



STALEXPORT
Autostrady

**CONSOLIDATED FINANCIAL STATEMENTS
OF THE CAPITAL GROUP**

as at the day and for the year ended
31 December 2024

CONTENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	4
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5
CONSOLIDATED STATEMENT OF CASH FLOWS	6
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	7
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	
1. GROUP OVERVIEW	9
2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS	10
3. GOING CONCERN	11
4. INFORMATION CONCERNING THE CONCESSION AGREEMENT.....	12
5. DESCRIPTION OF MATERIAL ACCOUNTING POLICIES.....	13
6. SEGMENT REPORTING	26
7. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE.....	27
8. REVENUE	28
9. EXPENSES BY NATURE.....	28
10. OTHER INCOME AND EXPENSES	29
11. NET FINANCE INCOME	30
12. INCOME TAX	31
13. PROPERTY, PLANT AND EQUIPMENT.....	32
14. INTANGIBLE ASSETS	33
15. INVESTMENT PROPERTY	35
16. DEFERRED TAX	36
17. INCOME TAX RECEIVABLES AND LIABILITIES	38
18. TRADE AND OTHER RECEIVABLES.....	38
19. CASH AND CASH EQUIVALENTS	39
20. EQUITY	40
21. EARNINGS PER SHARE.....	41
22. LOANS AND BORROWINGS.....	41
23. LEASE LIABILITIES	42
24. EMPLOYEE BENEFITS.....	42
25. OTHER NON-CURRENT LIABILITIES	44
26. DEFERRED INCOME	44
27. CONTRACT LIABILITIES	44
28. PROVISIONS	45
29. TRADE AND OTHER PAYABLES (CURRENT)	46
30. FINANCIAL INSTRUMENTS	47

31. FINANCIAL RISK MANAGEMENT 49

32. MOTORWAY INFRASTRUCTURE OBLIGATIONS 54

33. COLLATERAL ESTABLISHED ON GROUP’S ASSETS..... 54

34. CONTINGENT ASSETS AND LIABILITIES 54

35. RELATED PARTY TRANSACTIONS 55

36. REMUNERATION OF THE ENTITY CONDUCTING AUDIT OF THE FINANCIAL STATEMENTS AND ITS RELATED ENTITIES 56

37. SUBSEQUENT EVENTS..... 56

Consolidated statement of comprehensive income
for the year ended 31 December

<i>In thousands of PLN, unless stated otherwise</i>	<i>Note</i>	2024	2023
Revenue	6,8	578 915	508 871
Cost of sales	6,9	(182 946)	(170 442)
Other income	10	6 063	8 826
Administrative expenses	6,9	(227 449)	(225 602)
Other expenses	10	(4 615)	(573)
Reversal of impairments losses/(Impairment losses) on trade and other receivables		1 301	(9)
Operating profit		171 269	121 071
Finance income		44 114	57 962
Finance expenses		(26 162)	(38 042)
Net finance income	11	17 952	19 920
Share of profit of equity accounted investees (net of income tax)		67	142
Profit before income tax		189 288	141 133
Income tax expense	12.1	(49 585)	(24 967)
Profit for the period		139 703	116 166
Other comprehensive income			
Items that will never be reclassified to profit or loss for the period			
Change in fair value of equity instruments		135	150
Remeasurement of employee benefits	24	(75)	(539)
Income tax on other comprehensive income	12.3	(11)	76
Other comprehensive income for the period, net of income tax		49	(313)
Total comprehensive income for the period		139 752	115 853
Profit attributable to:			
owners of the Company		132 925	109 230
non-controlling interest	20.5	6 778	6 936
Profit for the period		139 703	116 166
Total comprehensive income attributable to:			
owners of the Company		133 012	108 974
non-controlling interest	20.5	6 740	6 879
Total comprehensive income for the period		139 752	115 853
Earnings per share	21		
Basic earnings per share (PLN)		0,54	0,44
Diluted earnings per share (PLN)		0,54	0,44

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

Consolidated statement of financial position
as at

<i>In thousands of PLN</i>	<i>Note</i>	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	13	33 133	37 442
Intangible assets	14	212 750	311 286
Investment property	15	6 082	6 340
Investments in associates		782	842
Other non-current investments		135	107
Finance lease receivables		53	136
Other non-current receivables	18	75 000	-
Non-current cash and cash equivalents	19	139 278	415 799
Deferred tax assets	16	54 652	96 720
Total non-current assets		521 865	868 672
Current assets			
Inventories		3 685	3 489
Current investments		1 330	1 223
Income tax receivables	17	37 953	-
Finance lease receivables		130	91
Trade and other receivables	18	28 774	31 683
Cash and cash equivalents	19	644 242	638 245
Total current assets		716 114	674 731
Total assets		1 237 979	1 543 403
EQUITY AND LIABILITIES			
Equity			
Share capital	20.1	185 447	185 447
Share premium reserve		7 431	7 431
Fair value reserve		52	(58)
Other reserve capitals and supplementary capital		442 293	517 776
Retained earnings and uncovered losses		138 220	41 103
Total equity attributable to owners of the Company		773 443	751 699
Non-controlling interest	20.5	5 835	6 230
Total equity		779 278	757 929
Liabilities			
Non-current liabilities			
Lease liabilities	23	4 898	4 778
Employee benefits	24	9 160	6 846
Deferred income	26	1 032	1 863
Other non-current liabilities	25	12 188	16 759
Provisions	28	115 845	363 288
Total non-current liabilities		143 123	393 534
Current liabilities			
Lease liabilities	23	204	185
Income tax liabilities	17	393	10 216
Trade and other payables	29	100 924	144 421
Employee benefits	24	4 385	864
Deferred income	26	832	832
Contract liabilities	27	9 480	9 692
Provisions	28	199 360	225 730
Total current liabilities		315 578	391 940
Total liabilities		458 701	785 474
Total equity and liabilities		1 237 979	1 543 403

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

Consolidated statement of cash flows
for the year ended 31 December

<i>In thousands of PLN</i>	<i>Note</i>	2024	2023
Cash flows from operating activities			
Profit before income tax		189 288	141 133
Adjustments for			
Depreciation and amortisation	9	101 380	90 557
Gain disposal of intangible assets and property, plant and equipment	10	(289)	(96)
Interest and dividends		(43 719)	(56 887)
Share of profit of equity accounted investees		(67)	(142)
Change in receivables		(73 310)	(11 550)
Change in inventories		(161)	1
Change in trade and other payables		(7 624)	27 031
Change in provisions		(29 055)	16 355
Change in deferred income		(831)	(833)
Change in contract liabilities		(212)	238
Cash generated from operating activities		135 400	205 807
Income tax paid		(53 975)	(54 487)
Net cash from operating activities		81 425	151 320
Cash flows from investing activities			
Investment proceeds		44 691	57 634
Sale of intangible assets and property, plant and equipment		665	474
Dividends received		73	46
Dividends from associates		127	96
Interest received		43 826	57 018
Investment expenditures		(272 834)	(60 038)
Acquisition of intangible assets and property, plant and equipment (including utilization of provision for capital expenditures)		(272 834)	(60 038)
Net cash used in investing activities		(228 143)	(2 404)
Cash flows from financing activities			
Financial expenditures		(123 806)	(62 309)
Dividends paid, including attributable to:	20.4	(118 403)	(57 211)
owners of the Company		(111 268)	(49 452)
non-controlling interest		(7 135)	(7 759)
Interest paid		(3)	-
Payment of lease liabilities	30.2	(189)	(178)
Payment of Concession fees	30.2	(5 211)	(4 920)
Net cash used in financing activities		(123 806)	(62 309)
Total net cash flows		(270 524)	86 607
Change in cash and cash equivalents		(270 524)	86 607
Cash and cash equivalents at the beginning of the period (including non-current)	19	1 054 044	967 437
Cash and cash equivalents at the end of the period (including non-current), including:	19	783 520	1 054 044
<i>Restricted balances</i>	19	<i>317 593</i>	<i>604 000</i>

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

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP

CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Consolidated statement of changes in equity

In thousands of PLN

	Note	Share capital	Share premium reserve	Fair value reserve	Other reserve capitals and supplementary capital	Retained earnings and uncovered losses	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
As at 1 January 2024		185 447	7 431	(58)	517 776	41 103	751 699	6 230	757 929
Profit for the period		-	-	-	-	132 925	132 925	6 778	139 703
Other comprehensive income		-	-	110	-	(23)	87	(38)	49
Remeasurement of employee benefits	24	-	-	-	-	(29)	(29)	(46)	(75)
Change in fair value of equity instruments		-	-	135	-	-	135	-	135
Income tax on other comprehensive income	12.3	-	-	(25)	-	6	(19)	8	(11)
Total comprehensive income for the period		-	-	110	-	132 902	133 012	6 740	139 752
Coverage of previous years' losses*		-	-	-	(75 836)	75 836	-	-	-
Dividends paid	20.4	-	-	-	-	(111 268)	(111 268)	(7 135)	(118 403)
Allocation of profit to other reserve capitals and supplementary capital		-	-	-	353	(353)	-	-	-
As at 31 December 2024		185 447	7 431	52	442 293	138 220	773 443	5 835	779 278

*Item adjusted by dividends paid in previous years directly from the supplementary capitals of the subsidiaries.

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

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024
Consolidated statement of changes in equity (continued)
In thousands of PLN

	Note	Share capital	Share premium reserve	Fair value reserve	Other reserve capitals and supplementary capital	Retained earnings and uncovered losses	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
As at 1 January 2023		185 447	7 431	(182)	495 142	4 339	692 177	7 110	699 287
Profit for the period		-	-	-	-	109 230	109 230	6 936	116 166
Other comprehensive income		-	-	124	-	(380)	(256)	(57)	(313)
Remeasurement of employee benefits	24	-	-	-	-	(468)	(468)	(71)	(539)
Change in fair value of equity instruments		-	-	150	-	-	150	-	150
Income tax on other comprehensive income	12.3	-	-	(26)	-	88	62	14	76
Total comprehensive income for the period		-	-	124	-	108 850	108 974	6 879	115 853
Dividends paid	20.4	-	-	-	(464)	(48 988)	(49 452)	(7 759)	(57 211)
Allocation of profit to other reserve capitals and supplementary capital		-	-	-	23 098	(23 098)	-	-	-
As at 31 December 2023		185 447	7 431	(58)	517 776	41 103	751 699	6 230	757 929

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

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

1. Group overview

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

Neither the name of the Company nor its other means of identification have changed since the end of the previous reporting period.

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

The business activities of the Group include the following:

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

As at 31 December 2024, beside the Company, the Group comprised of the following entities:

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

In February 2024, the removal of Petrostal S.A. w likwidacji from the National Court Register has taken place as the consequence of the court decision to dissolve the entity without conducting liquidation proceedings. The entity was not subject to consolidation due to existing limitations regarding control exercise.

The consolidated financial statements as at the day and for the year ended 31 December 2024 comprise financial statements of the Company and its subsidiaries and also Group's share in net assets of associates.

