

Mostostal

W A R S Z A W A

CONDENSED INTERIM
CONSOLIDATED REPORT
FINANCIAL
OF THE MOSTOSTAL WARSZAWA CAPITAL GROUP
FOR THE PERIOD 01.01.2023 - 31.03.2023

BUDUJEMY PRZYSZŁOŚĆ.

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CONSOLIDATED PROFIT AND LOSS ACCOUNT for the 3-month period from 01.01.2023 to 31.03.2023

CONTINUING OPERATIONS	1st quarter 2023 period as of 01.01.2023 until 31.03.2023	1st quarter 2022 period as of 01.01.2022 until 31.03.2022
I Sales revenue	316 963	300 935
Revenue from construction contracts	313 374	299 752
Revenue from sale of services	3 171	129
Revenue from sale of goods and materials	418	1 054
II Own costs of sales	298 422	279 316
III Gross profit/loss on sales	18 541	21 619
IV General and administrative expenses	17 463	15 979
V Other operating income	1 339	3 598
VI Other operating expenses	960	1 461
VII Operating profit / (loss)	1 457	7 777
VIII Financial income	3 079	1 250
IX Financial costs	3 807	4 409
X Gross profit / (loss)	729	4 618
XI Income tax	417	3 036
XII Net profit / (loss) from continuing operations	312	1 582
XIII Net profit / (loss) from discontinued operations	0	0
XIV Net profit / (loss) for the period	312	1 582
XV Net profit / (loss) attributable to shareholders of the Parent Company	721	676
XVI Net profit attributable to non-controlling shareholders	-409	906

Earnings per share

SPECIFICATION	1st quarter 2023 period as of 01.01.2023 until 31.03.2023	1st quarter 2022 period as of 01.01.2022 until 31.03.2022
Weighted average number of ordinary shares	20 000 000	20 000 000
Net profit (loss) per ordinary share (PLN)	0,02	0,08
Basic earnings per share from continuing operations	0,02	0,08
Diluted net profit (loss) per ordinary share (in PLN)	0,02	0,08
Diluted earnings per share from continuing operations	0,02	0,08

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the 3-month period from 01.01.2023 to 31.03.2023

SPECIFICATION	1st quarter 2023 period as of 01.01.2023 until 31.03.2023	1st quarter 2022 period as of 01.01.2022 until 31.03.2022
Net profit / (loss) for the period	312	1 582
Other comprehensive income, which will be subsequently reclassified to profit or loss when certain conditions are met:		
Foreign exchange differences on translation of a foreign entity	59	28
Other comprehensive income before tax	59	28
Income tax relating to components of other comprehensive income	0	0
Other net comprehensive income	59	28
Total income	371	1 610
attributed to:		
Shareholders of the Parent Company	780	704
Non-controlling shareholders	-409	906

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

N	ASSETS	as at 31.03.2023	as at 31.12.2022	as at 31.03.2022
I	Fixed assets (long-term)	211 946	206 323	135 882
I.1	Intangible assets	1 248	1 213	1 107
I.2	Rights of use	78 880	81 121	38 337
I.3	Tangible fixed assets	82 630	75 879	52 388
I.4	Long-term deposits under construction contracts due from customers	7 545	6 398	8 816
I.5	Long-term advances for construction work	0	1 346	0
I.6	Deferred tax assets	31 825	31 862	30 694
I.7	Long-term accruals and deferred income	9 818	8 504	4 540
II.	Current assets (short-term)	791 193	832 225	786 458
II.1	Stocks	61 684	40 347	48 792
II.2	Trade receivables	358 827	324 833	305 856
II.3	Income tax receivables	854	458	1 523
II.4	Other receivables	6 143	5 331	6 444
II.5	Advances for construction work	20 645	14 786	14 039
II.6	Cash and cash equivalents	84 843	205 674	155 515
II.7	Short-term financial assets	6 786	961	0
II.8	Assets from the performance of construction contracts	233 466	232 115	244 464
II.9	Other accruals and deferred income	17 945	7 720	9 825
	Total assets	1 003 139	1 038 548	922 340

CAPITAL GROUP MOSTOSTAL WARSZAWA

Condensed interim consolidated financial statements for the period 01.01.2023 - 31.03.2023 (in thousands of PLN)

N	LIABILITIES	as at 31.03.2023	as at 31.12.2022	as at 31.03.2022
I	Equity (attributable to shareholders of the Parent Company)	77 228	76 456	59 036
I.1	Core capital	44 801	44 801	44 801
I.2	Share premium	108 406	108 406	108 406
I.3	Other reserves	42 335	42 335	33 056
I.4	Reserve from reclassification of loans	201 815	201 815	201 815
I.5	Exchange rate differences on translation of foreign units/branches	-404	-463	-573
I.6	Retained earnings / (Uncovered losses)	-319 725	-320 438	-328 469
II	Non-controlling shareholders' equity	19 109	19 518	23 277
III	Total equity	96 337	95 974	82 313
IV	Long-term liabilities	196 619	186 796	154 717
IV.1	Interest-bearing bank loans and borrowings	0	0	68 459
IV.2	Long-term leasing liabilities	49 342	52 196	26 374
IV.3	Long-term deposits under construction contracts due to suppliers	30 079	30 183	36 817
IV.4	Non-current liabilities for construction contracts	104 240	91 299	8 241
IV.5	Long-term provisions	12 958	13 118	14 826
V	Current liabilities	710 183	755 778	685 310
V.1	Current portion of interest-bearing bank loans and borrowings	148 347	140 196	70 855
V.2	Current lease liabilities	18 223	17 881	10 666
V.3	Trade payables	189 289	202 664	215 867
V.4	Income tax	175	3 143	0
V.5	Other liabilities	34 542	53 473	35 489
V.6	Commitments in respect of construction contracts	91 850	107 779	132 540
V.7	Short-term provisions	12 301	14 542	10 681
V.8	Employee benefit obligations	13 168	12 477	6 682
V.9	Other accruals and deferred income	202 288	203 623	202 530
VI	Total liabilities	906 802	942 574	840 027
Total equity and liabilities		1 003 139	1 038 548	922 340

CONSOLIDATED CASH FLOW STATEMENT for the 3-month period from 01.01.2023 to 31.03.2023

N	SPECIFICATION	1st quarter 2023 period as of 01.01.2023 until 31.03.2023	1st quarter 2022 period as of 01.01.2022 until 31.03.2022
I	Cash flow from operating activities		
I.1	Gross profit	729	4 618
I.2	Adjustments for items:	-86 217	-81 586
I.2.1	Depreciation	7 574	4 467
I.2.2	Exchange rate differences	-422	1 500
I.2.3	Interest	2 391	1 736
I.2.4	Profit/loss on investing activities	-258	-188
I.2.5	Increase/decrease in receivables	-40 863	-43 400
I.2.6	Increase/decrease in stocks	-21 337	2 636
I.2.7	Increase/decrease in liabilities, except for loans and borrowings	-15 179	12 454
I.2.8	Increase/decrease in assets and liabilities from construction contracts and other accruals	-16 235	-55 216
I.2.9	Change in provisions	-2 401	-4 902
I.2.10	Other	513	-673
I.3	Cash flow from operating activities	-85 488	-76 968
	Income tax (paid/received)	-3 745	-3 321
I	Net cash flow from operating activities	-89 233	-80 289
II	Cash flow from investing activities		
II.1	Sale of property, plant and equipment and intangible assets	389	297
II.2	Acquisition of property, plant and equipment and intangible assets	-27 238	-6 246
II.3	Interest received	56	0
II.4	Other	-6 000	0
II	Net cash flow from investing activities	-32 793	-5 949
III	Cash flow from financing activities		
III.1	Repayment of lease liabilities	-4 932	-2 937
III.2	Proceeds from borrowing/borrowing	7 215	4 322
III.3	Interest paid	-1 087	-391
III.4	Other	-1	-2
III	Net cash flow from financing activities	1 195	992
IV	Change in cash and cash equivalents before exchange differences	-120 831	-85 246
	Change in cash and cash equivalents due to exchange rate differences	0	0
V	Change in cash and cash equivalents net of exchange differences	-120 831	-85 246
VI	Cash and cash equivalents at beginning of period	205 674	240 761
VII	Cash and cash equivalents at the end of the period	84 843	155 515

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1st quarter 2023 period from 01.01.2023 until 31.03.2023	Core capital	Share premium	Other reserves	Reserve from reclassificatio n of loans	Exchange differences on translation of foreign branches	Retained earnings / uncovered losses	Equity (attributable to shareholders of the Parent Company)	Attributable capital to non-controlling shareholders	Equity total
As at 1 January 2023	44 801	108 406	42 335	201 815	-463	-320 438	76 456	19 518	95 974
Profit (loss) for the period	0	0	0	0	0	721	721	-409	312
Other comprehensive income	0	0	0	0	59	0	59	0	59
Total comprehensive income	0	0	0	0	59	721	780	-409	371
Distribution of retained earnings	0	0	0	0	0	-8	-8	0	-8
Change in capital during the period	0	0	0	0	59	713	772	-409	363
As at 31 March 2023	44 801	108 406	42 335	201 815	-404	-319 725	77 228	19 109	96 337

2022 period from 01.01.2022 to 31.12.2022	Core capital	Share premium	Other reserves	Reserve from reclassificatio n of loans	Exchange rate differences on translation of foreign branches	Retained earnings / uncovered losses	Equity (attributable to shareholders of the Parent Company)	Attributable capital to non-controlling shareholders	Equity total
As at 1 January 2022	44 801	108 406	33 056	201 815	-601	-329 137	58 340	22 371	80 711
Profit (loss) for the period	0	0	0	0	0	18 011	18 011	1 252	19 263
Other comprehensive income	0	0	0	0	138	0	138	0	138
Total comprehensive income	0	0	0	0	138	18 011	18 149	1 252	19 401
Distribution of retained earnings	0	0	9 279	0	0	-9 312	-33	-4 105	-4 138
Change in capital during the period	0	0	9 279	0	138	8 699	18 116	-2 853	15 263
As at 31 December 2022	44 801	108 406	42 335	201 815	-463	-320 438	76 456	19 518	95 974

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1st quarter 2022 period from 01.01.2022 to 31.03.2022	Core capital	Share premium	Other reserves	Reserve from reclassificatio n of loans	Exchange differences on translation of foreign branches	Retained earnings / uncovered losses	Equity (attributable to shareholders of the Parent Company)	Attributable capital to non-controlling shareholders	Equity total
As at 1 January 2022	44 801	108 406	33 056	201 815	-601	-329 137	58 340	22 371	80 711
Profit (loss) for the period	0	0	0	0	0	676	676	906	1 582
Other comprehensive income	0	0	0	0	28	0	28	0	28
Total comprehensive income	0	0	0	0	28	676	704	906	1 610
Distribution of retained earnings	0	0	0	0	0	-8	-8	0	-8
Change in capital during the period	0	0	0	0	28	668	696	906	1 602
As at 31 March 2022	44 801	108 406	33 056	201 815	-573	-328 469	59 036	23 277	82 313

ADDITIONAL INFORMATION AND EXPLANATIONS

1. General information

Mostostal Warszawa Capital Group consists of the parent company Mostostal Warszawa S.A. and its subsidiaries. The condensed interim consolidated financial statements of the Mostostal Warszawa Capital Group for the consolidated income statement cover the period of 3 months 2023 and contain comparable data for the period of 3 months 2022, for the consolidated cash flow statement - the period of 3 months 2023 and contain comparable data for the period of 3 months 2022 in the case of the consolidated statement of financial position as at 31 March 2023, it contains comparable data as at 31 December 2022 and 31 March 2022.

