				
		-	<b>290 841</b>	<b>290 841</b>				
<b>Financial liabilities not measured at fair value</b>								
Lease liabilities		-	3 247	<b>3 247</b>				
Trade and other payables***	27	-	1 030	<b>1 030</b>				
		-	<b>4 277</b>	<b>4 277</b>				

\* Restated due to business combination with a subsidiary - see note 4.

\*\* Equity instruments belonging to the Company are not listed on financial markets, the Company 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 Company's share in nett assets of their issuers as at 31 December 2020 or at the end of the last reporting period for which the Company has adequate financial data. In 2020 the Company recorded losses due to valuation of aforementioned equity instruments amounting TPLN 168 (2019: loss of TPLN 219), presented within item "Change in fair value of equity instruments" of the separate statement of comprehensive income.

\*\*\* Without consideration of receivables due to VAT/payables due to taxes, duties, social and health insurance and other benefits, as well as payroll liabilities.

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*Fair value hierarchy*

Financial instruments measured 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).

**29. Financial risk management**

**29.1. Credit risk**

Credit risk is a risk of financial loss to the Company if a customer or a counterparty fails to meet its contractual obligations, and it arises principally from the Company's investments in corporate bonds, trade receivables, finance lease receivables and investments in equity instruments.

The Company places its cash and cash equivalents in financial institutions with high financial credibility and the corporate bonds acquired by the Company in 2020 are guaranteed by such an institution (credit rating of BBB+ - see also note 17). Considering the above, the Company assesses that aforementioned financial instruments have low credit risk.

The following table shows the Company's maximum exposure to credit risk:

	<b>31 December 2020</b>	<b>31 December 2019*</b>	<b>1 January 2019*</b>
Other non-current investments	65	173	143
Current investments	181 064	1 574	1 823
Finance lease receivables	3 771	3 562	4 879
Trade and other receivables	27 771	5 147	16 490
Cash and cash equivalents	135 506	189 200	269 887
<b>Total</b>	<b>348 177</b>	<b>199 656</b>	<b>293 222</b>

\* Restated due to business combination with a subsidiary - see note 4.

In relation to trade receivables and lease receivables the Company measures loss allowances at an amount equal to lifetime expected credit losses.

As at 31 December 2020 for trade receivables the Company determined the amount of expected credit losses using a provision (allowance) matrix, defined on the basis of historical credit loss experience in the period of 9 previous years.

The following table provides information about the exposure to credit risk and also allowances for expected credit losses for trade receivables as at 31 December 2020 and 31 December 2019.

<b>31 December 2020</b>	<b>Weighted- average loss rate</b>	<b>Trade receivables (gross)</b>	<b>Secured amount (up to gross receivables)</b>	<b>Trade receivables (gross) exceeding secured amount</b>	<b>Loss allowance</b>
Current (not past due)	0.30%	42	5	37	-
1-30 days past due	0.60%	36	11	25	-
31-90 days past due	5.00%	47	5	42	2
91-180 days past due	14.60%	28	-	28	4
181-365 days past due	49.00%	6	1	5	2
366-730 days past due	85.60%	3	-	3	3
more than 730 days past due	100.00%	5 054	4 861	193	193
<b>Total</b>		<b>5 216</b>	<b>4 883</b>	<b>333</b>	<b>204</b>

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<b>31 December 2019</b>	<b>Weighted- average loss rate</b>	<b>Trade receivables (gross)</b>	<b>Secured amount (up to gross receivables)</b>	<b>Trade receivables (gross) exceeding secured amount</b>	<b>Loss allowance</b>
Current (not past due)	0.30%	39	4	35	-
1-30 days past due	0.50%	43	17	26	-
31-90 days past due	4.90%	33	2	31	2
91-180 days past due	15.40%	11	1	10	2
181-365 days past due	52.50%	-	-	-	-
366-730 days past due	86.50%	7	-	7	6
more than 730 days past due	100.00%	5 055	4 862	193	193
<b>Total</b>		<b>5 188</b>	<b>4 886</b>	<b>302</b>	<b>203</b>

Past due trade receivables amounting to TPLN 4,861 are secured on the customer's property, which value exceeds the value of these receivables. Additionally, trade receivables due to rental of investment property amounting to TPLN 22 are secured by the guarantee deposits received by the Company.