The Capital Group is also included within the consolidated financial statements of the higher-level parent entity Mundys S.p.A. with its seat in Italy. The ultimate parent company is Edizione S.p.A. with its seat in Italy.

2. Basis of preparation of the consolidated financial statements

2.1. Statement of compliance

The consolidated 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 consolidated financial statements were approved by the Management Board of the Company on 12 March 2025.

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

2.3. Functional and presentation currency

These consolidated financial statements are presented in Polish zloty, being the presentation currency of the Group and at the same time the functional currency of the companies comprising the Group, 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 2024, have not been applied in preparation of these consolidated financial statements. Neither of the new standards nor amendments to the already existing standards, are expected to have a significant impact on the consolidated financial statements of the Group for the period for which they will become effective.

2.5. Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS EU requires the Management Board to make judgments, estimates and assumptions that affect the application of accounting 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 or in the period of the revision and future periods, if the revision affects both current and future periods.

Judgments and estimates made by the Management Board, which had significant impact on the consolidated financial statements, have been discussed in notes 5.1, 14, 16, 24.2, 28 and 31.1 (expected credit losses).

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.

The Group 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 accordance with interpretation IFRIC 23 *Uncertainty over income tax treatments*.

3. Going concern

The Group monitors the macroeconomic situation in Poland, also resulting from the impact of the military conflict in Ukraine, on its operations, including its future financial situation and results.

The financial results of the Group's motorway operations are directly dependent on the level of traffic on the section of the A4 Katowice-Krakow motorway subject to the concession. Note 8 presents a comparison of average traffic in the years 2023-2024.

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

The above-mentioned predictions of traffic were determined based on the observed changes in traffic, against the background of the current and projected economic situation. The fulfilment of such predictions involves various types of assumptions and risks of their fulfilment, among which the risks related to the impact of the military conflict in Ukraine on the Group's operations, including on its revenues, have a special role.

The expiration of the Concession Agreement (see note 4), to which Stalexport Autostrada Małopolska S.A. is a party, which occurs in March 2027, does not constitute a negative premise for the assumption that the Group will continue as a going concern within the "Management and operation of motorways" segment in the period of 12 months beyond the end of the current reporting period. However, this fact is reflected in the measurement of concession intangible assets, as well as property, plant and equipment and other intangible assets related to the Concession Agreement (see notes 5.1, 5.2, 5.3, 13 and 14), following the amortisation period adopted for these assets, and in the Group's estimates in respect of deferred tax (see notes 5.15 and 16).

In assessing the going concern assumption, in the context of the aforementioned termination of the Concession Agreement, the Company's Management Board has taken into account the absence of any intention to liquidate or discontinue the Group's business within 12 months of the end of the reporting period.

The Company's Management Board has also taken into account, based on the Company's and its Group's very healthy situation in terms of assets, earnings and liquidity, the absence of restrictions on the Company's ability to continue its operations beyond the term of the Concession Agreement through, among other things, possible involvement in future motorway projects under Public Private Partnership.

4. Information concerning the Concession Agreement

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

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

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

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

Throughout the term of the Concession Agreement, the Concession Holder shall have the right to use and receive profits from the road strip of the motorway. The right includes among other things the right to demolish and remove the existing buildings, facilities, equipment, trees and plants, subject to any relevant legal provisions. In return the Concession Holder is responsible for the operation and maintenance of the toll motorway until the termination or expiry of the Concession Agreement, which determines detailed range of the Concession Holder's obligations, and is obliged to perform precisely specified construction works.

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

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

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

On 16 April 2024 the Concession Holder and the Minister of Infrastructure signed the Annex No. 9 to the Concession Agreement. The annex revises the scope of the construction works included in Phase II to the extent concerning the extension of the Byczyna interchange and of the Rudno interchange, located within the section of A4 Katowice-Kraków motorway subject to the concession. Considering that the extension of these interchanges, as originally envisaged in the Concession Agreement, is no longer consistent with the current plans for the refurbishment of the section of A4 motorway subject to the concession after the expiry of said

agreement, according to the Annex No. 9 the works on the extension of the interchanges (including those related to motorway drainage and noise screens within the interchanges in question) will not be performed, as the consequence of which the Concession Holder has agreed to pay to the State Treasury the amount constituting the assumed costs of the interchanges extension works still to be performed as at 31 December 2023, which after indexation ultimately equalled TPLN 161,374. The Group included the payments resulting from the annex as the liabilities due to acquisition of the concession intangible assets (right to collect tolls from motorway users). The liability was paid in full in June 2024, which was reflected within the consolidated statement of cash flows under cash flows from investing activities.

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

According to provisions of the Concession Agreement the Payments to the State Treasury, as well as dividend payments to the shareholder(s) of SAM S.A. (together constituting so-called "Cash available for distribution"), are dependent, among others, on completion of specified construction phases, achieving minimum level of debt service ratios and assuring the sufficient coverage of Reserve accounts (see note 5.1. for further details).

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

In 2023 the parties to the Concession Agreement signed Annex No. 8 to the said agreement. The annex addressed specific matters related to the settlement by SAM S.A. of Payments to the State Treasury. As a result of signing of the annex, the Group's existing accounting policy did not change in this respect. The annex contractually confirmed, among other matters, the consideration of 30 June and 31 December as the calculation dates, respectively, while indicating that the last calculation date would be 15 March 2027, i.e. the last day of the Concession Agreement's term.

As at the 30 June 2024 the Group recognized the liability due to Payments to the State Treasury in amount of TPLN 69,420 net and as at the 31 December 2024 in amount of TPLN 57,087 (see note 29). As at the 30 June 2023 the Group recognized the liability due to Payments to the State Treasury in amount of TPLN 51,141 net and as at the 31 December 2023 in amount of TPLN 75,572.

5. Description of material accounting policies

Amendments to existing standards and interpretations, effective for reporting periods beginning on 1 January 2024 or later, had no significant impact on Group's accounting policies, and as the result, on these consolidated financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

5.1. Service concession arrangements

The Group recognizes as service concession arrangements (in accordance with IFRIC 12 *Service Concession Arrangements*) the public-to-private service concession arrangements if:

- the grantor controls or regulates what services the Group must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls - through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement.

Concession Agreement – A-4 Katowice-Kraków motorway

Given that, under the Concession Agreement, Stalexport Autostrada Małopolska S.A. received a right to charge users of the motorway (i.e. users of the public service), and the right is not an unconditional right to receive cash, because the amounts are contingent on the extent that the service is rendered, the Group recognises the remuneration due for the construction or upgrade services provided in respect of the motorway as concession intangible assets.

The Group recognised an intangible asset as the consideration given for the adaptation of motorway to toll motorway requirements (Phase I) and for construction/upgrade works, which according to the Concession Agreement were to be executed in later periods (Phase II). The cost of the element of the intangible asset recognized in relation to Phase I expenditures, was determined based on actual capital expenditure incurred during its execution (including borrowing costs) and the cost of the element of the intangible asset recognized in relation to estimated costs of Phase II, was determined as the present value of those future outflows at the date of initial recognition (without borrowing costs recognition).

The element of the intangibles recognized in relation to obligation to bear Phase II expenditures, was recorded in correspondence with a provision for capital expenditure. A present value of future outflows was calculated, through discounting of their estimated nominal value, using non-current risk-free interest rate, which was determined by the Group on the basis of historical and current return on non-current State Treasury Bonds.

All changes in the provision's estimates due to:

- changes of interest rates;
- changes of construction works schedule;
- changes in capital expenditures estimates;

are reflected in the valuation of intangible assets and impact the consolidated statement of comprehensive income prospectively, being recognized in the period of change and in future periods, if they are also affected by the change.

The unwinding of the discount related to provision is recognized as finance expense of the period.

Payments of liabilities resulting from the utilisation of the aforementioned provision are presented by the Group in the consolidated statement of cash flows within cash flows from investing activities.

Concession intangible assets comprise also capitalisable amounts of payments made or still being made by the Concession Holder to the Concession Grantor, comprising the present values of the Concession Fees, the Concession Payments (paid in years 2017-2018), as well as payments under Annex 6 (paid in year 2012) and Annex 9 (see note 4) to the Concession Agreement, determined as at the date the said liabilities arose.

According to policies described in note 5.2, an intangible asset with a finite useful life is subject to amortisation over its useful life.

The concession intangible asset is to be amortised from the beginning of toll collection (year 2000), until the expiration date of the Concession Agreement (year 2027).

The Group applied amortisation method, which in its view reflects in most appropriate way the manner in which future economic benefits deriving from intangible asset will be consumed, i.e. unit of production method based on forecasted annual average traffic increase during the concession period on the section of motorway subject to concession.

Notes to the consolidated financial statements

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

Payments to the State Treasury

The Concession Agreement envisages making Payments to the State Treasury in accordance with the cash flow mechanism agreed upon in the Concession Agreement. The mechanism provides for the order in which the various payments under the Venture are to be made. In accordance with the mechanism, payments for: reimbursement of expenditures made by the Company as the previous concession holder, certain works related to the adaptation of the motorway, operation of the motorway, servicing of the debt incurred in banks, accumulation of funds in the Reserve accounts, dividends constituting the minimum return to the owners of the Concession Holder, the Concession Payments, are made before the Payments to the State Treasury and dividends from the Concession Holder, which take place last.

Considering that Payments to the State Treasury are not for a right to a good or service that is separate from the service concession arrangement or for the right to use an asset that is separate from the infrastructure within the scope of IFRIC 12 that is a lease, and also due to the fact that the intangible model has been applied to the Concession Agreement in accordance with IFRIC 12, the Group accounts for these payments applying IAS 38 *Intangible Assets*, treating them as variable consideration for the purchase of an intangible asset.

At the moment, IFRS do not regulate explicitly/specifically how to account for variable consideration for the purchase of an intangible asset. Due to above, the Group in accordance with IAS 8 *Accounting policies, changes in accounting estimates and errors*, developed in this respect an accounting policy by analogy to other standards, i.e. IAS 17 *Leases*/IFRS 16 *Leases*.

Taking into the account that the variable payments for the purchase of an intangible asset are in their nature similar to contingent rent and variable payments (not depended on an index or a rate) as defined respectively in IAS 17 (during its period of applicability, i.e. until 31 December 2018) and IFRS 16, the Group considered justifiable to apply unified accounting policy set in these standards for aforementioned type of payments also for the purpose of Payments to the State Treasury recognition.

Consequently, the Group accounts for Payments to the State Treasury in profit or loss for the period in which the criteria for making the payment have been met. The payments are recognised within administrative expenses item of the consolidated statement of comprehensive income. So called calculation date is considered the moment when the criteria triggering the payment of the obligation (liability recognition) have been met, i.e. the date as of which the assessment of meeting of the aforementioned criteria, as well as the determination of the amount available for distribution in the period prior to next calculation date, are performed. The calculation date is currently 30 June and 31 December respectively (see also note 4 and 29).

Payments of these liabilities are presented by the Group in the consolidated statement of cash flows within cash flows from operating activities.