Mostostal Warszawa S.A., i.e. the Parent Company, is a joint-stock company incorporated under the laws of Poland, registered in Poland at the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register under number KRS: 0000008820. The registered office of Mostostal Warszawa S.A. is located in Poland in Warsaw (02-673), at 12a Konstruktorska Street. The core business is specialised construction work included in PKD (Polish Classification of Business Activities) section 4120Z. Mostostal Warszawa Group operates in Poland and in the European market. Shares of Mostostal Warszawa S.A. are listed on the Warsaw Stock Exchange, industry: construction. The duration of the Parent Company and the Group companies is indefinite.

There were no changes in the identity of the reporting entity during the reporting period.

The parent company of Mostostal Warszawa S.A. is Acciona Construcción S.A.

The ultimate parent company is Acciona S.A.

2. Group composition

Lp.	Company name	Headquarters	Object of activity	Competent court	Mostostal Warszawa S.A.'s share of votes at the company's AGM (31.03.2023)	Mostostal Warszawa S.A.'s share in the company's share capital (31.03.2023)
1	Mostostal Warszawa S.A. - Parent Company	Warsaw	Construction	District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register under number 0000008820	-	-
2	Mostostal Kielce S.A.	Kielce	Construction	District Court in Kielce, 10th Commercial Division of the National Court Register under number 0000037333	100,00%	100,00%
3	AMK Kraków S.A.	Krakow	engineering services, design, construction project management, execution of facilities "turnkey"	District Court for Kraków Śródmieście XI Economic Division of the National Court Register under number 0000053358	100,00%	100,00%
4	Mostostal Płock S.A.	Plock	Construction	District Court for the Capital City of Warsaw, 14th Commercial Division of the National Court Register under number 0000053336	53,21%	48,69%
5	Mostostal Power Development Ltd.	Warsaw	Construction	District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register under number 0000480032	100,00%	100,00%

Subsidiaries are all business entities over which the Group exercises control. The Group controls a company when it is subject to exposure to, or has the right to variable financial performance by virtue of its involvement in that company and has the ability to influence the amount of performance by exercising authority over that company. Subsidiaries are fully

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consolidated from the date on which control is obtained by the Group. Consolidation is discontinued from the date that control ceases.

As at 31.03.2023, Mostostal Warszawa S.A. was the holder of 907,095 ordinary bearer shares and 66,057 registered preference shares as to voting rights (1 share = 5 votes), providing in total 48.69% of the share capital and 53.21% of the total number of votes of Mostostal Płock S.A. The possession by Mostostal Warszawa S.A. of the majority of votes in the Supervisory Board of Mostostal Płock S.A., which is authorised to appoint and dismiss members of the management body, as well as the fact of exercising influence on the activity of this company, enables Mostostal Warszawa S.A. to exercise control over Mostostal Płock S.A., resulting in consolidation by the full method.

3. Composition of the Management Board and Supervisory Board of the Parent Company

The Management Board of Mostostal Warszawa S.A. as at 31.03.2023 comprised:

Miguel Angel Heras Llorente -	President of the Management Board
Jorge Calabuig Ferre -	Vice-President of the Management Board
Carlos Enrique Resino Ruiz -	Member of the Management Board
Jacek Szymanek -	Member of the Management Board

As at 31.03.2023, the Supervisory Board of Mostostal Warszawa S.A. comprised the following members:

Antonio Muñoz Garrido -	Chairman of the Supervisory Board
Javier Lapuente Sastre -	Vice Chairman of the Supervisory Board
Javier Lapastora Turpín -	Member of the Supervisory Board
Neil Roxburgh Balfour -	Member of the Supervisory Board
Ernest Podgórski -	Member of the Supervisory Board
Javier Serrada Quiza -	Member of the Supervisory Board

4. Approval of the financial statements

These condensed interim consolidated financial statements for Q1 2023 were approved for publication by the Parent's Management Board on 26 May 2023.

5. Significant accounting policies

5.1 Basis for the preparation of the condensed interim consolidated financial statements

The condensed consolidated interim financial statements have been prepared on the assumption that the Parent Company and Group companies will continue as a going concern in the foreseeable future.

The condensed consolidated interim financial statements have been prepared on the historical cost basis.

In the period from 01.01.2023 to 31.03.2023, the Group generated a gross profit on sales of PLN 18,541 thousand and a net profit of PLN 312 thousand and recorded negative operating cash flows of PLN 89,233 thousand.

The Group's total equity as at 31.03.2023 amounted to PLN 96,337 thousand.

A significant element of financing Mostostal Warszawa S.A.'s operations are loans granted by its senior parent, Acciona Construcción SA. In 2023, the Parent Company repaid interest on the loans in the total amount of PLN 4,341 thousand. On 14 April 2023 Mostostal Warszawa S.A. signed annexes to the loan agreements with this entity, which postpone their repayment date to 2024.

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Based on the analysis of projected cash flows, the Management Board of the Parent Company assesses that the Capital Group will have sufficient cash to finance its operating activities for at least 12 months after the balance sheet date. The value of Mostostal Warszawa Capital Group's order book as at 31.03.2023 was PLN 3,934,461 thousand. At the same time, Group Companies are participating in a number of tender proceedings which may translate into winning new orders in the near future.

The Management Board of Mostostal Warszawa S.A. states that as at the date of approval of these condensed interim consolidated financial statements there are no circumstances indicating a threat to the continuation of the operations of the Parent Company and the Mostostal Warszawa Capital Group.

5.2 Statement of compliance

These condensed consolidated interim financial statements for the three-month period ended 31 March 2023 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as endorsed by the European Union. The condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of Mostostal Warszawa Capital Group for the year ended 31 December 2022 and the related notes.

Mostostal Warszawa S.A. and AMK Kraków S.A. prepare their separate financial statements in accordance with the International Financial Reporting Standards approved by the European Union, while the other companies of the Capital Group apply accounting policies (principles) in accordance with the Accounting Act of 29 September 1994 (the "Act") and the regulations issued on its basis (collectively: "Polish accounting standards").

The consolidated financial statements include adjustments not included in the accounts of Group companies made in order to bring the financial statements of these companies into conformity with IFRS.

The condensed interim consolidated financial statements of the Mostostal Warszawa Group for Q1 2023 were not subject to review and audit by a statutory auditor.

5.3 Accounting principles

The detailed accounting policies adopted by Mostostal Warszawa Group are described in the consolidated financial statements for the year ended 31 December 2022.

The accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements of the Mostostal Warszawa Group for the year ended 31 December 2022.

Amendments to standards applied for the first time in 2023

The Company has applied the following amendments to standards for the first time:

- Amendments to IAS 1 'Presentation of Financial Statements' and Practice Statement 2: Disclosure of Accounting Policies,
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors',
- Amendments to IAS 12 'Income Taxes: Deferred tax on assets and liabilities arising from a single transaction,
- IFRS 17 'Insurance Contracts' and Amendments to IFRS 17,
- Amendments to IFRS 17 'Insurance Contracts': First-time Adoption of IFRS 17 and IFRS 9 - Comparative Information.

The above amendments to the standards have not had a significant impact on the accounting principles applied by the Capital Group Companies.

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Standards and amendments to standards adopted by the IASB but not yet endorsed by the EU

IFRS as endorsed by the EU does not currently differ significantly from the regulations adopted by the International Accounting Standards Board (IASB), with the exception of the following standards and amendments to standards which, as at the date of this report, have not yet been adopted for application:

- IFRS 14 'Regulatory Accruals' - in accordance with the European Commission's decision, the endorsement process for the preliminary version of the standard will not be initiated until the final version is issued (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures'.
- Transactions for the sale or contribution of assets between an investor and its associate or joint venture - the work leading to the endorsement of these amendments has been postponed indefinitely by the EU - the effective date has been postponed indefinitely by the IASB,
- Amendments to IAS 1 'Presentation of Financial Statements'. - Classification of Liabilities as Short- or Long-Term, Classification of Liabilities as Short- or Long-Term - Deferred Effective Date and Long-Term Liabilities for Contracts Containing Covenants (effective for annual periods beginning on or after 1 January 2024),
- Amendments to IFRS 16 'Leasing' - Sale and leaseback obligations (effective for annual periods beginning on or after 1 January 2024).

The aforementioned standards and amendments to standards would not have had a material impact on the consolidated financial statements if they had been applied by the Group at the balance sheet date.

5.4 Currency of financial statements

The condensed interim consolidated financial statements for the first quarter of 2023 are presented in Polish zloty (PLN) and all values, unless otherwise indicated, have been rounded off to the nearest thousand.



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6. Long-term construction contracts

Revenue from construction contracts is adjusted for damages and penalties paid, while the cost of construction works is reduced by damages and penalties received.

The cost of construction work also includes the cost of provisions made for anticipated losses on the contracts disclosed in section 12 of these condensed interim consolidated financial statements.

Specification	31.03.2023	31.12.2022	31.03.2022
Cumulative estimated revenue from uncompleted construction contracts	2 407 826	2 138 168	1 739 294
Cumulative invoiced sales on uncompleted construction contracts	2 272 597	2 047 230	1 657 327
Assets and accruals for construction contracts not completed (per balance)	135 229	90 938	81 967
Advances received for uncompleted construction contracts	-177 363	-137 411	96 560
Current and non-current assets and liabilities for construction contracts not completed (per balance)	-42 134	-46 473	-14 593
Reconciliation to items from the consolidated statement of financial position:			
Assets and accruals for construction contracts not completed (per balance)	135 229	90 938	88 629
Advances received for uncompleted construction contracts	-177 363	-137 411	111 614
Construction contract assets on completed contracts	79 510	79 510	96 560
Current and non-current assets and liabilities for construction contracts (per balance)	37 376	33 037	103 683
of which:			
Assets from the performance of construction contracts	233 466	232 115	244 464
Non-current liabilities for construction contracts	104 240	91 299	8 241
Current liabilities for construction contracts	91 850	107 779	132 540

During the course of construction contracts, unforeseen circumstances may arise that result in losses or margin deterioration, damages, increased unforeseen expenses, etc.

Circumstances may include, in particular:

- an increase in the material scope of works in relation to the design (tender) assumptions provided to the Group by the contracting authorities,
- unforeseeable, extraordinary, increases in the prices of: construction materials (including fuel, petroleum and other materials), transport, equipment hire and construction services,
- the need to implement contracts for a longer period of time, and therefore incur higher costs, as a result of, among other things: lack of access by Group Companies to the construction site due to adverse weather conditions, defects in the design documentation provided by the client.

In the Group's opinion, these circumstances result in changes to contracts with ordering parties (customers) in accordance with contractual provisions and general legal grounds, and the rights to which the Group is entitled as a result of the contract changes exist and are enforceable (claims made to customers).

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Claims are initially negotiated with the contracting authority. If the parties fail to reach an agreement during negotiations, the claims are referred to court proceedings. The claims submitted to the clients represent additional remuneration that may be received in the event of a favourable outcome of the legal proceedings for the Group.

Purchasers may also make claims against the Group, most commonly in the event of delays in contract performance and when defects and faults are identified. Claims against the Capital Group represent the potential amount of the reduction in remuneration to be reimbursed to the contracting authority in the event of an unfavourable outcome of legal proceedings. Due to the high degree of complexity of construction contracts and the fact that court proceedings are multi-institutional, it can take many years before a final judgment is pronounced in a case.

In the statement of financial position, the Group reports significant asset balances from construction contracts that are the subject of legal proceedings.