Other receivables are subject to loss allowance in amount of TPLN 91,303. These receivables derive from activities discontinued in previous periods and mainly result from loan guarantees granted to entities which were not able to settle their liabilities.

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

	<b>2020</b>	<b>2019</b>
<b>Balance as at 1 January</b>	<b>(91 506)</b>	<b>(91 506)</b>
Net remeasurement of loss allowance	(4)	2
Amounts written off	7	-
Reclassifications	(4)	(2)
<b>Balance as at 31 December</b>	<b>(91 507)</b>	<b>(91 506)</b>

## 29.2. Market risk

Market risk is the risk that changes in market demand, supply and prices, as well as other factors will affect the Company's financial results or controlled assets value (such as foreign exchange rates, interest rates and cost of capital). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

### Interest rate risk

The Company's exposure to the interest rate risk relates mainly to cash and cash equivalents with floating interest rates based on WIBOR + margin. The Company doesn't hedge against the risk of interest rate fluctuations.

The table below presents susceptibility profile of the Company (maximum exposure) to the risk of interest rate fluctuations by means of financial instruments presentation according to the fixed and floating interest rate:

	<b>Nominal amount 31 December 2020</b>	<b>Nominal amount 31 December 2019*</b>	<b>Nominal amount 1 January 2019*</b>
<b>Floating interest rate instruments</b>			
Finance lease receivables	3 771	3 562	4 879
Cash and cash equivalents	135 506	189 200	269 887
<b>Total</b>	<b>139 277</b>	<b>192 762</b>	<b>274 766</b>

\* Restated due to business combination with a subsidiary - see note 4.

While managing interest rate risk, the Company aims to reduce the impact of interest rate fluctuations via current monitoring of financial market.

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The Company has conducted sensitivity analysis of floating interest rate financial instruments to fluctuations of market interest rates. The table below presents the impact of increase or decrease of interest rate by 100 basis points on the profit or loss and equity. The analysis assumes that all other variables such as foreign exchange rates remain constant. The analysis was performed for current and comparable reporting periods.

	Profit or loss for the period		Equity	
	increase 100 bp	decrease 100 bp	increase 100 bp	decrease 100 bp
<b>31 December 2020</b>				
Floating interest rate instruments	1 393	(1 393)	1 393	(1 393)
<b>31 December 2019*</b>				
Floating interest rate instruments	1 928	(1 928)	1 928	(1 928)
<b>1 January 2019*</b>				
Floating interest rate instruments	2 748	(2 748)	2 748	(2 748)

\* Restated due to business combination with a subsidiary - see note 4.

**Foreign currency risk**

At the end of 2020 foreign currency risk concerns mainly trade and other payables.

The table below shows profile of the Company's sensibility (maximum exposure) to exchange rate change by means of presentation of financial instruments by currencies in which they are denominated:

*Assets/liabilities by currency after conversion into PLN (in TPLN)***31 December 2020**

	EUR
Trade and other payables	(11)
<b>Statement of financial position exposure</b>	<b>(11)</b>

**31 December 2019\***

	EUR
Trade and other payables	(25)
<b>Statement of financial position exposure</b>	<b>(25)</b>

**1 January 2019\***

	EUR
Trade and other receivables	10 906
Trade and other payables	(55)
<b>Statement of financial position exposure</b>	<b>10 851</b>

\* Restated due to business combination with a subsidiary - see note 4.

The Company performed sensitivity analysis of financial instruments denominated in foreign currencies to rate fluctuations. The table below presents the impact of strengthening or weakening of Polish zloty by 5% in relation to all foreign currencies, on profit or loss and on equity. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss for the period		Equity	
	increase of exchange rates by 5%	decrease of exchange rates by 5%	increase of exchange rates by 5%	decrease of exchange rates by 5%
<b>31 December 2020</b>	(1)	1	(1)	1
<b>31 December 2019*</b>	(1)	1	(1)	1
<b>1 January 2019*</b>	543	(543)	543	(543)

\* Restated due to business combination with a subsidiary - see note 4.