Concession fees

According to the Concession Agreement, the Concession Holder periodically pays to the National Road Fund concession fees ("Concession fees"), which include (i) rent for the use (right to use and receive profits) of a road strip of the A-4 Katowice-Kraków section of the motorway subject to the concession, and (ii) refund of GDDKiA's costs of supervision and control.

Considering that:

- Concession fees are not for a right to a good or service that is separate from the service concession arrangement or for the right to use an asset that is separate from the infrastructure within the scope of IFRIC 12 Service Concession Arrangements that is a lease;
- the intangible model has been applied to the Concession Agreement in accordance with IFRIC 12;
- the obligation to incur Concession fees is not conditional on the Group achieving certain results of its operations or on the occurrence of a specific related event;

Notes to the consolidated financial statements

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

- Concession fees are subject to periodical indexation based on consumer price index;

the Group included the present value of Concession fees to be paid (fair value of the consideration given) in the measurement of the liabilities due to purchase of the concession intangible assets (right to collect tolls from motorway users).

The present value of Concession fees to be paid recognised in correspondence with the concession intangible assets was determined as at the date the obligation to incur aforementioned fees was assumed, i.e. 1 January 2000 in case of rent, and 1 January 2001 in case of refund supervision and control cost respectively, by discounting the nominal value of future payments using historical interest rates determined for the aforementioned dates, i.e. 19.20% and 19.45%, respectively.

Subsequent remeasurement of liabilities due to Concession fees reflecting changes to their amounts adjust the cost of the concession intangible assets. Interest on the liability (unwinding of discount) is recognised as finance expense of the current period. Payments of said liabilities are presented by the Group within consolidated statements of cash flow under cash flows from financing activities.

5.2. Other intangible assets

Other intangible assets are measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditures

Subsequent expenditures on existing other 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 as incurred.

Amortisation

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of other 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
- licences 2-5 years

If the estimated useful life of intangible assets attributable to the Concession Agreement other than the ones described in 5.1 exceeds the concession period, the amortisation period is shortened to the remaining concession period.

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

5.3. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

When significant 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.

Notes to the consolidated financial statements

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

Reclassification to investment property

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

Subsequent expenditures

The Group 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 Group and the cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss 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 Group adopted following useful lives for particular categories of property, plant and equipment:

- | | |
|-------------------------------|------------|
| ▪ buildings and constructions | 5-40 years |
| ▪ plant and equipment | 3-15 years |
| ▪ vehicles | 3-10 years |
| ▪ other | 1-10 years |

If the estimated useful life of items of property, plant and equipment attributable to the Concession Agreement exceeds the concession period, the depreciation period is reduced to the remaining concession period.

The adequacy of useful lives, depreciation methods and residual values is reassessed, in material aspects, annually.

5.4. Investment property

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

Investment property held by the Group 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.

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).

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

5.5. Leases

At inception of a contract, the Group 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 Group reassess 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 Group 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

Notes to the consolidated financial statements*(all amounts in PLN thousand (TPLN), unless stated otherwise)*

- 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.

Group as a lessee

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

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.

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 Group'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 Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The Group 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 Group 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 Group 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 consolidated statement of financial position as investment property, in other cases, the Group 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 Group. Lease liabilities are presented separately from other liabilities, broken down into current and non-current liabilities.

Notes to the consolidated financial statements

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

In case of short-term leases and leases for which the underlying asset is of low value, the Group 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 Group's opinion, the perpetual usufruct of the land meets the prerequisites for the identification of the lease.

5.6. Non-derivative financial instruments

5.6.1. Recognition and initial measurement

The Group recognises a financial asset or a financial liability in the consolidated 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 Group 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.

5.6.2. Classification and subsequent measurement

5.6.2.1. Financial assets

At initial recognition the Group 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 Group'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,

Notes to the consolidated financial statements*(all amounts in PLN thousand (TPLN), unless stated otherwise)*

until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative 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 Group 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.

Cash in Reserve accounts

In March 2022, the IFRS Interpretations Committee concluded that restrictions on the use of a demand deposit arising from a contract with a third party do not result in the deposit no longer being cash, unless those restrictions change the nature of the deposit in a way that it would no longer meet the definition of cash in IAS 7 *Statement of Cash Flows*.

As far as presentation of aforementioned deposits in statement of financial position is concerned, the Committee concluded that they ought to be presented as cash and cash equivalents. An entity that presents assets as current or non-current would classify the demand deposit as current, unless the demand deposits are restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The funds envisaged by the Concession Agreement for Phase II construction works, future maintenance expenditures and uninsured losses are accumulated by the Concession Holder in bank accounts dedicated to this purpose ("Reserve accounts"). These funds may only be utilised for the purpose intended for them, however, these restrictions arise solely from the Concession Agreement and are not binding on the bank, but only on the Concession Holder. Accordingly, the Concession Holder has the right to use the funds unrestricted by the bank. Although the use of the accumulated funds is governed by the Concession Agreement, this restriction does not change the nature of these assets and, according to the Committee's position, they constitute cash.

In line with the Committee's guidance, within the consolidated statement of financial position, the portion of the term deposits in Reserve accounts for which the restrictions on use to settle the liability exceed twelve months beyond the end of the reporting period, has been presented under "Non-current cash and cash equivalents". The current portion of said term deposits was presented within the item "Cash and cash equivalents".

5.6.2.2. 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.

Notes to the consolidated financial statements

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

5.6.3. Derecognition

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group 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.

5.7. Impairment

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 Group expects to be paid in full but later than when contractually due.

The Group recognises loss allowances for expected credit losses on:

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

The Group 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 and contract assets the Group 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 Group 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 Group's historical experience and informed credit assessment including forward-looking information.

The Group 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 Group considers the change in the risk of a default occurring since initial recognition. The Group considers a financial asset to be in default when: i) the borrower is unlikely to pay its credit obligations to the Group in full, without the Group 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.

Notes to the consolidated financial statements*(all amounts in PLN thousand (TPLN), unless stated otherwise)*

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 Group under the contract; and
- the cash flows that the Group 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.

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 Group. 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 reporting period for trade receivables the Group determined the amount of expected credit losses using a provision (allowance) matrix, defined on the basis of historical credit loss experience.

The Group recognises in profit or loss, as an impairment gain or loss under separate item of consolidated 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 Group assesses whether financial assets carried at amortised cost are credit-impaired, i.e. whether 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 an event of default or failure to make payment within 90 days;
- 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 Group 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.

5.8. Equity

The Group prepares the consolidated statement of changes in equity by aggregating the relevant items of the statements of changes in equity of fully consolidated entities and by making consolidation adjustments.

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.

5.9. Employee benefits

5.9.1. Retirement and disability benefits

The Group companies in accordance with Labour Code or their internal remuneration policies are obliged to payment of retirement and disability benefits.

The Group'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 State Treasury bond return rate at the end of the reporting period. The retirement/disability benefit obligation is recognized proportionally to the projected length of service of a given employee. Recognizing the liability due to retirement/disability benefits, the Group discloses total actuarial gains or losses in other comprehensive income for the period in which they arisen.

5.9.2. Jubilee bonuses

Some of the Group's companies offer 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 Group'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 State Treasury bond return rate at the end of the reporting period. Recognizing the liability due to jubilee bonuses, the Group 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.

5.9.3. Loyalty programme

The employees of Group's companies became eligible for the so-called loyalty programme (the 'Programme'), which is an incentive system aimed at stabilising employment and maintaining a high level of work performance during its validity.

In accordance with the rules of the Programme, eligible employees may be granted an incentive benefit, provided that their employment is continuous during the term of the Programme. The amount of the benefit depends on the eligibility group to which the employee has been qualified

The Group's obligation resulting from the Programme is measured by determination of the average remuneration of a given employee over the term of the Programme and then by estimation of future benefit based on the ratios set for given employee group. These benefits are then discounted using market Treasury bond return rate at the end of reporting period. The liability due to the Programme is recognized proportionally to the period of service that gives rise to the additional unit of vesting of the benefit by the employee concerned. Recognizing the liability due the Programme, the Group 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.

5.9.4. 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 Group 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.

Notes to the consolidated financial statements

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

5.10. Provisions

A provision is recognized in the consolidated statement of financial position when the Group 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 risk specific to the liability. The unwinding of the discount is recognised as finance cost.

Provision for motorway resurfacing

The Group recognizes a provision for motorway resurfacing costs in relation to the obligation under the Concession Agreement in respect of the operation and maintenance of the motorway. The Concession Agreement envisages three periodic replacements of the motorway surface (capital repairs), of which the first two have already been completed and the third, the final one, is currently in progress. It takes several years to carry out full periodic resurfacing. During the resurfacing process, work is carried out on some sections of the motorway, while at the same time the remaining sections that are still awaiting resurfacing, or have already been subject to resurfacing, are subject to wear and tear. Considering the above, the provision is calculated based on the averaged period between the completion of the previous motorway resurfacing of the respective motorway sections and the anticipated commencement of work on the said sections as a part of the current resurfacing.

Costs of ad hoc motorway infrastructure repairs are not included in the provision for motorway resurfacing and are recognised in profit or loss for the current period as incurred.

Provision for capital expenditures

Accounting policies applied to provision for capital expenditures of Phase II are described in note 5.1.

5.11. Deferred income

Deferred income constitutes mainly prepayments received due to rental of passengers service areas. After initial recognition according to fair value, the deferred income is recognized as other income within profit or loss on the straight-line basis over a rental agreement period.

5.12. Contract liabilities

Contract liabilities constitute prepayments received for the passage through A4 Katowice - Kraków motorway (due to top-ups of KartA4 or A4Go devices). After initial recognition according to fair value, the aforementioned amounts are recognized as revenue in profit or loss for the period, in which top-ups of KartA4/A4Go are utilized.

5.13. Revenue

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

Revenue from motorway operation

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

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

5.13.2. Other revenue*Rental income*

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

5.14. Finance income and expenses

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

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions and liabilities and changes in the fair value of financial assets at fair value through profit or loss. 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.

5.15. 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 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. The Group does not recognise a deferred tax liability for differences related to investments in subsidiaries, as it considers them at present to be permanent differences, the utilisation of which will not result in taxable income, in the foreseeable future.

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 utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised. These reductions are reversed when it is probable that sufficient taxable profits will be available.

5.16. Earnings per share (EPS)

In preparation of consolidated 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 period.

There were no factors that would result in dilution of earnings per share in the reporting periods presented in these consolidated financial statements.

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

6. Segment reporting

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

The Group operates in one geographical segment – entire revenue is earned in Poland, where all Group's non-current assets are located (excluding financial instruments).