Amounts recognised as assets/liabilities for construction contracts reflect the estimated value of variable remuneration:

- a) the change in the transaction price resulting from a contract amendment is estimated taking into account all information (historical, current, forecasts and legal opinions and expert reports) that was reasonably available to it at the time the financial statements were prepared,
- b) a portion of the contract modification consideration is included in the transaction price to the extent that it is highly probable that a significant portion of the amount of previously recognised cumulative revenue will not be reversed when uncertainty about the contract modification consideration ceases.

Claims have been grouped according to the following categories:

- Claims subject to litigation:
 - Resulting from closed contracts, which include claims for payment of due remuneration set off against contractual penalties charged by the contracting authority and claims for an increase in remuneration due to unforeseeable circumstances,
 - Related to contracts that have not been completed - disputes concerning the determination of the amount of remuneration due to the Group for work performed up to the date of withdrawal from the contract,
- Disputes at the pre-court negotiation stage.

31 March 2023	Construction contract assets recognised in the statement of financial position	Nominal value of variable remuneration payable to the Group	Nominal value of remuneration to be reimbursed to contracting authorities
Claims subject to litigation:	235 802	806 221	499 353
Contracts completed and accepted by the contracting authority	113 418	638 590	256 845
Contracts terminated before completion of work	122 384	167 631	242 508
Disputes at the pre-litigation negotiation stage	0	0	0
<hr/>			
31 December 2022	Construction contract assets recognised in the statement of financial position	Nominal value of variable remuneration payable to the Group	Nominal value of remuneration to be reimbursed to contracting authorities
Claims subject to litigation:	235 802	806 221	499 353
Contracts completed and accepted by the contracting authority	113 418	638 590	256 845
Contracts terminated before completion of work	122 384	167 631	242 508
Disputes at the pre-litigation negotiation stage	0	0	0

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Contract assets relate to the Group's rights to remuneration for work performed but not invoiced at the reporting date in connection with construction contracts. Contract assets have not been impaired. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when an invoice is issued to a customer.

Liabilities for construction contracts primarily relate to accruals, i.e. situations where the invoiced cumulative value of sales and advances received for construction contracts in progress is higher than sales by degree of performance.

Specification	31.03.2023	31.03.2022	31.03.2022
Non-current liabilities for construction contracts			
Advances for construction work	104 240	91 299	8 241
Total	104 240	91 299	8 241
Current liabilities for construction contracts			
Accruals for the performance of construction contracts	18 726	61 668	44 221
Advances for construction work	73 124	46 111	88 319
Total	91 850	107 779	132 540

Assets due to the performance of construction contracts as at 31.03.2023 amounted to PLN 233,466 thousand and decreased by PLN 1,351 thousand compared to the end of last year. Accruals for the performance of construction contracts amounted to PLN 18,726 thousand and decreased by PLN 42,942 thousand compared to the end of 2022.

7. Significant changes in estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, the actual amounts of which may differ from estimates. The estimates and related assumptions are based on historical experience and other factors that are considered reasonable under the circumstances, and the results provide a basis for professional judgement. The Management Board may rely on the opinions of independent experts in making judgements, estimates or assumptions on significant issues. Estimates and related assumptions are subject to ongoing review. Changes in accounting estimates are recognised prospectively from the period in which the estimate is changed.

The recognition of sales on construction contracts is an important estimate. Group companies recognise revenue on construction contracts based on the measurement of expenditures, measured by the share of costs incurred from the date of the contract to the date of determining revenue in the total cost of performing the service. Total revenue from long-term construction contracts denominated in a foreign currency is determined on the basis of invoicing up to the balance sheet date and the exchange rate prevailing at the balance sheet date. The budgets of individual contracts are subject to a formal updating (revision) process based on current information at least quarterly. If events occur between official budget revisions that significantly affect the contract result, the value of total contract revenue or costs may be updated earlier.

Information on impairment losses recognised and reversed can be found in notes 10 and 11 of this consolidated report.

Information on provisions released and created during the reporting period can be found in note 12 of this report.

Deferred tax assets decreased by PLN 37 000 compared to the end of 2022.

8. Seasonal or cyclical nature of the business

Mostostal Warszawa Group's operations are dependent on weather conditions and may be less active in winter periods than at other times of the year. In Q1 2023, weather conditions did not affect the Group's operations.

9. Amount and type of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, value or frequency

In Q1 2023, the financial result was significantly affected by the strengthening of the Polish currency against the euro compared to 31.12.2022, which resulted in the Parent Company recognising positive exchange rate differences on the balance sheet valuation of loans in the amount of PLN 422 thousand.

10. Information on write-downs of inventories to net realisable value and reversals of write-downs thereon

No inventory write-downs were created in Q1 2023, and an inventory write-down was released in the amount of PLN 10,000.

11. Information on impairment losses on financial assets, tangible fixed assets, intangible assets or other assets and reversals of such losses

In Q1 2023, allowances for receivables of PLN 51 000 were created, and allowances for receivables of PLN 150 000 were released.

12. Information on the creation, increase, use and release of reserves

Specification	Provisions for awards jubilee, retirement benefits	Reserve for foreseen losses on contracts	Reserve for court cases	Reserve for repairs warranty	Other reserves	Total
As of 01.01.2023	3 771	2 393	6 104	15 261	131	27 660
Created during the period	0	0	0	87	13	100
Used	-116	-83	-1 106	-1 177	-10	-2 492
Resolved	0	0	0	-5	-5	-10
As of 31.03.2023	3 655	2 310	4 998	14 166	129	25 259
Long-term as at 31.03.2023	2 276	2 310	0	8 372	0	12 958
Short-term as at 31.03.2023	1 379	0	4 998	5 795	129	12 301

13. Information on significant purchases and sales of tangible fixed assets and rights of use

The Group companies did not enter into any significant transactions related to property, plant and equipment in Q1 2023.

14. Information on significant commitments for the purchase of property, plant and equipment

As there were no material purchases of property, plant and equipment in Q1 2023, no material liabilities arose in this respect.

15. Information on significant monetary settlements for court cases

There were no significant cash settlements from litigation in Q1 2023.

16. Corrections of prior period errors

There were no corrections of prior period errors in the reporting period.

17. Issue, redemption and repayment of debt and equity securities

There were no share issues in Q1 2023. There were no repayments of debt and equity securities.

18. Dividends paid (declared) by the Issuer

Mostostal Warszawa S.A. did not pay dividends in Q1 2023.

19. Changes to the basic management principles

There were no significant changes in the management principles of the Parent Company and the Group Companies during the reporting period.

20. Events which occurred after the balance sheet date as at which the condensed interim consolidated financial statements were prepared and which may have a significant impact on future results

On 17 April 2023, Mostostal Warszawa S.A. received a set of relevant documents for the Loan Agreements with Acciona Construcción S.A. ("Acciona" the parent company of Mostostal Warszawa S.A. - 62.13% in the total number of votes at the General Meeting):

- Annex XX to the loan agreement of 27 May 2013 with Acciona. Pursuant to the Annex, Acciona extends the term of the loan in the amount of EUR 13.49 million plus interest to the Parent Company until 31 January 2024. The loan can also be repaid in a shorter term.

- Annex X to the loan agreement of 5 December 2012 with Acciona. Pursuant to the Annex, Acciona extends the term of the loan in the amount of EUR 14.71 million plus interest to the Parent Company until 15 July 2024. The loan can also be repaid in a shorter term.

On 25 April 2023, Mostostal Warszawa S.A. received a statement from Tauron stating that:

1. Tauron received on 25 April 2023 from the guarantors who, on behalf of the SPV, issued performance bonds for the Contract in the amount of PLN 240,000,000.00 (two hundred and forty million zlotys and 00/100) referred to in the Settlement Agreement;

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2. thus, the last of the conditions for the Settlement to come into effect as referred to in current report 7/2023 of 31 March 2023 has been fulfilled.

Accordingly, all conditions precedent to the entry into force of the Settlement have been fulfilled, taking into account the amendments to the Settlement made by the Addendum to the Settlement, of which the Parent Company informed in current report 11/2023 dated 25 April 2023, and consequently the Settlement has entered into force.

Mostostal Warszawa S.A. was a passive member of the Consortium, and thus did not perform any work, services or deliveries under the Contract. The entry into force of the Settlement Agreement and the payment to Tauron of the amount indicated above under the Settlement Agreement releases the Parent Company from any liability, including warranty liability, and with respect to any obligation to make any settlement.

21. Contingent liabilities

	Specification	31.03.2023	31.12.2022
1.	Biomatec Ltd. - claim for remuneration	22 876	22 876
2.	Cestar A.Cebula J.Starski s.j. - claim for remuneration	12 689	12 689
3.	Other	29 555	29 842
	Total	65 120	65 407

The nominal value (corresponding to the value of the subject matter of litigation) of contingent liabilities arising from litigation brought against the Group as at 31.03.2023 amounted to PLN 65,120 thousand and increased by PLN 287 thousand compared with the end of last year.

22. Information on contracted and terminated credit and loan agreements

SHORT-TERM BANK CREDITS AND LOANS at 31.03.2023

Name of unit, indicating the legal form	Headquarters	Amount of credit/loan according to agreement		Amount of credit/loan outstanding		Repayment period
		thousand	currency	thousand	currency	
Acciona Construcción S.A.	Madrid	14 714	EURO	136 484	PLN	15.07.2024
Acciona Construcción S.A.	Madrid	13 494	EURO		PLN	31.01.2024
Societe Generale S.A. Branch in Poland	Warsaw	10 000	PLN	0	PLN	31.07.2023
Bank PeKaO S.A.	Kielce	15 000	PLN	11 863	PLN	24.06.2023
Credit Agricole Polska S.A.	Krakow	5 000	PLN	0	PLN	30.06.2023
Bank PeKaO S.A.	Plock	5 000	PLN	0	PLN	30.06.2023
Bank Millennium S.A.	Plock	5 000	PLN	0	PLN	07.03.2024
			TOTAL	148 347		

No loan agreement was terminated in Q1 2023.

23. Information on transactions with related parties

Summary of consolidated total sales revenue and intra-Group turnover for the Q1 2023.

Specification	Total net sales revenue	Intra-Group sales	Consolidated net sales revenue
Parent Company	251 104	230	250 874
Other Companies	74 433	8 344	66 089
TOTAL	325 537	8 574	316 963

The total net sales revenue of fully consolidated companies amounted to PLN 325,537 thousand for Q1 2023. Intra-Group turnover amounted to PLN 8,574 thousand, i.e. 2.6 per cent of total net sales revenue without consolidation exclusions. Transactions with related parties in Q1 2023 were typical and routine transactions and were concluded on an arm's length basis.

The table shows the total amounts of transactions concluded by Group companies with related parties:

Related party of the Group	Date	Sales by Group entities to related parties	Purchases made by related parties in Group companies	Receivables from related parties	Amounts owed to related parties excluding loans
Acciona Construcción S.A. Branch in Poland	31.03.2023	2 485	66	4 423	1 300
	31.12.2022	14 066	99	2 658	0
	31.03.2022	0	22	0	1 557
Acciona Construcción S.A.	31.03.2023	0	0	0	14 050
	31.12.2022	0	5 779	0	12 119
	31.03.2022	32	0	0	12 119
Acciona Nieruchomości Wilanów Sp. z o.o.	31.03.2023	0	8	22	0
	31.12.2022	0	32	22	0
	31.03.2022	0	16	22	0
Acciona Facility Services Poland Sp. z o.o.	31.03.2023	62	0	70	0
	31.12.2022	168	0	69	0
	31.03.2022	32	0	65	0
Acciona Nieruchomości Sp. z o.o.	31.03.2023	0	0	0	0
	31.12.2022	118	0	0	0
	31.03.2022	0	0	0	0
Acciona Concesiones S.L.	31.03.2023	0	0	0	0
	31.12.2022	0	0	7	0
	31.03.2022	0	0	0	0
TOTAL	31.03.2023	2 547	74	4 515	15 350
	31.12.2022	14 352	5 910	2 756	12 119
	31.03.2022	64	38	87	13 676

No collateral has been pledged to related parties.