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**29.3. Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity is to ensure, possession of financial means, necessary to fulfil Company's financial and investment liabilities using the most attractive sources of financing.

Liquidity management focuses on detailed analysis, planning and undertaking suitable actions related to working capital and net financial indebtedness.

The table below shows the Company's maximum exposure to liquidity risk:

**31 December 2020**

Non-derivative financial liabilities	Carrying amount	Contracted cash flow amount	up to 6 months	1-2 years	2-5 years	over 5 years
Lease liabilities	3 227	(8 674)	(126)	(126)	(377)	(8 045)
Trade and other payables	1 745	(1 745)	(1 745)	-	-	-
<b>Total</b>	<b>4 972</b>	<b>(10 419)</b>	<b>(1 871)</b>	<b>(126)</b>	<b>(377)</b>	<b>(8 045)</b>

**31 December 2019\***

Non-derivative financial liabilities	Carrying amount	Contracted cash flow amount	up to 6 months	1-2 years	2-5 years	over 5 years
Lease liabilities	3 237	(8 800)	(126)	(126)	(377)	(8 171)
Trade and other payables	1 367	(1 367)	(1 367)	-	-	-
<b>Total</b>	<b>4 604</b>	<b>(10 167)</b>	<b>(1 493)</b>	<b>(126)</b>	<b>(377)</b>	<b>(8 171)</b>

\* Restated due to business combination with a subsidiary - see note 4.

**29.4. Capital management**

The Company's policy is to maintain strong capital base, which should be foundation for positive perception of the Company by investors, creditors and market and should also lead to further business development. Company monitors the changes in ownership, return on equity and debt/equity ratios.

The Company aims to achieve a return on equity ratio at the level considered satisfactory by the shareholders.

The Company is subject to the regulation resulting from art. 396 § 1 of the Polish Commercial Companies Code, which requires that at least 8% of profit for a given financial year should be assigned to supplementary capital, until this capital reaches at least 1/3 of the share capital. As at 31 December 2020 the Company's supplementary capital already exceed aforementioned level.

The net debt to adjusted equity ratio at the end of the reporting period was as follows:

	31 December 2020	31 December 2019*	1 January 2019*
Total liabilities	7 519	5 854	8 038
<i>minus</i>			
Debt instruments (corporate bonds)	179 977	-	-
Cash and cash equivalents	135 506	189 200	269 887
<b>Net debt</b>	<b>(307 964)</b>	<b>(183 346)</b>	<b>(261 849)</b>
Equity	414 836	269 765	362 211
<b>Adjusted equity</b>	<b>414 836</b>	<b>269 765</b>	<b>362 210</b>
<b>Net debt to adjusted equity ratio</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(0.7)</b>

\* Restated due to business combination with a subsidiary - see note 4.

There were no changes in the capital management policy during the financial year.

**30. Contingencies, guarantees and other commitments**

Both as at 31 December 2020 and 31 December 2019 the Company had no contingent liabilities.

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**31. Related party transactions**