Business segments

Business segments include:

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

Business segments results

For the year ended 31 December 2024

	Management, advisory and rental services	Management and operation of motorways	Total
Operating revenues			
Revenue from external customers	6 284	579 995	586 279
Total revenue	6 284	579 995	586 279
Operating expenses			
Cost of sales to external customers	(14 359)	(400 651)	(415 010)
- Payments to the State Treasury (net amount)	-	(126 507)	(126 507)
Total cost of sales	(14 359)	(400 651)	(415 010)
Operating profit/(loss)	(8 075)	179 344	171 269
Net finance income	11 817	6 135	17 952
Share of profit of equity accounted investees (net of income tax)	67	-	67
Income tax expense	(1 345)	(48 240)	(49 585)
Profit for the period	2 464	137 239	139 703
Major non-cash items			
Depreciation and amortisation	(339)	(101 041)	(101 380)
Reversal of impairments losses on trade and other receivables	1 301	-	1 301
Unwinding of discount - including lease interest expense	(177)	(25 962)	(26 139)

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

For the year ended 31 December 2023

	Management, advisory and rental services	Management and operation of motorways	Total
Operating revenues			
Revenue from external customers	4 413	513 284	517 697
Total revenue	4 413	513 284	517 697
Operating expenses			
Cost of sales to external customers	(12 240)	(384 386)	(396 626)
- Payments to the State Treasury (net amount)	-	(126 713)	(126 713)
Total cost of sales	(12 240)	(384 386)	(396 626)
Operating profit/(loss)	(7 827)	128 898	121 071
Net finance income	11 846	8 074	19 920
Share of profit of equity accounted investees (net of income tax)	142	-	142
Income tax expense	(1 317)	(23 650)	(24 967)
Profit for the period	2 844	113 322	116 166
Major non-cash items			
Depreciation and amortisation	(403)	(90 154)	(90 557)
Impairment losses on trade and other receivables	(9)	-	(9)
Unwinding of discount - including lease interest expense	(177)	(37 515)	(37 692)

Financial position according to business segments as at

	31 grudnia 2024 r.	31 grudnia 2023 r.
Management, advisory and rental services		
Assets of the segment	350 391	298 458
Liabilities of the segment	11 562	8 411
Management and operation of motorways		
Assets of the segment	887 588	1 244 945
Liabilities of the segment	447 139	777 063
Total assets	1 237 979	1 543 403
Total liabilities	458 701	785 474

Major customer

In the year ended 31 December 2024 and 31 December 2023 sales to neither of Group's customers generated the revenue of more than 10% of total revenue for the period.

7. Disposal group classified as held for sale

As at 31 December 2024 and 31 December 2023 the Group wasn't in possession of any assets or liabilities classified as held for sale.

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

8. Revenue

The table below includes a reconciliation of Group's main revenue categories with the business segments identified (see note 6).

	2024			2023		
	Management, advisory and rental services	Management and operation of motorways	Total	Management, advisory and rental services	Management and operation of motorways	Total
Revenue from contracts with customers						
Toll revenue, including:	-	573 062	573 062	-	503 459	503 459
Manual toll collection (cash, bank cards)	-	241 051	241 051	-	216 334	216 334
Fleet cards	-	85 631	85 631	-	75 736	75 736
Electronic toll collection	-	246 340	246 340	-	211 178	211 178
KartA4	-	40	40	-	211	211
Revenue due to other services rendered	-	7	7	-	7	7
	-	573 069	573 069	-	503 466	503 466
Other revenue						
Revenue from rental of investment property	4 896	-	4 896	4 394	-	4 394
Revenue due to other services rendered	1	-	1	2	-	2
Other revenue	-	949	949	-	1 009	1 009
	4 897	949	5 846	4 396	1 009	5 405
Total	4 897	574 018	578 915	4 396	504 475	508 871

The average daily traffic (ADT) on the section of the A4 Katowice-Krakow motorway subject to the concession for the years 2023-2024 has been presented below.

ADT	2024	2023	change
Light vehicles	40 170	40 085	0,2%
Heavy vehicles	8 115	8 066	0,6%
Total	48 285	48 151	0,3%

9. Expenses by nature

	2024			2023		
	Cost of sales	Administrative expenses	Total expenses by nature	Cost of sales	Administrative expenses	Total expenses by nature
Depreciation and amortisation	(90 096)	(11 284)	(101 380)	(81 083)	(9 474)	(90 557)
Energy and materials consumption	(4 765)	(1 948)	(6 713)	(5 738)	(3 067)	(8 805)
Accrual of provision for motorway resurfacing disclosed within cost of sales (external services)*	(43 703)	-	(43 703)	(44 607)	-	(44 607)
Motorway renovation and maintenance services	(7 048)	(36 480)	(43 528)	(7 107)	(46 791)	(53 898)
Other external services	(6 982)	(16 529)	(23 511)	(6 694)	(11 597)	(18 291)
Payments to the State Treasury (net amount)	-	(126 507)	(126 507)	-	(126 713)	(126 713)
Taxes and charges	(425)	(3 075)	(3 500)	(368)	(2 891)	(3 259)
Employee benefit expenses	(29 550)	(28 337)	(57 887)	(24 497)	(22 734)	(47 231)
Other costs	(377)	(3 289)	(3 666)	(346)	(2 335)	(2 681)
Cost of goods and materials sold	-	-	-	(2)	-	(2)
Total expenses by nature	(182 946)	(227 449)	(410 395)	(170 442)	(225 602)	(396 044)
Cost of sales and administrative expenses			(410 395)			(396 044)

*Including change of estimates related to the provision for motorway resurfacing - see note 28.

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

9.1. Employee benefit expenses

	2024	2023
Wages and salaries	(41 783)	(35 992)
Social security contributions and other benefits	(9 656)	(8 323)
Movement in employee benefits liabilities included in profit and loss:	(6 448)	(2 916)
Post-employment benefits	(252)	(205)
Jubilee bonuses liabilities	(1 105)	(1 132)
Other employee benefits	(5 091)	(1 579)
Total	(57 887)	(47 231)

10. Other income and expenses

	2024	2023
Rental income from passenger service areas	4 809	4 657
Compensations, grants, contractual penalties and costs of court proceedings received	472	676
Reimbursement of costs of protection against effects of mining damage	-	1 465
Interest from receivables	125	524
Net gain on disposal of property, plant and equipment and intangible assets	289	96
Other	368	1 408
Other income	6 063	8 826
Impairment losses on inventories	(496)	(137)
Donations granted	(198)	(153)
Repair of damages	(264)	(169)
Penalties, compensations, payments	(124)	(79)
Discontinued investments recognized in previous reporting periods as an utilization of provision*	(3 488)	-
Other	(45)	(35)
Other expenses	(4 615)	(573)

* Out of which TPLN 3 402 due to signing the Annex No. 9.

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

11. Net finance income

	2024	2023
<i>Recognised in profit or loss for the period</i>		
Dividend income:	73	46
- equity instruments - financial instruments measured at fair value through other comprehensive income (held at the reporting date)	73	46
Interest income on financial instruments measured at amortised cost, including:	43 872	57 790
- cash and cash equivalents	21 105	18 859
- non-current cash and cash equivalents	22 749	38 567
- financial liabilities (discount)	-	335
- other	18	29
Net foreign exchange gain	169	125
Other finance income	-	1
Finance income	44 114	57 962
Interest expense on liabilities measured at amortised cost, including:	(3 370)	(2 913)
- discount of Concession fees	(2 346)	(2 736)
- lease interest expense	(180)	(177)
- financial liabilities (discount)	(844)	-
Discount of provisions	(22 769)	(35 114)
Other finance expenses	(23)	(15)
Finance expenses	(26 162)	(38 042)
Net finance income recognised in profit or loss for the period	17 952	19 920
<i>Recognised in other comprehensive income</i>		
Change in fair value of equity instruments	135	150
Finance income recognised in other comprehensive income	135	150

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

12. Income tax

12.1. Income tax recognised in profit or loss for the period

	2024	2023
Current income tax expense	(7 528)	(43 463)
Current income tax on profits for the year	(7 485)	(43 439)
Adjustment in respect of prior years	(43)	(24)
Deferred tax	(42 057)	18 496
Recognition and reversal of temporary differences	(42 057)	18 496
Income tax impacting profit for the period	(49 585)	(24 967)

The income tax rate which embraced the majority of Group's activities amounted to 19% in 2023-2024. It is assumed that the income tax rate shouldn't change in upcoming years.

12.2. Effective tax rate

	2024	2023
	%	%
Profit before income tax	189 288	141 133
Income tax calculated using domestic tax rate	(19,0%) (35 965)	(19,0%) (26 815)
Permanent differences	(0,5%) (917)	(0,6%) (802)
Share of profit of equity accounted investees	0,0% 13	0,0% 27
Unrecognised temporary differences/recognition of temporary differences previously unrecognised	(6,7%) (12 673)	1,9% 2 647
Current income tax adjustment in respect of prior years	(0,0%) (43)	(0,0%) (24)
Total	(26,2%) (49 585)	(17,7%) (24 967)

12.3. Income tax recognised in other comprehensive income

	2024			2023		
	Before tax	Tax (expense) /benefit	Net	Before tax	Tax (expense) /benefit	Net
Change in fair value of equity instruments	135	(25)	110	150	(26)	124
Remeasurement of employee benefits	(75)	14	(61)	(539)	102	(437)
Other comprehensive income that will never be reclassified to profit or loss for the period	60	(11)	49	(389)	76	(313)

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP

CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

13. Property, plant and equipment

	Buildings and constructions	Plant and equipment	Vehicles	Other	Under construction	Total
Cost as at 1 January 2023	22 329	35 799	23 839	8 738	6 432	97 137
Acquisitions	116	715	6 737	195	4 054	11 817
Transfer from property, plant and equipment under construction	482	2 883	-	3 408	(6 773)	-
Transfer to inventory	-	-	-	-	(46)	(46)
Disposals	(30)	(1 132)	(1 444)	(468)	-	(3 074)
Cost as at 31 December 2023	22 897	38 265	29 132	11 873	3 667	105 834
Cost as at 1 January 2024	22 897	38 265	29 132	11 873	3 667	105 834
Acquisitions	16	1 322	2 505	60	2 006	5 909
Transfer from property, plant and equipment under construction	-	4 719	-	28	(4 747)	-
Transfer to inventory	-	-	-	-	(35)	(35)
Disposals	-	(2 982)	(1 762)	(27)	-	(4 771)
Cost as at 31 December 2024	22 913	41 324	29 875	11 934	891	106 937
Depreciation and impairment losses as at 1 January 2023	(18 115)	(24 767)	(12 950)	(7 399)	-	(63 231)
Depreciation for the period	(1 065)	(3 740)	(1 969)	(1 142)	-	(7 916)
Disposals	18	1 090	1 180	467	-	2 755
Depreciation and impairment losses as at 31 December 2023	(19 162)	(27 417)	(13 739)	(8 074)	-	(68 392)
Depreciation and impairment losses as at 1 January 2024	(19 162)	(27 417)	(13 739)	(8 074)	-	(68 392)
Depreciation for the period	(1 147)	(5 113)	(2 298)	(1 184)	-	(9 742)
Disposals	-	2 917	1 388	25	-	4 330
Depreciation and impairment losses as at 31 December 2024	(20 309)	(29 613)	(14 649)	(9 233)	-	(73 804)
Carrying amounts						
As at 1 January 2023	4 214	11 032	10 889	1 339	6 432	33 906
As at 31 December 2023	3 735	10 848	15 393	3 799	3 667	37 442
As at 1 January 2024	3 735	10 848	15 393	3 799	3 667	37 442
As at 31 December 2024	2 604	11 711	15 226	2 701	891	33 133

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

Impairment losses

As at 31 December 2024 and 31 December 2023 there were no indicators, which would require the Group to test property, plant and equipment for impairment.