Transactions with related parties in Q1 2023 mainly relate to the performance of long-term contracts.

As at 31.03.2023, receivables for short-term borrowings from Acciona Construcción S.A. Branch in Poland amounted to PLN 6,000 thousand these are receivables that result from settlements with Mostostal Acciona S19 Tunel. s.c.

As at 31.03.2023, Mostostal Warszawa S.A. received bank or insurance guarantees from the guarantee limits accruing to

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Acciona Construcción S.A. in the total amount of PLN 674,611 thousand. (31.12.2022: PLN 709,039 thousand).

As at 31.03.2023, Mostostal Warszawa S.A. had loan liabilities to Acciona Construcción S.A., Madrid, in the amount of PLN 136,484 thousand (31.12.2022: PLN 135,547 thousand).

At 31.03.2023, interest on loans received from Acciona Construcción S.A. amounted to PLN 1,359 thousand (at 31.03.2022 it amounted to PLN 1,359 thousand).

On 23.12.2013, Mostostal Warszawa S.A. and Acciona Construcción S.A. concluded annexes to 3 loan agreements for a total amount of EUR 48,409 thousand (PLN equivalent of 201,815 thousand), in which the terms of repayment of these loans were established such that the term of repayment of the loans was extended indefinitely and Mostostal Warszawa S.A. would decide on their repayment. In accordance with IAS 32, Mostostal Warszawa presented these loans in equity.



Extension and reconstruction of the wastewater treatment plant in Krosno

24. Reporting by market segment

Mostostal Warszawa Group is organised and managed by segment, according to the type of products offered. The Group settles inter-segment transactions as if they related to unrelated parties using current market prices.

The following tables present, for each of the Group's reportable segments, data from the consolidated income statement for the 3 months 2023 ended 31 March 2023 and the 3 months 2022 ended 31 March 2022.

The following segments are included in the continuing operations:

1. industry and power industry, which includes activities related to the construction of industrial and power facilities (Mostostal Warszawa S.A., Mostostal Kielce S.A., AMK Kraków S.A., Mostostal Płock S.A., Mostostal Power Development Sp. z o.o.).
2. infrastructure, which includes road and bridge construction activities (Mostostal Warszawa S.A., Mostostal Kielce S.A.).
3. general construction, which includes activities related to the construction of residential and non-residential buildings and public utilities (Mostostal Warszawa S.A.).

Unallocated income and expenses relate to other production and service activities and management expenses.

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Consolidated income statement for each reportable segment:

Period of 3 months ended 31 March 2023	Industry and energy	Infrastructure	General construction	Unallocated revenues, costs and consolidation adjustments	Total
Sales revenue					
Sales to external customers	71 502	143 772	99 836	1 853	316 963
Sales between segments	0	0	0	0	0
Total segment revenue	71 502	143 772	99 836	1 853	316 963
Segment profit (loss) (including operating income and expenses)	3 829	11 661	5 737	-2 307	18 920
Unallocated costs (management costs)	0	0	0	17 463	17 463
Operating profit / (loss)	3 829	11 661	5 737	-19 770	1 457
Financial income	23	153	1 176	1 727	3 079
Financial costs	0	552	956	2 299	3 807
Gross profit (loss)	3 852	11 262	5 957	-20 342	729
Income tax	0	0	0	417	417
Net profit (loss) from continuing operations	3 852	11 262	5 957	-20 759	312
Net profit (loss)	3 852	11 262	5 957	-20 759	312
Net profit (loss) attributable to shareholders of the Parent Company	3 852	11 262	5 957	-20 350	721
Net profit (loss) attributable to non- controlling shareholders	0	0	0	-409	-409

Period of 3 months ended 31 March 2022	Industry and energy	Infrastructure	General construction	Unallocated revenues, costs and consolidation adjustments	Total
Sales revenue					
Sales to external customers	136 957	78 249	86 544	-815	300 935
Sales between segments	0	0	0	0	0
Total segment revenue	136 957	78 249	86 544	-815	300 935
Segment profit (loss) (including operating income and expenses)	11 084	5 406	6 724	542	23 756
Unallocated costs (management costs)	0	0	0	15 979	15 979
Operating profit / (loss)	11 084	5 406	6 724	-15 437	7 777
Financial income	24	544	155	527	1 250
Financial costs	280	108	760	3 261	4 409
Gross profit (loss)	10 828	5 842	6 119	-18 171	4 618
Income tax	0	0	0	3 036	3 036
Net profit (loss) from continuing operations	10 828	5 842	6 119	-21 207	1 582
Net profit (loss)	10 828	5 842	6 119	-21 207	1 582
Net profit (loss) attributable to shareholders of the Parent Company	10 828	5 842	6 119	-22 113	676
Net profit (loss) attributable to non- controlling shareholders				906	906

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The Management Board of Mostostal Warszawa S.A., which is responsible for making operational decisions, does not analyse assets and liabilities by segment due to the transfers of assets between segments. The allocation of revenues and costs to individual segments is made on the basis of the projects carried out. Assets are analysed at Group-wide level. The main measure of segment performance is gross profit on sales adjusted for other operating income and expenses.

In the reporting period, the largest customer for the services of the Companies of the Mostostal Warszawa Capital Group was the General Directorate for National Roads and Motorways with a 32 % share in sales and Synthos Dwory 7 Sp. z o.o. with an 11 % share in sales. Other customers did not exceed the ten per cent share threshold in sales of the Mostostal Warszawa Capital Group.

Companies in the Mostostal Warszawa Group operate in the domestic and foreign markets.

Export revenue for Q1 2023 amounted to PLN 18,261 thousand, which accounted for approximately 5.8 per cent of sales revenue.

25. Participation in joint activities

The financial data of Mostostal Warszawa S.A. as at 31.03.2023 include values attributable to the Parent Company on account of its 50% share in Mostostal Acciona S19 Tunel s.c., which was established to perform the contract "Design and construction of the S19 expressway on the section from Rzeszów Południe junction (without junction) to Babica junction (with junction) of approximately 10.3 km". Mostostal Acciona S19 Tunel s.c. is an entity under common control (unanimity of all shareholders is required in matters relating to operations), which is treated as a joint operation under IFRS 11 (the Company's participation in joint contractual arrangements is recognised as a joint operation when the Company has rights to its share of assets and liabilities).

There are no future investment obligations relating to the performance of the contract "Design and construction of the S19 expressway on the section from Rzeszów Południe junction (without junction) to Babica junction (with junction) of approx. 10.3 km".

26. War in Ukraine

Russia's military attack on Ukraine on 24 February 2022, as well as the sanctions imposed on Russia, are already having a negative impact on the global economy and, consequently, on the Polish economy. However, it is currently difficult to estimate the scale of the impact of these events and their duration. It is also impossible to accurately predict further international developments. However, it can be expected that the conflict will primarily translate into a further increase in inflation, a slowdown or suspension of decision-making processes for new investments or tendering procedures, currency fluctuations, an exodus of workers from the entire eastern market, employed by subcontracting companies, and limited availability and increases in the prices of raw materials such as steel products and fuel.

Due to the impact of this conflict on the political and economic situation in Europe and the world, the Group:

- conducted an analysis of the potential risks arising from the conflict that may affect the Group's operations, and
- conducted an analysis of the potential impact of the conflict on the financial statements for Q1 2023 in the context of assessing the Parent Company's and Group's ability to continue as a going concern.

The Group has no direct exposures to entities operating in Ukraine and Russia. Based on the information currently available and the analyses performed, the Group has not identified any material uncertainties regarding events or circumstances that could raise serious doubts about its ability to continue as a going concern. The Parent Company's management follows and monitors developments related to the armed conflict in Ukraine and analyses the potential negative consequences of the conflict on the Group's operations in order to take the necessary measures to mitigate the potential impact. Given the significant uncertainties arising from the further development of the conflict and the reaction of the international community

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and their impact on the economy, as at the date of the condensed interim consolidated financial statements, the long-term effects of the conflict are impossible to determine.

OTHER INFORMATION TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the period from 01.01.2023 to 31.03.2023

1. Selected financial data for Q1 2023



Sales revenue
PLN 316 963 thousand



Gross profit on sales
PLN 18 541 thousand



Order book
PLN 3 934 461 thousand



Cash
PLN 84,843 thousand



Net profit
PLN 312 thousand

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SELECTED FINANCIAL DATA

SPECIFICATION	1st quarter 2023 period as of 01.01.2023 until 31.03.2023	1st quarter 2022 period as of 01.01.2022 until 31.03.2022	1st quarter 2023 period as of 01.01.2023 until 31.03.2023	1st quarter 2022 period as of 01.01.2022 until 31.03.2022
	in PLN thousand	in PLN thousand	in EUR thousand	in EUR thousand
Sales revenue	316 963	300 935	67 432	64 756
Gross profit (loss) from sales	18 541	21 619	3 944	4 652
Operating profit (loss)	1 457	7 777	310	1 673
Gross profit (loss)	729	4 618	155	994
Net profit (loss) from continuing operations	312	1 582	66	340
Net profit (loss) from discontinued operations	0	0	0	0
Net profit (loss)	312	1 582	66	340
attributable to shareholders of the Parent Company	721	676	153	145
attributable to non-controlling shareholders	-409	906	-87	195
Net cash flow from operating activities	-89 233	-80 289	-18 984	-17 277
Net cash flow from investing activities	-32 793	-5 949	-6 976	-1 280
Net cash flow from financing activities	1 195	992	254	213
Cash and cash equivalents at the end of the period	84 843	155 515	18 146	33 426
Net profit / (loss)	312	1 582	66	340
Weighted average number of ordinary shares	20 000 000	20 000 000	20 000 000	20 000 000
Net profit / (loss) per ordinary share in PLN	0,02	0,08	0,00	0,02
SPECIFICATION	as at 31.03.2023	as at 31.12.2022	as at 31.03.2023	as at 31.12.2022
Total assets	1 003 139	1 038 548	214 552	221 444
Long-term liabilities	196 619	186 796	42 053	39 829
Current liabilities	710 183	755 778	151 895	161 150
Total liabilities	906 802	942 574	193 948	200 980
Equity (attributable to shareholders of the Parent Company)	77 228	76 456	16 518	16 302
Total equity	96 337	95 974	20 605	20 464
Core capital	44 801	44 801	9 582	9 553
Number of shares in pcs.	20 000 000	20 000 000	20 000 000	20 000 000

The following rules were used to calculate the selected financial data for Q1 2023 in EUR:

- items of the consolidated income statement and statement of cash flows for Q1 2023 were translated at the exchange rate of PLN 4.7005/EUR, being the arithmetic mean of the exchange rates announced by the National Bank of Poland on the last days of January, February and March 2023.
- individual items of assets and liabilities in the consolidated statement of financial position were translated at the average NBP exchange rate of PLN 4.6755/EUR of 31.03.2023.

2. Description of significant achievements or failures and key events and evaluation of the management of financial resources

Consolidated sales revenue in the period from 01.01.2023 to 31.03.2023 amounted to PLN 316,963 thousand and was 5% higher than in the corresponding period of 2022. Gross profit on sales amounted to PLN 18,541 tys (in the corresponding period of 2022, gross profit on sales amounted to PLN 21,619 tys). In Q1 2023, the Group recorded a net profit of PLN 312 thousand (Q1 2022: net profit of PLN 1,582 thousand). The increase in sales is a result of entering the implementation phase of contracts acquired under the design and build formula.