**31.1. Intergroup receivables and liabilities**

	Trade and other receivables	Dividends receivable	Finance lease receivables	Trade and other payables
<b>31 December 2020</b>				
Stalexport Autostrada Małopolska S.A.	-	22 319	-	3
VIA4 S.A.	21	-	3 771	-
<b>Subsidiaries</b>	<b>21</b>	<b>22 319</b>	<b>3 771</b>	<b>3</b>
Biuro Centrum Spółka z o.o.	1	-	-	340
<b>Associates</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>340</b>
<b>Total</b>	<b>22</b>	<b>22 319</b>	<b>3 771</b>	<b>343</b>
<b>31 December 2019</b>				
Atlantia SpA	-	-	-	17
<b>Parent entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17</b>
Stalexport Autostrada Małopolska S.A.	-	-	-	3
VIA4 S.A.	21	-	3 562	-
<b>Subsidiaries</b>	<b>21</b>	<b>-</b>	<b>3 562</b>	<b>3</b>
Biuro Centrum Spółka z o.o.	2	-	-	112
<b>Associates</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>112</b>
<b>Total</b>	<b>23</b>	<b>-</b>	<b>3 562</b>	<b>132</b>
<b>1 January 2019*</b>				
Atlantia SpA	-	-	-	17
<b>Parent entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17</b>
Stalexport Autostrada Małopolska S.A.	-	10 906	-	3
VIA4 S.A.	155	-	4 879	-
<b>Subsidiaries</b>	<b>155</b>	<b>10 906</b>	<b>4 879</b>	<b>3</b>
Biuro Centrum Spółka z o.o.	2	-	-	629
<b>Associates</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>629</b>
Autogrill Polska Sp. z o.o.	-	-	-	10
<b>Other related entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>
<b>Total</b>	<b>157</b>	<b>10 906</b>	<b>4 879</b>	<b>659</b>

\* Restated due to business combination with a subsidiary - see note 4.

**31.2. Related party transactions amounts**

	Revenue	Other income	Finance income (dividends)	Finance income (other)	Cost of sales
<b>2020</b>					
Atlantia SpA	-	18	-	-	-
<b>Parent entities</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>
Stalexport Autostrada Małopolska S.A.	-	-	153 480	-	(29)
VIA4 S.A.	204	-	10 667	89	-
<b>Subsidiaries</b>	<b>204</b>	<b>-</b>	<b>164 147</b>	<b>89</b>	<b>(29)</b>
Biuro Centrum Spółka z o.o.	215	-	-	-	(3 777)
<b>Associates</b>	<b>215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 777)</b>
<b>Total</b>	<b>419</b>	<b>18</b>	<b>164 147</b>	<b>89</b>	<b>(3 806)</b>
<b>2019*</b>					
Stalexport Autostrada Małopolska S.A.	-	-	-	-	(27)
VIA4 S.A.	406	-	-	169	-
<b>Subsidiaries</b>	<b>406</b>	<b>-</b>	<b>-</b>	<b>169</b>	<b>(27)</b>
Biuro Centrum Spółka z o.o.	220	-	234	-	(3 039)
<b>Associates</b>	<b>220</b>	<b>-</b>	<b>234</b>	<b>-</b>	<b>(3 039)</b>
Autogrill Polska Sp. z o.o.	12	-	-	-	-
<b>Other related entities</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>638</b>	<b>-</b>	<b>234</b>	<b>169</b>	<b>(3 066)</b>

\* Restated due to business combination with a subsidiary - see note 4.

Company's related party transactions were at an arm's length basis (see also point 5.3 of the Report of the Management Board on the activities of the Company and of the Group in 2020).



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**31.3. Transactions with key personnel**

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

	<b>2020</b>	<b>2019</b>
<b>Management Board</b>	<b>2 520</b>	<b>812</b>
Salaries	1 225	912
Movement in employee benefits liabilities	1 295	(100)
<b>Supervisory Board</b>	<b>108</b>	<b>70</b>
Salaries	108	70
<b>Total</b>	<b>2 628</b>	<b>882</b>

In 2020 and 2019 the Company did not grant any loans, advances or guarantees to the members of the Management Board and Supervisory Board.

Remuneration for 2020 includes provision for Management Board bonuses for the year 2020 recognised as at 31 December 2020 in amount of TPLN 582 (corresponding provision as at 31 December 2019 amounted to TPLN 215), as well as a portion of movement in liabilities due to 3-year incentive plan, which embrace the Management Board of the Company, accrued in 2020 (see note 26)

**32. Remuneration of the entity conducting audit the financial statements and its related entities**

Information regarding the remuneration of entity authorised to audit financial statements has been provided within point 5.23 of the Report of the Management Board on the activities of the Company and of the Group in 2020.

**33. Subsequent events**

On 1 February 2021 the Company received TPLN 180,000 due to timely redemption of zero-coupon bonds issued by Pekao Faktoring Sp. z o.o. (see note 17).

**Explanation**

*This document constitutes a translation of the separate 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.*