Property, plant and equipment under construction

As at 31 December 2024 property, plant and equipment under construction included expenditures related to i.a. the replacement of the central system equipment at Brzeczkwice Toll Plaza and the change of data storage and transmission architecture.

Collateral

As at 31 December 2024 and 31 December 2023, no collateral has been established on the Group's property, plant and equipment.

14. Intangible assets

	Concession intangible assets	Other concessions, licences, software and other	Other intangible assets	Intangible assets not ready for use	Total
Cost as at 1 January 2023	1 070 627	26 120	970	-	1 097 717
Acquisitions/recognition	-	86	-	576	662
Transfer from intangible assets not ready for use	-	247	-	(247)	-
Revaluation of concession intangible assets	45 606	-	-	-	45 606
Disposals	-	(3)	-	(59)	(62)
Cost as at 31 December 2023	1 116 233	26 450	970	270	1 143 923
Cost as at 1 January 2024	1 116 233	26 450	970	270	1 143 923
Acquisitions/recognition	161 374	234	-	795	162 403
Transfer from intangible assets not ready for use	-	631	-	(631)	-
Revaluation of concession intangible assets	(169 559)	-	-	-	(169 559)
Disposals	-	(92)	-	-	(92)
Cost as at 31 December 2024	1 108 048	27 223	970	434	1 136 675
Amortisation and impairment losses as at 1 January 2023	(734 715)	(14 591)	(970)	-	(750 276)
Amortisation for the period	(79 087)	(3 277)	-	-	(82 364)
Disposals	-	3	-	-	3
Amortisation and impairment losses as at 31 December 2023	(813 802)	(17 865)	(970)	-	(832 637)
Amortisation and impairment losses as at 1 January 2024	(813 802)	(17 865)	(970)	-	(832 637)
Amortisation for the period	(87 890)	(3 490)	-	-	(91 380)
Disposals	-	92	-	-	92
Amortisation and impairment losses as at 31 December 2024	(901 692)	(21 263)	(970)	-	(923 925)
Carrying amounts					
As at 1 January 2023	335 912	11 529	-	-	347 441
As at 31 December 2023	302 431	8 585	-	270	311 286
As at 1 January 2024	302 431	8 585	-	270	311 286
As at 31 December 2024	206 356	5 960	-	434	212 750

Notes to the consolidated financial statements

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

Following the signing of Annex 9 to the Concession Agreement (see note 4 for further details), the Group recognised concession intangible assets amounting to TPLN 161,374 in 2024.

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

- i due to changes of discount rates used for valuation of provision for capital expenditures (see note 28), which resulted in their decrease by TPLN 224 (2023: increase of TPLN 9,129);
- ii due to signing of Annex 9 to the Concession Agreement, resulting in a decrease of concession intangible assets by TPLN 158,250 (see notes 4 and 28);
- iii due to changes of estimates regarding other capital expenditures and construction works schedule, which according to the Concession Agreement are to be executed by the Group before the end of the concession period (see note 28), resulting in a decrease of concession intangible assets by TPLN 11,743 (2023: increase of TPLN 34,686);
- iv due to remeasurement of Concession fees (indexation), which resulted in their increase by TPLN 658 (2023: increase of TPLN 1,791).

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

The quarterly amortization rate calculated based on estimated quarterly motorway traffic during the concession period equalled 7.47% in I quarter 2024, 8.05% in II quarter 2024, 8.72% in III quarter 2024 and 9.45% in IV quarter 2024 (I quarter 2023: 5.59%; II quarter 2023: 5.94%, III quarter 2023: 6.31%; IV quarter 2023: 6.79%). According to the amortisation schedule drawn up as at 31 December 2024, based on updated estimates of traffic growth, the quarterly depreciation rates will range from 10.97% to 100% during the remaining concession period.

Impairment losses

As at 31 December 2024 and 31 December 2023 there were no indicators, which would require the Group to test concession intangible assets for impairment.

As at 31 December 2024 and 31 December 2023 Group's other intangible assets (including intangible assets not ready for use) weren't subject to any impairment.

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

15. Investment property

	Right-of-use assets	Other investment property	Total
Cost as at 1 January 2023	5 006	30 953	35 959
Cost as at 31 December 2023	5 006	30 953	35 959
Cost as at 1 January 2024	5 006	30 953	35 959
Cost as at 31 December 2024	5 006	30 953	35 959
Depreciation and impairment losses as at 1 January 2023	(184)	(29 158)	(29 342)
Depreciation for the period	(72)	(205)	(277)
Depreciation and impairment losses as at 31 December 2023	(256)	(29 363)	(29 619)
Depreciation and impairment losses as at 1 January 2024	(256)	(29 363)	(29 619)
Depreciation for the period	(72)	(186)	(258)
Depreciation and impairment losses as at 31 December 2024	(328)	(29 549)	(29 877)
Carrying amounts			
As at 1 January 2023	4 822	1 795	6 617
As at 31 December 2023	4 750	1 590	6 340
As at 1 January 2024	4 750	1 590	6 340
As at 31 December 2024	4 678	1 404	6 082

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

Based on property expert's valuation conducted in November 2023, considering lack of material changes to property's technical condition, as at 31 December 2024 the fair value of the Group-owned part of the office building (appraised using income-based approach, investment method, simple capitalization technique of net income) and the fair value of perpetual usufruct of land on which aforementioned building is situated (appraised using the comparative approach, paired comparison method) were estimated at PLN 12.5 million – the fair value of the parking lot property was estimated at PLN 19.9 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 Group's investment properties has been categorised as a Level 3 of fair value hierarchy.

Consolidated rental income (office and parking space) in 2024 amounted to TPLN 4,896 (in 2023: TPLN 4,394) and was presented in the consolidated statement of comprehensive income under "Revenue" - attributable costs amounting to TPLN 5,907 (in 2023: TPLN 5,764) were presented under "Cost of sales".

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP

CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

16. Deferred tax

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

	Assets		Liabilities		Net	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Property, plant and equipment and intangible assets	54 381	47 646	(39 069)	(58 566)	15 312	(10 920)
Investment property	-	-	(846)	(820)	(846)	(820)
Other non-current investments	-	-	(18)	(13)	(18)	(13)
Finance lease receivables	-	-	(35)	(43)	(35)	(43)
Trade and other receivables	99	346	(78)	(62)	21	284
Inventories	127	33	-	-	127	33
Current investments	249	269	-	-	249	269
Cash and cash equivalents	-	-	(207)	(201)	(207)	(201)
Lease liabilities	941	943	-	-	941	943
Other non-current liabilities	1 048	1 517	(206)	(366)	842	1 151
Deferred income	354	512	-	-	354	512
Contract liabilities	1 801	1 842	-	-	1 801	1 842
Employee benefits	3 174	2 036	-	-	3 174	2 036
Provisions	59 889	111 913	-	-	59 889	111 913
Trade and other payables	12 202	15 494	-	-	12 202	15 494
Deferred tax assets/liabilities on temporary differences	134 265	182 551	(40 459)	(60 071)	93 806	122 480
Tax loss carry-forwards	-	235	-	-	-	235
Deferred tax assets/liabilities	134 265	182 786	(40 459)	(60 071)	93 806	122 715
Set off of tax	(40 459)	(60 071)	40 459	60 071	-	-
Unrecognised temporary differences and tax losses	(39 154)	(25 995)	-	-	(39 154)	(25 995)
Net deferred tax assets/liabilities as in consolidated statement of financial position	54 652	96 720	-	-	54 652	96 720

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

16.1. Changes of deferred tax during the period

	Change of deferred tax on temporary differences recognised in			31 December 2024
	1 January 2024	profit or loss for the period	other comprehensive income	
Property, plant and equipment and intangible assets	(10 920)	26 232	-	15 312
Investment property	(820)	(26)	-	(846)
Other non-current investments	(13)	-	(5)	(18)
Finance lease receivables	(43)	8	-	(35)
Trade and other receivables	284	(263)	-	21
Inventories	33	94	-	127
Current investments	269	-	(20)	249
Cash and cash equivalents	(201)	(6)	-	(207)
Lease liabilities	943	(2)	-	941
Other non-current liabilities	1 151	(309)	-	842
Deferred income	512	(158)	-	354
Contract liabilities	1 842	(41)	-	1 801
Employee benefits	2 036	1 124	14	3 174
Provisions	111 913	(52 024)	-	59 889
Trade and other payables	15 494	(3 292)	-	12 202
Tax loss carry-forwards	235	(235)	-	-
Unrecognised temporary differences and tax losses	(25 995)	(13 159)	-	(39 154)
Total	96 720	(42 057)	(11)	54 652

	Change of deferred tax on temporary differences recognised in			31 December 2023
	1 January 2023	profit or loss for the period	other comprehensive income	
Property, plant and equipment and intangible assets	(24 676)	13 756	-	(10 920)
Investment property	(795)	(25)	-	(820)
Other non-current investments	(12)	-	(1)	(13)
Finance lease receivables	(78)	35	-	(43)
Trade and other receivables	281	3	-	284
Inventories	7	26	-	33
Current investments	295	(1)	(25)	269
Cash and cash equivalents	(131)	(70)	-	(201)
Lease liabilities	943	-	-	943
Other non-current liabilities	1 398	(247)	-	1 151
Deferred income	671	(159)	-	512
Contract liabilities	1 796	46	-	1 842
Employee benefits	1 632	302	102	2 036
Provisions	113 417	(1 504)	-	111 913
Trade and other payables	10 132	5 362	-	15 494
Tax loss carry-forwards	1 426	(1 191)	-	235
Unrecognised temporary differences and tax losses	(28 158)	2 163	-	(25 995)
Total	78 148	18 496	76	96 720

The Group includes the undepreciated amount of non-current assets, shown in the tax records as at the date of their transfer to the State Treasury, in the projected tax results, which form the basis for assessing the appropriateness of recognition of the excess of temporary deductible differences and tax losses over temporary taxable differences in the deferred tax calculation. Based on the forecasts mentioned above, made for the periods of expected realisation of the aforementioned surplus, the Group did not recognise deferred tax assets in respect of the portion of the surplus that is not probable to be realised.

16.2. Tax losses

As at 31 December 2024 the Group had no outstanding tax losses.

Notes to the consolidated financial statements

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

17. Income tax receivables and liabilities

As at 31 December 2024 the income tax receivables (gross) amounted TPLN 37,965 (31 December 2023: TPLN 1,341, out of which TPLN 1,341 was subject to an allowance). These receivables comprised the amount due to the Group to be settled with a future income tax liabilities (TPLN 140) and the difference between payments made for the current tax year and the amount of tax payable (TPLN 37,825). Due to uncertain recovery of portion of aforementioned income tax receivables as at 31 December 2024, an allowance of TPLN 12 was recognized. In 2024 the Group reversed an allowance related to income tax receivables amounting to TPLN 1,329, due to the possibility of settling a portion of the receivable, indicated as at 31 December 2023 as outstanding against a future income tax liability.