Short-term trade receivables as at 31.03.2023 amounted to PLN 358,827 thousand and increased by PLN 33,994 thousand compared to 31.12.2022.

The value of assets from construction contracts as at 31.03.2023 amounted to PLN 233,466 thousand and was higher by PLN 1,351 thousand compared to 31.12.2022.

Cash as at 31.03.2023 amounted to PLN 84,843 thousand and decreased by PLN 120,831 thousand compared to 31.12.2022, mainly as a result of repayment of trade liabilities. In Q1 2023, the Group used overdrafts and loans, the balance of which as at 31.03.2023 amounted to PLN 148,347 thousand and increased by PLN 8,151 thousand compared to 31.12.2022.

The value of long-term liabilities as at 31.03.2023 amounted to PLN 196,619 thousand. Compared to the end of 2022, this is an increase of PLN 9,823 thousand mainly due to the impact of long-term advances.

The value of short-term trade liabilities as at 31.03.2023 amounted to PLN 189,289 thousand. and compared to 31.12.2022 was lower by PLN 13,375 thousand.



Equipment and transport base of Mostostal Warszawa in Urzut

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During the reporting period, i.e. from 01.01.2023 to 31.03.2023, the following events significant for the Mostostal Warsaw Group took place:

On 11 January 2023, Mostostal Warszawa S.A. received a summons from TAURON Wytwarzanie S.A. with its registered office in Jaworzno ("Tauron"), addressed to Mostostal Warszawa S.A. and RAFAKO S.A. with its registered office in Raciborz ("Rafako") and E003B7 sp. z o.o. with its registered office in Racibórz ("E003B7" or "SPV"), a call for payment of contractual penalties and damages (the "Call") for the total amount of PLN 1,312,440,218.91 (one billion three hundred and twelve million four hundred and forty thousand two hundred and eighteen zlotys and 91/100), within 30 days of the date of service of the Call. The Management Board of the Parent Company indicates that it received information on receipt of the Tender Offer on 12 January 2023.

The Summons indicates that it covers, according to Tauron's claims: (i) Contractual penalties from Contract No. 2013/0928/Ri for the "Construction of new capacities in coal technologies at TAURON Wytwarzanie S.A. - Construction of a power unit with a capacity of 910 MW for supercritical parameters in Jaworzno III Power Plant - Power Plant II - in the scope of: steam boiler, turbine set, main building, electrical and instrumentation part of the unit" (the "Contract" and the unit subject to the Contract "Block") in the total amount of PLN 1,136,920,336.41; (1) contractual penalties in the total amount of PLN 682,152,201.85 for: (a) delay in meeting the deadline for commencement of the removal of defects or the deadline for removal of defects during the guarantee period, (b) delay in signing the Protocol of Completion of the Transition Period due to failure to meet the Guaranteed Technical Parameters of Group A (as defined in the Contract) and (c) delay in signing the protocol of completion of the stage of Contract execution defined as "Performance of acceptance tests of PSE Group II Part 3"; (2) contractual penalties in the amount of 469,411,684.43 PLN (four hundred sixty-nine million four hundred eleven thousand six hundred eighty-four zlotys and 43/100), based on the provisions of the Contract relating to the emergency stoppage of the Block in excess of the amount resulting from the guaranteed availability of the Block (as defined in the Contract); (ii) damages in the total amount of 175,519,882.50 PLN (one hundred and seventy-five million five hundred and nineteen thousand eight hundred and eighty-two zlotys and 50/100), which would include, according to Tauron's claims: (1) compensation for the damage suffered due to the existence of physical defects (7,845,420.00 PLN), (2) compensation for non-removal of non-limiting defects described in the Report of Acceptance of the Block for Operation (7,116,000.00 PLN), (3) compensation for costs of substitute performance for repair of defects in the boiler hopper and mills (558,462.50 PLN), (4) compensation for design and execution errors in the subject of the Contract (160,000,000.00 PLN).

Due to the disputed nature of Tauron's claim, the Parties, as part of the mediation conducted before the Arbitration Court at the General Prosecutor's Office of the Republic of Poland, decided to settle it amicably. On 31 March 2023, they reached an agreement resulting in a settlement to Contract No. 2013/0928/Ri (the "Contract") between Rafako S.A. and Mostostal Warszawa S.A. (collectively referred to as the "Contractor"), E003B7 and Tauron (the "Settlement").

In the opinion of the Parent Company's Management Board, the most important provisions of the Settlement Agreement for Mostostal Warszawa S.A. are:

- upon Tauron's receipt of an amount of not less than PLN 240 million from the Contract Performance Guarantee issued to the order of E003B7, which, pursuant to the Settlement, should take place no later than 25 April 2023, Tauron, in the event of its willingness to demand the performance of any performance by the Contractor or SPV (including indemnity performance), undertook to demand all such performance to the exclusion of Mostostal, i.e. only from Rafako or E003B7. Mostostal did not provide any guarantees or any other security for the due performance of the Contract;
- upon the signing of the Settlement Agreement by the Parties, the Parties limited the subject matter of the Contract to the work completed to date and therefore agreed that it shall be terminated as of that date;
- Rafako and the SPV have indemnified Mostostal Warszawa S.A. against any liability for claims of subcontractors and further subcontractors of Rafako and the SPV in connection with the Contract;
- subject to the Settlement becoming effective, Tauron has declared that, pursuant to the Settlement, it is limiting all its claims against the Contractor and the SPV, directly or indirectly related to the Contract, to the amount of PLN 240 million

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and, in order to satisfy this claim, Tauron will, until 17 April 2023, make a demand for payment against the guarantors from the Performance Guarantee issued on behalf of the SPV;

- as soon as the Settlement becomes effective, all Contractor's liability in relation to the Contract, warranty and guarantee in relation to the subject matter of the Contract shall cease;
- The parties have agreed not to pursue waivable claims in the future;
- subject to the provisions of the Settlement expressly providing for certain provisions of the Settlement to be effective as of the date of signing or other event prior to the Settlement becoming effective, the Settlement will become effective upon the satisfaction of certain conditions precedent. The conditions pursuant to the Settlement should be fulfilled no later than 25 April 2023;
- The conditions precedent to the Settlement becoming effective are: (i) obtaining separately by Tauron, E003B7, Rafako and Mostostal Warszawa S.A. corporate approvals of the Settlement and the terms and conditions set forth therein; (ii) obtaining by Rafako the approval of the court supervisor of Rafako for the Settlement and the terms and conditions set forth therein; (iii) adoption by the General Meeting of Shareholders of Rafako of resolutions concerning an increase in the share capital of Rafako; (iv) conclusion of an agreement between Tauron, Rafako, E003B7 and the guarantors concerning payment of the Demand Sum; (v) conclusion of an agreement between Rafako, E003B7 and the guarantors concerning mutual settlements between Rafako, E003B7 and the guarantors, as well as acceptance of the Settlement by the guarantors, whereby the entry into force of the Settlement and this agreement will be conditional on Rafako concluding a settlement with Ignitis Grupe AB or its subsidiaries concerning the settlement of the mutual claims of these parties; (vi) Tauron obtaining payment of the Demand Amount from the guarantors. However, notwithstanding the other provisions of the Settlement Agreement, upon Tauron's receipt of an amount of not less than PLN 240 million from the guarantors, Tauron undertook, in the event of its willingness to demand the fulfilment of any performance by the Contractor or SPV (including indemnity performance), to demand the entirety of such performance excluding Mostostal Warszawa S.A., i.e. only from Rafako or E003B7, and therefore upon Tauron's receipt of PLN 240 million from the guarantors, any potential liability of the Parent Company as a partner in the execution consortium will cease.

On 2 February 2023, the subsidiary company Mostostal Płock S.A. signed (as Subcontractor) with the company under the name of KTI Poland S.A. with its registered office in Płock (as Contractor) a Subcontract Agreement for the execution of construction and assembly works in the construction industry together with auxiliary works and the supply of the required equipment and apparatus and materials within the framework of the project 32145 "Modernisation of the Hydrocracking Installation" for PKN ORLEN S. A.

Deadline for completion and settlement of the contract: 20.06.2023 r.

The value of the agreement amounts to PLN 14,350 thousand net, with the possibility of increasing the Subcontractor's remuneration by PLN 1,414 thousand net if the Contractor exercises its options concerning the technology of performing part of the work and the scope of workmanship.

On 27 February 2023, the subsidiary company Mostostal Płock S.A. signed (as Subcontractor) with the company under the name Naftoremont - Naftobudowa Spółka z o.o. with its registered office in Płock (as Contractor) a Subcontract Agreement for the prefabrication and assembly of 4 tanks (2 tanks of 5 000m³ and 2 tanks of 10 000 m³ within the framework of the investment task entitled: "Execution of engineering works, purchase, construction and start-up of the Base Oil Hydrocracking Project" carried out for LOTOS OIL sp. z o.o.

Deadline for completion and settlement of the contract: 29 weeks from the date of handover of the foundation of the last tank which should take place no later than 20.04.2023. The value of the contract is PLN 19,750 thousand net.

On 24 March 2023, Mostostal Warszawa S.A. received a lawsuit for payment filed by Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie Spółka Akcyjna ("Plaintiff", "MPWiK"). The claim covered by the lawsuit was directed against three entities including the Parent Company, jointly forming an executive consortium (the "Consortium")

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under a contract for the implementation of the task: "Modernisation of technology at the Central Water Supply Plant - Indirect Ozonation and Filtration on Activated Carbon" concluded on 7 August 2007. ("Contract"). The Claimant seeks joint and several payment of damages from each of the three entities forming the Consortium in the amount of PLN 83,356 thousand with statutory interest calculated from 4 January 2023 on account of improper performance of the Contract, manifested by the occurrence of corrosion in the pipelines transporting drinking water in the Central Water Supply Plant at the "Filtry" Water Treatment Station. According to the Parent Company's legal assessment, the claim covered by the lawsuit is completely without foundation, as MPWiK was responsible for the selection of materials from which the pipeline was made. Moreover, the scope involving the construction of the pipeline was the responsibility of another consortium partner. Mostostal Warszawa S.A. fully disputes and considers the claim submitted by the Claimant to be unfounded.

On 29 March 2023, Mostostal Warszawa S.A. and Acciona Construccion S.A., jointly executing the contract entitled 'Design and construction of the S19 expressway on the section from Rzeszów Południe junction (without junction) to Babica junction (with junction), approximately 10.3 km', signed an agreement with Caixa Bank S.A. Branch in Poland, to provide payment services to the suppliers involved in the project. The value of the agreement is PLN 80 million.

3. Description of factors and events, in particular of an unusual nature, affecting the financial results achieved

In Q1 2023, the financial result was affected by the strengthening of the Polish currency against the euro compared to 31.12.2022, which resulted in the Parent Company recognising positive exchange rate differences on the balance sheet valuation of loans in the amount of PLN 422 thousand.

4. Group market position

In Q1 2023, the consolidated Mostostal Warszawa Group comprised the following companies:

Parent Company: Mostostal Warszawa S.A.

Subsidiaries: Mostostal Kielce S.A., AMK Kraków S.A., Mostostal Płock S.A., Mostostal Power Development Sp. z o.o.

Mostostal Warszawa S.A. is part of the Acciona S.A. capital group with its registered office in Madrid.

Acciona Construcción S.A. owns 62.13 % of the shares in Mostostal Warszawa S.A. as at 31.03.2023 .



Headoffice of AMK Kraków S.A.



Headoffice of Mostostal Kielce S.A



Headoffice of Mostostal Płock S.A.

5. Performance forecast

Mostostal Warszawa Group did not publish financial result forecasts for 2023.

On 26 May 2023, the estimated results of Mostostal Warszawa S.A. and the Mostostal Warszawa Group for Q1 2023 were communicated.

6. Major shareholders of the parent company Mostostal Warszawa S.A.

List of shareholders holding at least 5% of votes at the General Meeting of Mostostal Warszawa S.A., as at 26.05.2023:

Shareholder	Number of shares	Number of votes	Share in the share capital	Share in the total number of votes at the General Meeting
Acciona Construcción S.A.	12.426.388	12.426.388	62,13%	62,13%
PZU "Złota Jesień" Open Pension Fund	3.826.194	3.826.194	19,13%	19,13%

7. Ownership of shares in Mostostal Warszawa S.A. by managing and supervising persons and changes in that ownership

In the period from 24.04.2023, i.e. the date of publication of the 2022 report, to 26.05.2023, there were no changes in the shareholding of Mostostal Warszawa S.A. by managing and supervising persons.

8. Information on significant proceedings pending before a court, an authority competent for arbitration proceedings or a public administration body

During the reporting period, Group companies participated in proceedings concerning receivables, with a total value of PLN 857,857 thousand, and proceedings concerning liabilities with a total value of PLN 632,751 thousand.

8.1 Proceedings with the highest value of litigation (Group Companies, as defendant)

1. Lublin Oncology Centre (Claimant)

Date of the lawsuit: 10.09.2015

Value of dispute: PLN 27,072 thousand

The Claimant is suing for payment of contractual penalty on account of the Claimant's withdrawal from the agreement, a claim for reduction of remuneration, a claim for additional and security works performed by the investor. At the same time, Mostostal Warszawa S.A. brought a counterclaim and is pursuing claims from the ordering party in the amount of PLN 32,461 thousand concerning remuneration for additional works performed and reimbursement of contractual penalties unduly charged and deducted. An expert opinion was drawn up in the case, according to which the Claimant had no grounds for withdrawing from the contract and thus charging Mostostal Warszawa with the contractual penalty. The opinion also confirmed the legitimacy of Mostostal Warszawa's claims in the amount of PLN 26,200 thousand. The Company also disputes the remaining claims in their entirety. A supplementary opinion confirming Mostostal Warszawa S.A.'s position was provided to the parties. The hearing was adjourned pending acceptance of the opinion.

2. Energa Kogeneracja Sp. z o.o. (Claimant)

Date of the lawsuit: 24.07.2017

Value of the dispute: PLN 114,386 thousand.

The Claimant is pursuing monetary claims against Mostostal Warszawa S.A. in relation to the construction of the BB20 biomass unit in Elbląg. The Claimant's demands are based on claims that the BB20 biomass unit in Elbląg, constructed by Mostostal Warszawa S.A. and commissioned in July 2014, has defects, does not achieve the guaranteed parameters and requires modernisation. Having analysed the lawsuit, the Company is of the opinion that both Energa's claim for contractual penalties in connection with the failure to achieve the guaranteed technical parameters of the Unit and the claim for a reduction of the contractual remuneration are unfounded. Therefore, MW filed a counterclaim on 20.01.2018 for the amount

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of PLN 26,274 thousand due to the Client's deduction of the unpaid remuneration. We are awaiting the selection of an expert witness and, in the meantime, the parties are attempting to negotiate a settlement.

3. City Development Agency S.A. (Claimant)

Date of lawsuit: 22.07.2016

Value of dispute: PLN 20,822 thousand

The Claimant is demanding payment of contractual penalties from Mostostal Warszawa S.A. for delays in the performance of construction works of the Czyżyny Sports and Entertainment Hall in Kraków - currently TAURON Arena Kraków. Having analysed the statement of claim, the Company disputes in its entirety, both in principle and in amount, the claims raised by the Plaintiff and takes the position that there were no grounds for imposing contractual penalties. The Company has also filed a counterclaim against the Claimant for claims for additional works and outstanding remuneration related to the construction of the Czyżyny Sports and Entertainment Hall in Kraków in the amount of PLN 16,439 thousand. confirmed in an expert opinion prepared by WACETOB for the purpose of mediation. Mediation was unsuccessful and the case will continue in civil proceedings.

4. Biomatec Sp. z o.o. (Claimant)

Date of lawsuit: 26.05.2014

Value of dispute: PLN 22,876 thousand

The Complainant is claiming payment from Mostostal Warszawa S.A. for the remuneration for the subcontracted works performed as part of the investment Construction of a 20 MWe Biomass-fired Power Unit at Energa Kogeneracja Sp. z o.o. The Company disputes the validity of the Claimant's claims in their entirety. An expert opinion and two supplementary expert opinions were prepared in the case. In a judgment dated 31.07.2020, the court dismissed the claim in its entirety. Biomatec filed an appeal. In a judgment of 21.10.2021. The Court of Appeal overturned the judgment and remitted the case for reconsideration. We filed new evidence and a position paper in the case and the court appointed an expert witness.

5. CESTAR Andrzej Cebula and Jerzy Starski Spółka jawna w restrukturyzacji (Claimant)

Date of the lawsuit: 16.11.2016 and 20.03.2017,

Total value of disputes: PLN 14,667 thousand

The Claimant is claiming remuneration from Mostostal Warszawa S.A. for works under the investment project "Canalisation of the Area of the Landscape Park Puszcza Zielonka and the Surrounding Area" Contract IX - Catchment Area of the Sewage Treatment Plant in Szlachcin - Task 6 - Municipality of Murowana Goślina, issued in connection with PŚP No. 23 and PŚP No. 24. Mostostal Warszawa S.A. filed for dismissal of the claim. On 06.09.2019. The court issued an order to take evidence from a research institute. SIDiR (Society of Engineers and Experts) submitted its opinion on 17.08.2020. The Opinion is unfavourable to Mostostal Warszawa, but on 8.02.2021 the court granted MW's request to supplement the Opinion, taking into account the objections raised by MW. We are awaiting the date of the hearing.

6. Wagner Biro Austria Stage Systems GmbH (Claimant)

Date of lawsuit: 09.10.2014

Value of dispute: PLN 10,810 thousand.

The Claimant is claiming payment from Mostostal Warszawa S.A for deliveries and works carried out by the Claimant within the framework of the investment consisting in the construction of the National Forum of Music in Wrocław, as well as payment of a contractual penalty and reimbursement of storage costs. The Company disputes the validity of the claim. An expert opinion has been prepared, acknowledging the legitimacy of the claim in the amount of PLN 4.4 million. Mostostal disputes the opinion in this respect and has requested a supplementary opinion. Mostostal Warszawa S.A. in previous years created a provision for this claim in the amount of PLN 4,554 thousand.

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7. Zakład Unieszkodliwiania Odpadów Sp. z o.o. with its registered office in Szczecin ("ZUO") (counterclaim)

Date of the lawsuit: 24.01.2019

Value of the dispute: PLN 211,839 thousand

As part of the proceedings at the suit of Mostostal Warszawa S.A., the Respondent filed a counterclaim for the amount of PLN 211,839 thousand. The statement of claim was delivered to Mostostal Warszawa on 24 January 2019. The counterclaim is currently under review. We have challenged the ZUO's claim in its entirety, as it is based on the erroneous assumption that it was the ZUO and not Mostostal Warszawa that effectively withdrew from the contract. A response to the claim was filed on 25.02.2019. Evidentiary proceedings are ongoing in the case and an expert has been selected. The expert has drawn up an opinion to which Mostostal Warszawa S.A. has raised objections. The court admitted a supplementary opinion, which was received by the parties on 03 October 2022.

8. Municipality of Wrocław (Applicant)

Date of action: 05.03.2021.

Value of complaint: PLN 15,941 thousand

In an award dated 23.12.2020, the arbitration court awarded the amount of PLN 29,036 thousand from the Municipality of Wrocław to Mostostal Warszawa S.A., together with interest from 20.01.2013. On 21.01.2021 Municipality of Wrocław paid to the Company the amount of PLN 43,501 thousand. On 5.03.2021 Municipality of Wrocław filed a complaint for revocation of the arbitration court's verdict in the amount of PLN 15,941 thousand. The Court recognised the complaint in part and set aside the judgment as regards the amount of PLN 3,141 thousand. The parties filed cassation appeals against the Court's judgment.

9. Państwowe Gospodarstwo Wodne Wody Polskie (Polish Water Management Authority) (Claimant)

Date of action: 21.03.2022.

Value of complaint: PLN 38,280 thousand

On 21 March 2022, Mostostal Warszawa S.A. received a payment order in a writ of payment procedure for the amount of PLN 38,280 thousand issued in favour of the State Water Management Company Wody Polskie. The amount of the order results from the issuance of a note for contractual penalties related to the performance of the contract by Mostostal Warszawa entitled 'Revitalisation of the Elbląg Canal' with a gross value of PLN 61,000 thousand, implemented in 2013 - 2015, and concerns an alleged delay in the removal of defects. Mostostal Warszawa S.A. is of the opinion that the reported defect was not a defect in the subject of the contract and the Company was therefore not obliged to repair (revitalise) such a defect. On 04.04.2022. The Company filed an objection to the order for payment by writ of payment. In the opinion of the Company's Management Board, the claim is unfounded.

10. Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie Spółka Akcyjna (Claimant)

Date of the lawsuit: 30.12.2022.

Value of the dispute: PLN 83,356 thousand.

On 24 March 2023, the Company received a lawsuit for payment filed by Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie Spółka Akcyjna ("Claimant", "MPWiK"). The claim covered by the lawsuit was directed against three entities including the Company, jointly forming an executive consortium (the "Consortium") under the contract for the implementation of the task: "Modernisation of Technology at the Central Waterworks - Indirect Ozonation and Filtration on Activated Carbon" concluded on 7 August 2007. ("Contract"). The Claimant seeks joint and several payment of damages from each of the three entities forming the Consortium in the amount of PLN 83,356 thousand with statutory interest calculated from 4 January 2023 on account of improper performance of the Contract, manifested by the occurrence of corrosion in the pipelines transporting drinking water in the Central Water Supply Plant at the "Filtrary" Water Treatment Station. According to the Company's legal assessment, the claim covered by the statement of claim is completely unfounded, as MPWiK was responsible for the selection of materials from which the pipeline was made. Moreover, the

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scope involving the construction of the pipeline was the responsibility of another consortium partner. The Company fully disputes and considers the claim submitted by the Claimant to be unfounded.

11. Sarens Polska Sp. z o.o. (Claimant)

Date of the lawsuit: 31.08.2017

Value of dispute: PLN 23,625 thousand.

Sarens Polska Sp. z o.o. (Claimant) sued Mostostal Power Development Sp. z o.o. (Respondent) for payment of remuneration for the work performed and for payment of the equivalent of the amount collected from the Complainant's performance bond. The Respondent considers the Claimant's claim to be unjustified, as the claimed remuneration was partially set off against the contractual penalty due to the Respondent, the remaining part of this remuneration is undue, and the amount collected by the Respondent from the Claimant's performance bond was credited against the contractual penalty due to the Respondent. At the end of 2021, the court issued a decision to secure the Claimant's claims up to the amount of PLN 11,660 thousand. Mostostal Power Development Sp. z o.o. provided cash as security. In previous years, the Respondent created a provision for these claims in the amount of PLN 11,403 thousand.