Income tax liabilities of TPLN 393 (31 December 2023: TPLN 10,216) represent the difference between payments made for the previous and current tax year and the amount of tax payable.

18. Trade and other receivables

	31 December 2024	31 December 2023
Non-current		
Receivables due to safety deposits securing bank guarantees	75 000	-
Total	75 000	-
Current		
Trade receivables from related parties	3 831	2 294
Trade receivables from other parties	23 676	20 400
Receivables from taxes, duties, social and health insurances and other benefits	220	8 147
Other receivables from other parties	1 047	842
Total	28 774	31 683

Receivables from contracts with customers included within trade and other receivables amounted to TPLN 22,870 as at 31 December 2024 and TPLN 19,669 as at 31 December 2023.

On 28 November 2024 the Concession Holder and Santander Bank Polska S.A. („Bank”) signed: (i) an agreement on ordering issuance of a guarantee of due performance of Concession Holder’s obligations related to handover of A4 Katowice-Kraków motorway toll motorway as set out in the Concession Agreement (“Order agreement”) and (ii) an agreement pledging a security deposit to secure the Bank's claims under the Order Agreement (“Safety deposit agreement”).

Pursuant to the Order agreement, the Bank agreed to provide a guarantee to the beneficiary of the guarantee (the State Treasury represented by the Minister of Infrastructure) with a validity period until 15 March 2027, up to a maximum limit of TPLN 75,000. Under the Security deposit agreement, the Bank's claim was secured by a security deposit of TPLN 75,000, paid by the Concession Holder on 17 December 2024.

Pursuant to the Concession Holder’s request, on 16 January 2025 the Bank issued a guarantee in the amount of TPLN 70,500, constituting 10% of Concession Holder’s gross toll revenue for 2024. In line with the Safe deposit agreement, the excess of security deposit over the amount of guarantee namely TPLN 4,500 was returned to the Concession Holder on 21 January 2025.

Upon expiry of the guarantee term the Bank will return the unused amount of the security deposit to the Concession Holder. The amount of the security deposit is subject to interest at a floating rate based on the floating WIBOR O/N rate.

Information about the Group’s exposure to credit and market risks, as well as information on impairment losses are included in notes 31.1 and 31.2.

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

19. Cash and cash equivalents

	31 December 2024	31 December 2023
Non-current cash and cash equivalents		
Bank deposits	139 278	415 799
Total	139 278	415 799
Cash and cash equivalents		
Cash in hand	117	107
Bank balances	12 059	40 648
Bank deposits	630 505	594 156
Cash in transit (including accrued interest)	1 561	3 334
Cash and cash equivalents in the consolidated statement of financial position	644 242	638 245
Non-current cash and cash equivalents	139 278	415 799
Cash and cash equivalents in the consolidated statement of cash flows	783 520	1 054 044
including restricted balances comprising:	317 593	604 000
- account for capital expenditures of Phase II	103 694	342 146
- account for future maintenance expenditures	202 079	253 178
- account for uninsured loss	8 585	8 193
- accrued interest	214	259
- VAT accounts	3 021	224

Restricted cash and cash equivalents concern dominantly the amounts deposited by the Concession Holder in so-called Reserve accounts (see also note 5.6.2.1), established in accordance with the provisions of the Concession Agreement, which can be used exclusively for Phase II construction works, future maintenance expenditures and uninsured losses, respectively.

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

20. Equity

20.1. Share capital

	31 December 2024	31 December 2023
Number of ordinary shares at the beginning of the period	247 262 023	247 262 023
Number of ordinary shares at the end of the period (fully paid)	247 262 023	247 262 023
Nominal value of 1 share (PLN)	0,75	0,75
Nominal value of A-series issue	6 256	6 256
Nominal value of B-series issue	370	370
Nominal value of D-series issue	3 000	3 000
Nominal value of E-series issue	71 196	71 196
Nominal value of F-series issue	37 500	37 500
Nominal value of G-series issue	67 125	67 125
Total	185 447	185 447

All shares entitle the shareholders to Company's assets in the same extent in case of its division. 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.

20.2. Fair value reserve

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

20.3. Other reserve capitals and supplementary capital

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

20.4. Dividends

2024

On 11 April 2024 the Ordinary General Meeting of the Company decided to pay out the dividend in amount of TPLN 111,268 i.e. PLN 0.45 per share. The dividend date was set for 19 April 2024 and the dividend payment date for 26 April 2024.

On 4 April 2024 the Ordinary General Meeting of VIA4 S.A. decided to pay out dividend amounting to TPLN 15,286 (with the amount of TPLN 6,879 attributed to non-controlling interest), out of which TPLN 3,000 (with the amount of TPLN 1,350 attributed to non-controlling interest) was already paid in 2023 as an interim dividend.

On 2 December 2024 the Supervisory Board of VIA4 decided to pay out the interim dividend for 2024 in amount of TPLN 3,570, out of which TPLN 1,606 was attributed to the non-controlling interest.

2023

On 4 April 2023 the Ordinary General Meeting of the Company decided to pay out the dividend in amount of TPLN 49,452, i.e. PLN 0.20 per share. The dividend date was set for 13 April 2023 and the dividend payment date for 25 April 2023.

On 30 March 2023 the Ordinary General Meeting of VIA4 S.A. decided to pay out dividend amounting to TPLN 14,241, out of which TPLN 6,409 was attributed to non-controlling interest.

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

On 10 October 2023 the Supervisory Board of VIA4 decided to pay out the interim dividend for 2023 in amount of TPLN 3,000, out of which TPLN 1,350 was attributed to the non-controlling interest.

20.5. Non-controlling interest

The following table summarizes the information relating to VIA4 S.A. Group's sole subsidiary with a non-controlling interest, before any intra-group eliminations.

	31 December 2024	31 December 2023
Non-controlling interest %	45%	45%
Non-current assets	18 153	20 818
Current assets	19 872	21 066
Non-current liabilities	(9 801)	(12 836)
Current liabilities	(15 257)	(15 203)
Net assets	12 967	13 845
Net assets attributable to non-controlling interest	5 835	6 230
Revenues	74 920	70 147
Profit for the period	15 062	15 413
Other comprehensive income	(83)	(127)
Total comprehensive income for the period	14 979	15 286
Profit for the period attr. to non-controlling interest	6 778	6 936
Total comprehensive income attr. to non-controlling interest	6 740	6 879
Net cash from operating activities	20 506	20 242
Net cash from/(used in) investing activities	120	(322)
Net cash used in financing activities	(22 068)	(22 471)
Net change in cash and cash equivalents	(1 442)	(2 551)
Dividends paid during the period attributable to non-controlling interest	(7 135)	(7 759)

21. Earnings per share

The calculation of basic earnings per share was performed based on the net profit attributable to shareholders of the Company of TPLN 132,925 (2023: profit of TPLN 109,230) and a weighted average number of ordinary shares at the reporting date of 247,262 thousand (31 December 2023: 247,262 thousand).

Net profit per ordinary share attributable to shareholders of the Company

	2024	2023
Profit for the period attributable to shareholders of the Company (in TPLN)	132 925	109 230
Weighted average number of ordinary shares at the end of the period (thousands of shares)	247 262	247 262
Profit for the period per ordinary share attributable to shareholders of the Company (in PLN)	0,54	0,44

As at 31 December 2024 and 31 December 2023 no factors were determined that would result in dilution of profit per one share.

22. Loans and borrowings

Neither at 31 December 2024 nor at 31 December 2023 did the Group have any loans and borrowings.

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

23. Lease liabilities

Lease liabilities concern dominantly liabilities due to payments for perpetual usufruct (which expires in December 2089), discounted using the Company's incremental borrowing rate (3.67%) as of IFRS 16 initial application date, i.e. 1 January 2019.

	31 December 2024	31 December 2023
Non-current		
Lease liabilities due to payments for perpetual usufruct	4 759	4 778
Other lease liabilities	139	-
Total	4 898	4 778
Current		
Lease liabilities due to payments for perpetual usufruct	194	185
Other lease liabilities	10	-
Total	204	185
Total	5 102	4 963

Reconciliation of movements of lease liabilities has been presented in note 30.2.

24. Employee benefits

	31 December 2024	31 December 2023
Non-current		
Retirement benefits	1 643	1 540
Disability benefits	53	53
Jubilee bonuses liabilities	3 195	3 181
Other employee benefits	4 269	2 072
Total	9 160	6 846
Current		
Retirement benefits	486	504
Disability benefits	12	11
Jubilee bonuses liabilities	997	349
Other employee benefits	2 890	-
Total	4 385	864

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

Other employee benefits comprised accrued amounts of bonuses, attributable to the members of the Management Boards of companies constituting the Group under non-current incentive programmes for years 2022-2024 (assuming the maximum level of benefits awarded), respectively TPLN 2,866 at 31 December 2024 and TPLN 1,576 at 31 December 2023, and in case of 31 December 2024 also liabilities due to the Programme (see note 5.9.3) in amount of TPLN 4,293.

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

24.1. Movement in employee benefits

	Post-employment benefits		Jubilee bonuses liabilities		Other employee benefits		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
As at 1 January	2 108	1 677	3 530	2 722	2 072	1 965	7 710	6 364
Included in profit or loss	252	205	1 105	1 132	5 091	1 579	6 448	2 916
Current service cost	168	119	419	253	5 671	1 601	6 258	1 973
Past service cost	-	-	-	212	-	-	-	212
Gains arising from settlements	-	-	-	-	(580)	(22)	(580)	(22)
Interest cost	84	86	170	174	-	-	254	260
Actuarial loss	-	-	516	493	-	-	516	493
Included in other comprehensive income	75	539	-	-	-	-	75	539
Actuarial loss arising from:	75	539	-	-	-	-	75	539
- demographic assumptions	49	52	-	-	-	-	49	52
- financial assumptions	13	268	-	-	-	-	13	268
- other assumptions	13	219	-	-	-	-	13	219
Benefits paid	(241)	(313)	(443)	(324)	(4)	(1 472)	(688)	(2 109)
As at 31 December	2 194	2 108	4 192	3 530	7 159	2 072	13 545	7 710

24.2. Actuarial assumptions

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

	31 December 2024	31 December 2023
Discount rate	5,0%	5,0%
Future remuneration increase	0,0%-11,9%	0,0%-11,9%
Probability of resignation	1,4%-5,1%	1,4%-5,1%

The weighted-average duration of liabilities due to particular employee benefits as at the current reporting date was as follows:

(in years)	31 December 2024	31 December 2023
Retirement benefits	6-14	6-14
Disability benefits	7-10	7-10
Jubilee bonuses liabilities	9-10	9-10
Other benefits	2	-

24.3. Sensitivity analysis

A sensitive analysis has been disclosed below, 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.