8.2 Proceedings with the highest value of litigation (Group Companies, as plaintiff)

1. State Treasury General Director for National Roads and Motorways (Respondent)

Date of action 3.06.2012

Value of dispute: PLN 36,961 thousand

Proceedings brought by Mostostal Warszawa S.A. and other consortium members against the Respondent for shaping the contract "Design and construction of the A-2 Stryków-Konotopa motorway, section from km 394 + 500 to km 411 + 465.8". The plaintiffs are demanding an increase in the remuneration payable under the contract by the amount of PLN 36,961 thousand, including PLN 18,850 thousand in favour of Mostostal Warszawa S.A., due to the extraordinary increase in the prices of liquid fuels and asphalts, and payment of the aforementioned amount. The proceedings were originally conducted before the District Court in Warsaw, which dismissed the claim in its entirety. As a result of the plaintiffs' appeal, in a judgment of 16.03.2017, the Court of Appeal in Warsaw overturned the judgment of the Regional Court and referred the case back to it for re-examination. In the case, an expert opinion was drawn up and then a new opinion from an institute was drawn up to determine the fuel absorption capacity of the works.

2. State Treasury - General Director of National Roads and Motorways (Respondent)

Date of action 09.09.2013

Value of the dispute PLN 61,857 thousand

Proceedings brought by Mostostal Warszawa S.A. and Acciona against the Respondent for compensation for damage suffered, reimbursement of unduly accrued contractual penalties and payment of outstanding remuneration by the Respondent in connection with the performance of the Agreement for the construction of a bridge over the Oder River with access flyovers on the section from km 18+174 to 19+960 within the Wrocław A8 Motorway Bypass. The proceedings are pending before the Regional Court in Warsaw. An expert opinion (Poznan University of Technology) has been drawn up in the case, which is favourable to Mostostal. Part of the amount claimed in court is presented by the Group in assets from the performance of construction contracts.

3. State Treasury Ministry of Defence (Respondent)

Date of action 23.06.2010

Value of the dispute PLN 19,093 thousand

Claims of the consortium Mostostal Warszawa S.A. - Unitek Ltd for additional remuneration and reimbursement of costs incurred in connection with the performance of the agreement concerning the implementation of the projects of Investment

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Package CP 2A0022, on the basis of which the consortium acted as a substitute investor. During the execution of the contract, for reasons beyond the control of the plaintiffs, there were changes in the scope and shape of the investment, which resulted in additional costs. On 10.10.2016, the court awarded the plaintiffs the amount of PLN 7,142 thousand with interest from 3.08.2010. It dismissed the claim to the remaining extent. The plaintiffs appealed against the above judgment. On 8 November 2018, the Court of Appeal in Warsaw amended the judgment of the Court of First Instance in such a way that it dismissed the claim as to the amount of PLN 6,085 thousand. As a consequence of the judgment, the verdict of the Court of First Instance became final as regards the amount of PLN 1,057 thousand together with due interest. On 15.02.2019, Mostostal Warszawa S.A. filed a cassation appeal against the judgment of the Court of Appeal. On 8.11.2019, the Supreme Court accepted the complaint for examination. In a judgment of 30.03.2021, the Supreme Court overturned the Court of Appeal judgment in its entirety and referred the case to the Court of Appeal for examination. On 26.05.2022, the Court of Appeal amended the judgment and dismissed the claim in its entirety. Mostostal Warszawa S.A. filed a cassation appeal against this judgment. The Parent Company wrote off the assets related to this case.

4. State Treasury General Director for National Roads and Motorways (Respondent)

Date of action 30.05.2012

Value of the dispute PLN 194,196 thousand

Mostostal Warszawa S.A., together with the consortium member, filed a statement of claim with the Regional Court in Warsaw against the Respondent for the shaping of the legal relationship by amending the content of agreement no. 2811/3/2010 of 26.02.2010 on the performance of works consisting in the construction of the A-4 Tarnów-Rzeszów motorway on the section from the Rzeszów Central interchange to the Rzeszów Wschód interchange, km. approx. 574+300 to approx. 581+250 by increasing the remuneration to PLN 194,196 thousand gross (after several updates), and (ii) the claimed payment of due remuneration deducted as a contractual penalty - to PLN 13,244 thousand. As a result of the partial verdict of the Court of Appeal of 30.04.2021, the amount of PLN 13,244 thousand with interest in the amount of PLN 9,822 thousand was awarded to the Company. The judgment is final and has been paid by the Respondent. With regard to the remaining amount (i.e. PLN 194,196 thousand), proceedings in the second instance are pending. Part of the amounts claimed in court is presented by the Group in assets from the performance of construction contracts.

5. State Treasury General Director for National Roads and Motorways (Respondent)

Date of action 02.07.2013

Value of the dispute PLN 25,537 thousand

Mostostal Warszawa S.A., together with a consortium member, filed a statement of claim with the Regional Court in Warsaw against the Respondent for shaping the legal relationship by amending the content of contract No. 210/RK/110/2009/2010 of 1.09.2010 for the performance of works consisting in the extension of the S-7 road to the parameters of a dual carriageway on the section of Kielce bypass, Kielce (DK 73 Wiśniówka junction) - Chęciny (Chęciny junction) by increasing the remuneration by the gross amount of PLN 25,537 thousand due to an extraordinary increase in the prices of liquid fuels, asphalts and steel. A court expert opinion was drawn up in the case. The District Court, in a judgment of 22.12.2020, increased the remuneration of Mostostal Warszawa and Acciona by PLN 13,580 thousand. The Company filed an appeal on 18.03.2021. The claim was dismissed in its entirety by the Court of Appeal on 18.03.2022. The Parent Company wrote off the assets related to the case.

6. State Treasury General Director for National Roads and Motorways (Respondent)

Date of action 23.05.2014

Value of the dispute PLN 103,644 thousand

Proceedings brought by Mostostal Warszawa S.A. and other members of the consortium against the Respondent are pending before the Regional Court in Warsaw. The case concerns rectification of the damage suffered by the plaintiffs as a result of the improper description of the Ordering Party's Requirements concerning ten Engineering Facilities and the

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Bridge over the River Rawka, which the contractor was obliged to perform under the agreement "Design and Construction of the A-2 Stryków-Konotopa Motorway along the section from km 394 + 500 to km 411 + 465.8". The plaintiffs requested that the amount of PLN 103,644 thousand be awarded against the defendant in favour of the plaintiffs, of which PLN 81,824 thousand is due to the Parent Company. An expert opinion was drawn up in the case. The court ordered a supplementary opinion.

7. Lublin Oncology Centre (Defendant)

Date of action 03.10.2014

Value of dispute: PLN 32,461 thousand

In a lawsuit brought against the Respondent, Mostostal Warszawa S.A., together with its consortium members, is pursuing claims for payment in connection with the construction of the Lublin Oncology Centre. The case is pending before the Regional Court in Lublin. The aforementioned lawsuit amount consists of claims for: (i) payment for works undisputedly performed, (ii) interest for delays in payments during the course of the contract, (iii) reimbursement of improperly accrued and deducted contractual penalties, (iv) other claims in which the plaintiffs seek payment for materials purchased and left to be built, costs of maintaining guarantees and lost profits. In the present lawsuit, the Respondent filed a counterclaim in which it demands payment from the Claimant of a total amount of PLN 27,072 thousand. Part of the amount claimed in court is presented by the Group in the item of trade and other receivables in the group of overdue receivables, for which no revaluation allowances were created, and in assets from the performance of construction contracts. On 17.02.2020, an expert opinion was drawn up (WACETOB), according to which the Ordering Party had no grounds for terminating the contract and at the same time confirmed the amount of Mostostal's claims in the amount of PLN 26,200 thousand. A supplementary opinion is currently being drawn up. The parties have received the supplementary opinion and have responded to it in writing.

8. City Development Agency S.A. (Respondent)

Date of action 28.04.2017

Value of the dispute PLN 23,017 thousand

Mostostal Warszawa S.A. filed a counterclaim against the Respondent for payment of an amount for additional works related to the construction of the "Czyżyny" entertainment and sports hall in Kraków. Based on expert opinions held, part of the amount claimed in court is presented by the Group in the item of trade and other receivables in the group of overdue receivables for which no revaluation allowances were created and in assets from the performance of construction contracts. Due to the failure to reach an agreement in mediation, the case continues in court.

9. Zakład Unieszkodliwiania Odpadów Sp. z o.o. (Respondent)

Date of action 10.02.2017

Value of the dispute PLN 33,770 thousand

Dispute for payment by virtue of unjust enrichment in connection with the performance by the Respondent of a bank performance bond granted to the Respondent at the request of Mostostal Warszawa S.A. within the framework of the investment entitled Construction of a Thermal Waste Neutralisation Plant for the Szczecin Metropolitan Area in Szczecin. On 29 March 2018, the Regional Court in Szczecin awarded Mostostal Warszawa S.A. the amount of PLN 33,770 thousand plus interest. On 30 May 2018, the Respondent filed an appeal against the judgment. The Court of Appeal, in a judgment of 4.12.2018, dismissed the Respondent's appeal in its entirety. Mostostal Warszawa initiated enforcement proceedings against the Respondent. On 5.02.2019, the Respondent filed a cassation appeal together with a request to suspend enforcement of the judgments. The Court of Appeal granted the Respondent's request to stay the execution of the judgments until the cassation complaint was resolved by the Supreme Court. As a result of the Court of Appeal's decision, enforcement proceedings against the Respondent were suspended. The amount claimed in court is presented by the Group under trade and other receivables in the group of overdue receivables, for which no allowances have been made.

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On 29.06.2021, the Supreme Court overturned the judgment of the Court of Appeal and remitted the case for reconsideration. On 18.10.2022, the Court of Appeal overturned the first-instance judgment and the case returned for reconsideration.

10. State Treasury - General Director of National Roads and Motorways (Respondent)

Date of action 17.05.2017

Value of the dispute PLN 29,063 thousand

Mostostal Warszawa S. A. together with a consortium member are demanding payment for additional costs arising from the performance of contract No. 122/2010 of 31.08.2010 concluded with the Respondent for the execution of works consisting in the "Extension of national road No. 8 to the parameters of an expressway within the section of the border of the Mazowieckie/Łódzkie Voivodeship - Radziejowice". The proceedings are pending before the Regional Court in Warsaw. On 11 October 2022, the Parties received an expert opinion to respond to it. Part of the amount claimed in court is presented by the Group in assets from the performance of construction contracts.

11. State Treasury - General Director of National Roads and Motorways (Respondent)

Date of action 03.07.2017

Value of the dispute PLN 20,614 thousand

Mostostal Warszawa S.A. and a consortium member filed a statement of claim with the Regional Court in Warsaw against the Respondent for an amount of PLN 20,614 thousand jointly and severally in favour of the Claimants, with statutory interest for delay from the date of filing the statement of claim to the date of payment. The object of the dispute is the reimbursement from the Respondent to the Claimant of the costs of performing works on the extension of the S-7 road on the section of the Kielce bypass, contract no. 210/RK/110/2009/2010 of 01.09.2010 for the performance of works consisting in the extension of the S-7 road to the parameters of a dual carriageway on the section of the Kielce bypass, Kielce (DK 73 Wiśniówka interchange) - Chęciny (Chęciny interchange) in the extended time for completion. Part of the amount claimed in court is presented by the Capital Group in assets from the performance of construction contracts. An expert opinion has been commissioned in the case. On 14.05.2021, we received the expert opinion in part favourable. On 16.12.2022, the court awarded Mostostal Warszawa S.A. PLN 1.68 million.

12. Energa Kogeneracja Sp. z o.o. (Respondent)

Date of the lawsuit: 20.01.2018

Value of dispute: PLN 26,274 thousand

Mostostal Warszawa S.A. filed a claim for payment of PLN 26,274 thousand with statutory interest from the date of filing the claim to the date of payment, together with costs. Mostostal Warszawa S.A. is claiming payment on account of construction works performed as part of the investment: 20 MWe Power Block in Elbląg. The Respondent paid the Claimant only part of the amount due for the works performed. The principal receivable arises from invoices which were reduced by the deduction of contractual penalties, unjustifiably, in the opinion of Mostostal Warszawa S.A., charged. The Respondent had no right to charge contractual penalties, as the delay occurred due to circumstances for which Mostostal Warszawa S.A. was not responsible. The contractual penalty charged by the Respondent is grossly excessive. On 2 February 2018, the Regional Court in Gdańsk, 9th Commercial Division, issued a payment order in the writ of payment procedure. On 23 February 2018, the Respondent filed an objection to the order for payment. On 10 April 2018, Mostostal Warszawa S.A. filed a response to the objection to the order for payment. A court expert was selected to prepare an opinion in the case. On 05.07.2021, we received a positive expert opinion, which confirmed that the delay was not caused by the Contractor. On 09.05.2022, the Regional Court in Gdańsk, 9th Commercial Division, announced a verdict awarding Mostostal Warszawa S.A. the amount of PLN 26,274 thousand for payment for construction works with statutory interest from the date of filing the suit until the date of payment, together with costs. As a result of the positive judgment, the Parent Company recognised an asset in its books on this account in the amount of PLN 26,274 thousand.

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13. Zakład Unieszkodliwiania Odpadów Sp. z o.o. (Respondent)

Date of action 15.01.2018

The value of the dispute PLN 90,141 thousand.

Mostostal Warszawa S.A. filed a claim for payment of PLN 90,141 thousand with statutory interest for delay from 28 November 2016 to the date of payment. By the statement of claim in question, Mostostal Warszawa S.A. seeks payment from the Respondent of remuneration for works, deliveries, projects and other services performed for the benefit of the Respondent up to the date of withdrawal by Mostostal Warszawa S.A. from the contract for the construction of the Thermal Waste Neutralisation Plant in Szczecin, i.e. up to 14 June 2016, for which Mostostal Warszawa S.A. did not receive remuneration under the interim payment certificates issued on a monthly basis. The Respondent's response to the statement of claim was received on 24 May 2018. On 24.01.2019, Mostostal Warszawa S.A. received a counterclaim for the amount of PLN 211,839 thousand which, in the Company's opinion, is unfounded. The resolution of the case will be subject to the assessment of a court expert. Evidence proceedings are underway in the case and an expert witness has been selected. Part of the amount claimed in court is presented by the Group in the item of trade and other receivables in the group of overdue receivables for which no allowances have been made. The expert drew up an opinion partly favourable to the Claimant. The court admitted a supplementary opinion, which was received by the parties on 3 October 2022. The court asked additional questions of the expert.

14. State Treasury General Director for National Roads and Motorways (Respondent)

Date of the lawsuit: 24.01.2018

Value of the dispute PLN 98,585 thousand

Mostostal Warszawa S.A. filed a statement of claim with the Consortium to the Regional Court in Warsaw against the Respondent for payment of PLN 98,585 thousand with statutory interest from 31 December 2014 to 31 December 2015 and with statutory interest for delay from 1 January 2016 to the date of payment. By means of the statement of claim, Mostostal Warszawa S.A. is pursuing claims against the Respondent arising in the course of the construction in 2010-2012 of the Tarnów-Rzeszów Wschód section of the A-4 motorway resulting from obstacles encountered by the contractor in the course of construction for which the Respondent is responsible (e.g. unpredictable physical conditions), as well as additional costs related to the extension of the contract execution time. Part of the amount claimed in court is presented by the Group in assets from construction contracts. On 28.05.2020, the court hearing the case decided to dismiss the Respondent's motion to dismiss the lawsuit. The Respondent appealed against this decision. Evidence proceedings are pending.

15. Energa Kogeneracja Sp. z o.o. with its registered office in Elbląg ("Energa") (Defendant)

Date of the lawsuit: 15.12.2017

Value of dispute PLN 7,753 thousand

The subject matter of the counterclaim by Mostostal Warszawa S.A. against Energa Kogeneracja Sp. z o.o. (Energa) is a claim for payment (reimbursement) of contractual penalties that were accrued and paid by Energa from a bank guarantee issued in connection with contract EKO/86/2011 of 25 March 2011 for the construction of a 20 MWe biomass-fired power unit in Elbląg. The Investor (Energa) maintains that the contract was performed improperly, there were design and workmanship errors as a result of which the unit does not reach guaranteed parameters, for which Energa was entitled to contractual penalties. According to Mostostal, the reason for the malfunction of the Block and the failure to achieve the guaranteed parameters is mainly due to the operation of the Block with fuel that does not meet the contractual requirements. An expert is being selected in the case. The amount claimed in court is presented by the Group under trade and other receivables in the group of overdue receivables for which no allowances have been made.

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16. Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie S.A. ("MPWiK") (the Respondent)

Date of the lawsuit: 4.03.2019

Value of the dispute: PLN 9,438 thousand.

Suit for payment on account of the amount paid by MPWiK - without factual and legal basis - from the contract performance bond. On 12.03.2019, the Court issued a payment order in favour of Mostostal Warszawa in proceedings by writ of payment. The respondent filed an objection to the payment order. In it, he indicated that he had executed the performance bond in connection with the corrosion of the process pipelines. On 09.08.2019, Mostostal filed a response to the objection in which it indicated that, as at the date of the bank's demand for payment of the amount of the guarantee, the defendant was not entitled to a claim, concretised, inter alia, as to amount, that was due and payable, which was part of the improper performance or non-performance of the contract. Evidence proceedings are ongoing. On 17 February 2023, the Court dismissed Mostostal Warszawa S.A.'s claim. We are awaiting the justification of the judgment in order to prepare an appeal. The amount claimed in court is presented by the Group under trade and other receivables in the group of overdue receivables for which no allowances have been made.

The Group recognised some of the claims from the aforementioned lawsuits in contract budgets and included them in income of previous years. Details are described in Note 6 of the Notes to the condensed interim consolidated financial statements for the period 01.01.2023 - 31.03.2023.

9. Information on transactions with related parties

Summary of consolidated total sales revenue and intra-Group turnover for the 1 quarter of 2023.

Group companies	Total net sales revenue	Intra-Group sales	Consolidated net sales revenue
Parent Company	251 104	230	250 874
Other Companies	74 433	8 344	66 089
TOTAL	325 537	8 574	316 963

The total net sales revenue of fully consolidated companies amounted to PLN 325,537 thousand for Q1 2023. Intra-Group turnover amounted to PLN 8,574 thousand, i.e. 2.6 per cent of total net sales revenue without consolidation exclusions.



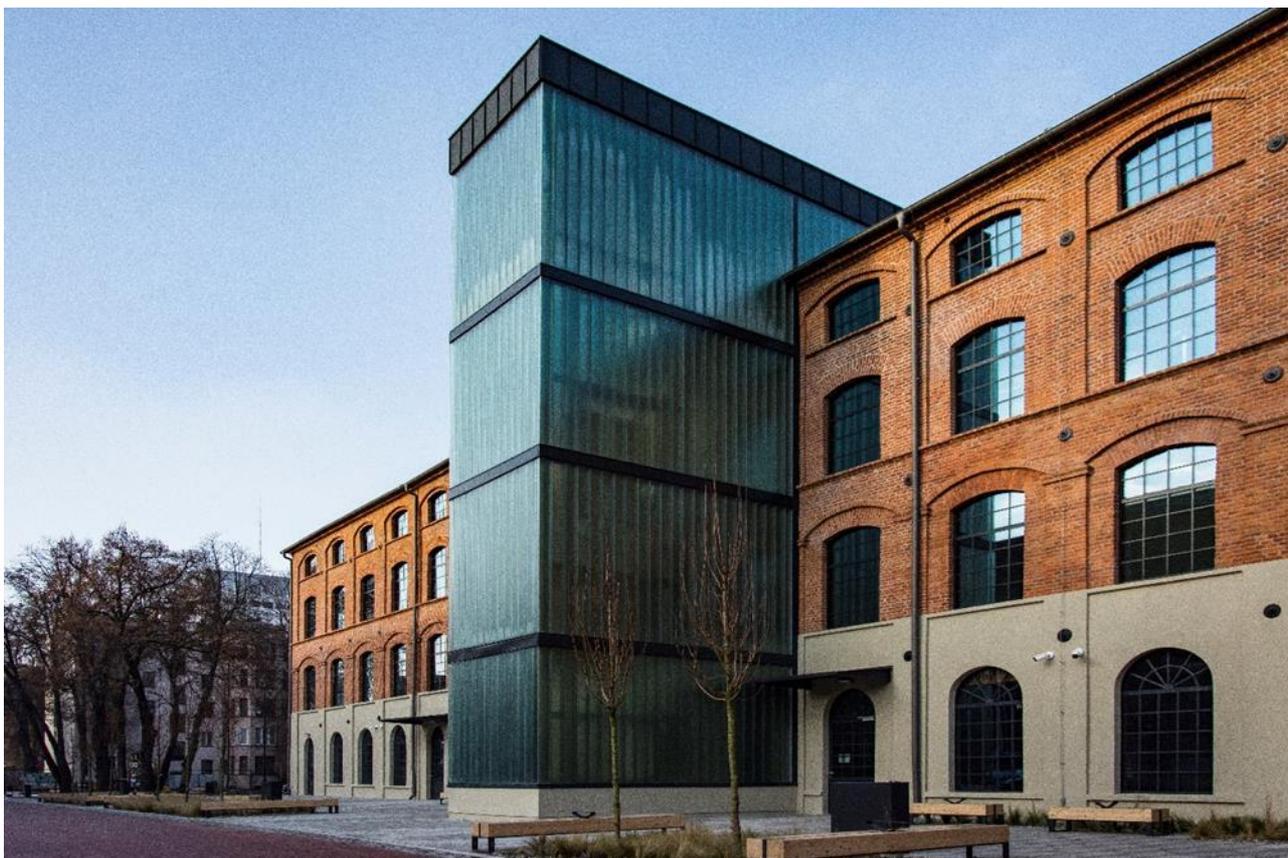
Overnight TBM transport across Poland

10. Information on sureties for credit, loans or guarantees granted

In the reporting period, the Group Companies did not provide sureties for loans or borrowings or guarantees to a single entity of significant value.

11. Other information relevant to the assessment of the Group's situation

In the opinion of the Parent Company's Management Board, there is no other information relevant to the assessment of the Group's situation other than that listed in the notes to the condensed interim consolidated financial statements for the period 01.01.2023 - 31.03.2023 and the other sections of the "Other information to the condensed interim consolidated financial statements for the period 01.01.2023 - 31.03.2023".



Revitalisation of the post-factory complex at 7577 Sienkiewicza Street in Łódź

12. Factors that will influence performance over at least the next quarter

Factors that may affect the Group's performance in the outlook for the next quarter are:

- the risk of changes in the price of construction materials and subcontractor services,
- exchange rate risk, which affects the valuation of loan commitments,
- strong competition in the construction and installation market,
- protracted procedures for the awarding of public tenders due to numerous protests by the participating entities,
- a slowdown in investment processes,
- the consequences of the armed conflict caused by Russia within Ukraine.

Warsaw, 26.05.2023

Name	Position
Carlos Resino Ruiz	Member of the Management Board
Jarosław Reszka	Proxy

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