	Discount rate change		Remuneration increase change		Probability of resignation change	
	- 0,5 pp	+ 0,5 pp	- 0,5 pp	+ 0,5 pp	- 0,5 pp	+ 0,5 pp
31 December 2024						
Retirement benefits	2 202	2 059	2 049	2 217	2 167	2 093
Disability benefits	67	62	63	67	66	62
Jubilee bonuses liabilities	4 316	4 076	4 039	4 359	4 330	4 065
Other employee benefits	4 338	4 250	4 248	4 340	4 314	4 273
Total	10 923	10 447	10 399	10 983	10 877	10 493
31 December 2023						
Retirement benefits	2 112	1 981	2 018	2 074	2 067	2 018
Disability benefits	64	61	61	63	63	61
Jubilee bonuses liabilities	3 631	3 434	3 543	3 520	3 085	3 430
Total	5 807	5 476	5 622	5 657	5 215	5 509

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

25. Other non-current liabilities

	31 December 2024	31 December 2023
Liabilities due to Concession fees	5 520	7 987
Other payables to other parties	6 668	8 772
Total	12 188	16 759

Other non-current liabilities constitute amounts retained as performance guarantee in relation to construction contracts and guarantee deposits concerning already completed construction works with a due date exceeding 12-month period.

Concession fees include (i) rent for the use (right to use and receive profits) of a road strip of the A-4 Katowice-Kraków section of the motorway subject to the concession, and (ii) refund of GDDKiA's costs of supervision and control (for more details see note 5.1).

26. Deferred income

	31 December 2024	31 December 2023
Non-current		
Deferred rental income (mainly passengers service areas)	1 016	1 840
Other	16	23
Total	1 032	1 863
Current		
Deferred rental income (mainly passengers service areas)	826	826
Other	6	6
Total	832	832

27. Contract liabilities

	31 December 2024	31 December 2023
Current		
Prepaid tolls for passage through A-4 Katowice - Kraków motorway	9 480	9 692
Total	9 480	9 692

The prepayments amounting to TPLN 6,395 recognised as contract liabilities at the beginning of the reporting period have been recognised as revenue in 2024 (in 2023: TPLN 6,755).

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

28. Provisions

	Provisions for motorway resurfacing	Provisions for capital expenditures (Phase II)	Total
Balance at 1 January 2024	234 678	354 340	589 018
Undwinding of discount	10 804	11 965	22 769
Accrual	49 380	-	49 380
Reversal	(5 677)	(170 217)	(175 894)
Utilisation	(99 015)	(71 053)	(170 068)
Balance at 31 December 2024	190 170	125 035	315 205
<i>Non-current provisions</i>	<i>61 527</i>	<i>54 318</i>	<i>115 845</i>
<i>Current provisions</i>	<i>128 643</i>	<i>70 717</i>	<i>199 360</i>

Provisions for motorway resurfacing and capital expenditures (Phase II) constitute the present value of, respectively, future resurfacing expenses and future construction costs to be incurred in relation to Katowice-Kraków section of A4 motorway, due to obligations undertaken by Concession Holder under the Concession Agreement (see note 4 for further details).

During the current period the Group changed estimates regarding discount rates used for calculation of the present value of provisions for resurfacing and provision for capital expenditures of Phase II (in both cases as at 31 December 2023 the rates ranged from 4.82% to 5.10%, currently from 5.08% to 5.51%), and also revalued aforementioned provisions following the change of estimates regarding expected expenditures and future construction works schedule.

As result of those changes the Group reversed the provisions for resurfacing in amount of TPLN 5,677, following the change of estimates regarding expected expenditures and future construction works schedule, and also accrued a provision in amount of TPLN 57, due to discount rates changes. The reversal of provision, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, was recognized as a decrease of operating expenses for the period.

As result of those changes the Group also reversed the provision for capital expenditures of Phase II in amount of TPLN 170,217, which included the decrease of provision in amount of TPLN 169,993, following the change of estimates regarding expected expenditures and future construction works schedule, as well as the decrease of TPLN 224, due to discount rates changes. The aforementioned change of estimates related to provision for capital expenditures of Phase II was affected significantly by the signing of Annex 9 to the Concession Agreement (see note 4 and 14 for further details), as a result of which the capital expenditures included in the said provision in previous reporting periods amounting to TPLN 158,250, will not be ultimately incurred. The reversal of provision was recognized as a decrease of concession intangible assets

The scope and technology of construction works are gradually clarified throughout implementation of individual stages of the investment process, mainly at the stages preceding the formulation and conclusion of the contract. Final decisions regarding the scope and technology to be applied may also take place at the stage of the construction works itself. The above conditions cause significant uncertainty in the estimation of provisions related to construction works performed in fulfillment of the obligations arising from the Concession Agreement. Provisions estimates for the uncontracted scope of works are based on the Group's previous experience and expertise. As of 31 December 2024, 98% of the expected works related to the motorway resurfacing have been contracted (2023: 100%), and this indicator in the case of Phase II works was 6% (2023: 20%). As presented in the note 32, in 2023 and 2024 the Group concluded a number of contracts for works related to the resurfacing of the motorway and Phase II investments, which allowed for a more precise determination of the expected scope of works, the level of expenses related to them, and their time-schedule.

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

29. Trade and other payables (current)

	31 December 2024	31 December 2023
Trade payables to related parties	124	205
Trade payables to other parties	11 930	43 252
Amounts due to taxes, duties, social and health insurance and other benefits	7 191	3 550
Payroll liabilities	3 724	3 573
Liabilities due to Concession fees (note 5.1, 25)	4 577	4 317
Payments to the State Treasury (note 4, 5.1)	57 087	75 572
Other payables and accruals to related parties	850	-
Other payables and accruals to other parties	15 441	13 952
Total	100 924	144 421

The balance of other payables and accruals consists mainly of amounts retained as performance guarantee in relation to construction contracts and guarantee deposits concerning already completed construction works. The value of abovementioned payables amounted to TPLN 9,647 as at 31 December 2024 (31 December 2023: TPLN 8,582).

The changes in the balance of the liabilities due to Payments to the State Treasury recorded in years 2023-2024 are shown below.

	31 December 2024	31 December 2023
Payments to the State Treasury at the beginning of the reporting period	75 572	47 372
<i>including VAT</i>	-	-
Recognition of net liability as at calculation date (see note 4)	126 507	126 713
Recognition of VAT	33 348	22 659
Payment of the liability	(178 340)	(121 172)
Payments to the State Treasury at the end of the reporting period	57 087	75 572
<i>including VAT</i>	-	-

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP

CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

30. Financial instruments

30.1. Classification and fair value of financial instruments

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels 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 2024

	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
Financial assets measured at fair value								
Equity instruments *		1 465	-	1 465	-	-	1 465	1 465
		1 465	-	1 465				
Financial assets not measured at fair value								
Finance lease receivables		-	183	183				
Other non-current receivables	18	-	75 000	75 000				
Trade and other receivables**	18	-	28 554	28 554				
Non-current cash and cash equivalents	19	-	139 278	139 278				
Cash and cash equivalents	19	-	644 242	644 242				
		-	887 257	887 257				
Financial liabilities not measured at fair value								
Lease liabilities	23	-	(5 102)	(5 102)				
Liabilities due to Concession fees	25,29	-	(10 097)	(10 097)				
Payments to the State Treasury	4,29	-	(57 087)	(57 087)				
Trade and other payables**	29	-	(32 867)	(32 867)				
		-	(105 153)	(105 153)				

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP

CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

31 December 2023

	Note	Carrying amount		Total	Fair value			
		Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Equity instruments *		1 330	-	1 330	-	-	1 330	1 330
		1 330	-	1 330				
Financial assets not measured at fair value								
Finance lease receivables		-	227	227				
Trade and other receivables**	18	-	23 536	23 536				
Non-current cash and cash equivalents	19	-	415 799	415 799				
Cash and cash equivalents	19	-	638 245	638 245				
		-	1 077 807	1 077 807				
Financial liabilities not measured at fair value								
Lease liabilities	23	-	(4 963)	(4 963)				
Liabilities due to Concession fees	25,29	-	(12 304)	(12 304)				
Payments to the State Treasury	4,29	-	(75 572)	(75 572)				
Trade and other payables**	29	-	(64 094)	(64 094)				
		-	(156 933)	(156 933)				

* Equity instruments belonging to the Group are not listed on financial markets, the Group has also no information on recent observable arm's length transactions in these instruments. Considering the above, the fair value of the equity instruments determined based on the Group's share in nett assets of their issuers as at 31 December 2024 or at the end of the last reporting period for which the Group has adequate financial data. In 2024 the Group recorded a profit due to valuation of aforementioned equity instruments amounting TPLN 135 (2023: profit of TPLN 150), presented within item "Change in fair value of equity instruments" of the consolidated statement of comprehensive income.

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

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

Hierarchy of financial instruments carried at fair value

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

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

30.2. Reconciliation of movements of liabilities to cash flows arising from financing activities

	Financial liabilities		Total
	Lease liabilities	Liabilities due to Concession fees	
Balance as at 1 January 2024	4 963	12 304	17 267
Changes from financing cash flows	(189)	(5 211)	(5 400)
Payment of lease liabilities	(189)	-	(189)
Payment of Concession fees (net)	-	(5 211)	(5 211)
Other changes	328	3 004	3 332
New lease liabilities	151	-	151
Remeasurement of Concession fees	-	658	658
Interest expense	180	2 346	2 526
Interest paid	(3)	-	(3)
Balance as at 31 December 2024	5 102	10 097	15 199
Balance as at 1 January 2023	4 964	12 697	17 661
Changes from financing cash flows	(178)	(4 920)	(5 098)
Payment of lease liabilities	(178)	-	(178)
Payment of Concession fees (net)	-	(4 920)	(4 920)
Other changes	177	4 527	4 704
Remeasurement of Concession fees	-	1 791	1 791
Interest expense	177	2 736	2 913
Balance as at 31 December 2023	4 963	12 304	17 267

31. Financial risk management

31.1. Credit risk

Credit risk is a risk of financial loss to the Group if a customer or a counterparty fails to meet its contractual obligations, and it arises principally from the Group's receivables from customers (including security deposits) and investment securities.

The Group places its cash and cash equivalents (including non-current) in financial institutions with high financial credibility. Considering the above, the Group assesses that aforementioned financial instruments had low credit risk.

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

		31 December 2024	31 December 2023
	<i>Note</i>		
Other non-current investments		135	107
Current investments		1 330	1 223
Other non-current receivables	18	75 000	-
Finance lease receivables		183	227
Trade and other receivables*	18	28 554	23 536
Non-current cash and cash equivalents	19	139 278	415 799
Cash and cash equivalents	19	644 242	638 245
Total		888 722	1 079 137

* Excluding receivables due to taxes, duties, social and health insurance and other benefits.

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

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

As at 31 December 2024 for trade receivables the Group determined the amount of expected credit losses using a provision (allowance) matrix, defined on the basis of historical credit loss experience.

The following tables provide information about the exposure to credit risk and also allowances for expected credit losses for trade receivables as at 31 December 2024 and 31 December 2023.

31 December 2024	Weighted-average loss rate	Trade receivables (gross)	Secured amount (up to gross receivables)	Trade receivables (gross) exceeding secured amount	Loss allowance
Current (not past due)	0,00%	24 884	2	24 882	-
1-30 days past due	0,02%	2 020	33	1 987	-
31-90 days past due	4,76%	42	21	21	1
91-180 days past due	1,38%	75	8	67	1
181-365 days past due	35,15%	57	5	52	18
366-730 days past due	6,63%	481	-	481	32
more than 730 days past due	100,00%	671	-	671	671
Total		28 230	69	28 161	723

31 December 2023	Weighted-average loss rate	Trade receivables (gross)	Secured amount (up to gross receivables)	Trade receivables (gross) exceeding secured amount	Loss allowance
Current (not past due)	0,00%	21 226	20	21 206	-
1-30 days past due	0,02%	696	18	678	-
31-90 days past due	0,92%	240	8	232	2
91-180 days past due	5,37%	34	8	26	1
181-365 days past due	3,20%	506	-	506	16
366-730 days past due	30,23%	16	-	16	5
more than 730 days past due	100,00%	664	-	664	664
Total		23 382	54	23 328	688

As at 31 December 2024, the payment of trade receivables due to rental of investment property amounting to TPLN 69 (31 December 2023: TPLN 54) was secured by the guarantee deposits received by the Group.

Other receivables are subject to loss allowance in the amount of TPLN 91,112. 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:

	2024	2023
Balance as at 1 January	(92 017)	(92 003)
Net remeasurement of loss allowance	(28)	(9)
Amounts written off	217	1
Reclassifications	(7)	(6)
Balance as at 31 December	(91 835)	(92 017)

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

31.2. Market risk

Market risk is the risk that changes in market demand, supply and prices, as well as other factors will affect the Group's financial results and 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

At the end of 2024 the interest rate risk concerned mainly lease liabilities based on floating interest rates, amounts of which, and therefore the Group's exposure to the risk in question, are considered immaterial.

Foreign currency risk

At the end of 2024 foreign currency risk concerned cash and cash equivalents and trade and other payables.

The table below shows profile of the Group'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 2024

	EUR	USD
Cash and cash equivalents	62	4
Trade and other payables	(1 085)	-
Net consolidated statement of financial position exposure	(1 023)	4

31 December 2023

	EUR	USD
Cash and cash equivalents	53	15
Trade and other payables	(93)	-
Net consolidated statement of financial position exposure	(40)	15

The Group 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 per cent in relation to all foreign currencies, on profit or loss for the period and 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%
31 December 2024	(51)	51	(51)	51
31 December 2023	(1)	1	(1)	1

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

31.3. Liquidity risk

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

The Group's approach to managing liquidity is to ensure, possession of financial means necessary to fulfil Group'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 Group's maximum exposure to liquidity risk:

31 December 2024

	Carrying value	Contracted cash flow value	up to 6 months	6-12 months	1-2 years	2-5 years	over 5 years
Non-derivative financial liabilities							
Other non-current liabilities	6 668	(7 753)	-	-	(6 801)	(952)	-
Lease liabilities	5 102	(12 902)	(210)	(14)	(349)	(587)	(11 742)
Liabilities due to Concession fees	10 097	(13 045)	(2 609)	(2 609)	(5 218)	(2 609)	-
Payments to the State Treasury	57 087	(57 087)	(57 087)	-	-	-	-
Trade and other payables	39 260	(39 260)	(34 581)	(4 679)	-	-	-
Total	118 214	(130 047)	(94 487)	(7 302)	(12 368)	(4 148)	(11 742)

31 December 2023

	Carrying value	Contracted cash flow value	up to 6 months	6-12 months	1-2 years	2-5 years	over 5 years
Non-derivative financial liabilities							
Other non-current liabilities	8 772	(10 702)	-	-	(4 670)	(6 032)	-
Lease liabilities	4 963	(12 908)	(185)	-	(187)	(587)	(11 949)
Liabilities due to Concession fees	12 304	(17 223)	(2 460)	(2 460)	(4 921)	(7 382)	-
Payments to the State Treasury	75 572	(75 572)	(75 572)	-	-	-	-
Trade and other payables	64 532	(64 532)	(62 319)	(2 213)	-	-	-
Total	166 143	(180 937)	(140 536)	(4 673)	(9 778)	(14 001)	(11 949)

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

31.4. Capital management

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

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

The Company and its subsidiaries, which are the joint stock companies, are 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 2024, all joint stock companies constituting the Group, already achieved the aforementioned level of supplementary capital.

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

	31 December 2024	31 December 2023
Total liabilities	458 701	785 474
<i>minus</i>		
Provisions for capital expenditures (Phase II)	125 035	354 340
Non-current cash and cash equivalents	139 278	415 799
Cash and cash equivalents	644 242	638 245
Net debt	(449 854)	(622 910)
Total equity	779 278	757 929
Total equity	779 278	757 929
Net debt to total equity ratio	(0,58)	(0,82)

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

32. Motorway infrastructure obligations

The most significant contracts of the motorway business that generate capital expenditures (including those subject to provision for capital expenditures – note 28), as well as expenditures related to motorway resurfacing (note 28), which have been carried out in 2024, are set out below.

On 19 April 2022 SAM S.A. and Pavimental Polska Sp. z o.o. signed the contract F2b-13-2021 “Reconstruction of A-4 motorway drainage – part V” including reconstruction of drainage for 17 catchments in Małopolskie voivodeship currently amounting to TPLN 51,371 (including change orders). As at 31 December 2024 the financial progress of the project (value of works recorded) amounted to TPLN 48,955 (95% of the contract value), out of which TPLN 7,635 was recorded in 2024.

On 26 July 2022 SAM S.A. and Pavimental Polska Sp. z o.o. signed the contract HM-5-2022 “Resurfacing of motorway junctions and emergency crossings” ultimately amounting to TPLN 67,386 (including change orders). As at 31 December 2024 the financial progress of the project (value of works recorded) amounted to TPLN 67,386 (100% of the contract value), out of which TPLN 1,088 was recorded in 2024.

On 7 March 2023 SAM S.A. and Pavimental Polska Sp. z o.o. signed the contract F2b-14-2022 “Reconstruction of A-4 motorway drainage – part VI” including reconstruction of drainage for 12 catchments in Małopolskie voivodeship currently amounting to TPLN 82,028 (including change orders). As at 31 December 2024 the financial progress of the project (value of works recorded) amounted to TPLN 76,074 (93% of the contract value), out of which TPLN 58,721 was recorded in 2024.

On 5 June 2023 SAM S.A. and Pavimental Polska Sp. z o.o. signed the contract HM-6-2022 “Pavement repairs with accompanying works on the main carriageway of the A4 Katowice-Kraków motorway” currently amounting to TPLN 446,756 (including change orders and indexation). As at 31 December 2024 the financial progress of the project (value of works recorded) amounted to TPLN 149,557 (33% of the contract value), out of which TPLN 129,224 was recorded in 2024.

On 13 August 2024 SAM S.A. and PWiK Bytom Sp. z o.o. signed the contract MPA13-2024 “Modernisation of 13 reinforced concrete culverts located in the carriageway of the A4 Katowice-Kraków motorway” currently amounting to TPLN 12,869. As at 31 December 2024 no capital expenditures have yet been incurred in relation to the contract.

33. Collateral established on Group’s assets

Apart from the collateral disclosed under note 18, no collateral has been pledged over the Group’s assets as at 31 December 2024 and 31 December 2023.

34. Contingent assets and liabilities

Both as at 31 December 2024 and 31 December 2023 the Group had no contingent assets nor contingent liabilities.

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

35. Related party transactions

35.1. Intragroup receivables and liabilities

	Trade and other receivables	Finance lease receivables	Trade and other payables
31 December 2024			
Mundys S.p.A.	1	-	850
Parent entities	1	-	850
Biuro Centrum Sp. z o.o.	1	65	124
Associates	1	65	124
Telepass S.p.A.*	3 829	-	-
Other related entities	3 829	-	-
Total	3 831	65	974
31 December 2023			
Biuro Centrum Sp. z o.o.	1	104	205
Associates	1	104	205
Telepass S.p.A.*	2 293	-	-
Other related entities	2 293	-	-
Total	2 294	104	205

* Subsidiary of Mundys S.p.A.

35.2. Related party transactions amounts

	Revenue	Finance income (other)	Cost of acquired goods and services	Capital expenditures and resurfacing works
2024				
Mundys S.p.A.	-	-	(858)	-
Parent entities	-	-	(858)	-
Biuro Centrum Sp. z o.o.	304	7	(5 427)	-
Associates	304	7	(5 427)	-
Telepass S.p.A.	26 881	-	-	-
Other related entities	26 881	-	-	-
Total	27 185	7	(6 285)	-
2023				
Biuro Centrum Sp. z o.o.	268	11	(5 227)	(2)
Associates	268	11	(5 227)	(2)
Telepass S.p.A.	25 716	-	-	-
Other related entities	25 716	-	-	-
Total	25 984	11	(5 227)	(2)

Related party transactions were at an arm's length basis (see also point 5.3 of the Management Board's Report on the activities of the Company and the Capital Group of Stalexport Autostrady S.A. in 2024).

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONSOLIDATED FINANCIAL STATEMENTS AS AT THE DAY AND FOR THE YEAR ENDED 31 DECEMBER 2024

Notes to the consolidated financial statements

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

35.3. Transactions with key personnel

The cost of employee benefits for the key and supervising personnel of the Group was as follows:

	2024	2023
the Company		
Management Board	2 824	2 312
Employee benefits	1 534	1 011
Movement in employee benefits liabilities (note 24)	1 290	1 301
Supervisory Board	336	298
Employee benefits	336	298
Subsidiaries		
Management Boards	2 790	3 234
Employee benefits	3 279	2 902
Movement in employee benefits liabilities (note 24)	(489)	332
Supervisory Boards	4	3
Wynagrodzenia	4	3
Total	5 954	5 847

Movement in employee benefits liabilities relates to non-current incentive programmes attributable to the members of the Management Boards of companies constituting the Group.

In 2024 and 2023 the Group did not grant any loans to the Members of Management Boards or Supervisory Boards Members of the companies constituting the Group. The Group did not grant to the above-mentioned individuals any advance payments or guarantees.

36. Remuneration of the entity conducting audit of 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 Management Board's Report on the activities of the Company and the Capital Group of Stalexport Autostrady S.A. in 2024.

37. Subsequent events

- On 30 January 2025, SAM S.A. made an application to the GDDKiA for authorization of a change, as of 1 April 2025, of toll rates for passage through the section of the A4 Katowice-Kraków motorway subject to the concession collected at each toll plaza, i.e. for:
 - vehicle category 1 (other than motorcycles) - from PLN 16 to PLN 17;
 - vehicle category 2, 3, 4, 5 - from PLN 49 to PLN 52.

Explanation

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