



**CONDENSED INTERIM SEPARATE FINANCIAL
STATEMENTS**

MOSTOSTAL WARSZAWA S.A.

FOR THE PERIOD 01.01.2023 - 30.06.2023

BUDUJEMY PRZYSZŁOŚĆ.

TABLE OF CONTENTS

SEPARATE PROFIT AND LOSS ACCOUNT	3
SEPARATE STATEMENT OF COMPREHENSIVE INCOME	3
SEPARATE STATEMENT OF FINANCIAL POSITION	4
SEPARATE CASH FLOW STATEMENT	5
SEPARATE STATEMENT OF CHANGES IN EQUITY	6
ADDITIONAL INFORMATION AND EXPLANATIONS	7
FOR THE PERIOD 01.01.2023 - 30.06.2023.....	7
1. GENERAL INFORMATION.....	7
2. APPROVAL OF THE FINANCIAL STATEMENTS	7
3. BASIS FOR THE PREPARATION OF THE CONDENSED INTERIM FINANCIAL STATEMENTS AND ACCOUNTING POLICIES	7
3.1 <i>Basis for the preparation of the financial statements</i>	7
3.2 <i>Statement of compliance</i>	8
3.3 <i>Accounting principles</i>	8
3.4 <i>Currency of financial statements</i>	9
3.5 <i>Changes in accounting principles</i>	9
4. LONG-TERM CONSTRUCTION CONTRACTS.....	9
5. SIGNIFICANT CHANGES IN ESTIMATES	12
6. SEASONAL OR CYCLICAL NATURE OF THE BUSINESS	12
7. AMOUNT AND TYPE OF ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS THAT ARE UNUSUAL BECAUSE OF THEIR NATURE, VALUE OR FREQUENCY	12
8. INFORMATION ON WRITE-DOWNS OF INVENTORIES TO NET REALISABLE VALUE AND REVERSALS OF SUCH WRITE-DOWNS	13
9. INFORMATION ON IMPAIRMENT LOSSES ON FINANCIAL ASSETS, TANGIBLE FIXED ASSETS, INTANGIBLE ASSETS OR OTHER ASSETS AND REVERSALS OF SUCH LOSSES	13
10. INFORMATION ON THE CREATION, INCREASE, USE AND RELEASE OF RESERVES.....	13
11. INFORMATION ON SIGNIFICANT ACQUISITIONS AND DISPOSALS OF TANGIBLE FIXED ASSETS.....	13
12. INFORMATION ON COMMITMENTS MADE FOR THE PURCHASE OF TANGIBLE FIXED ASSETS.....	13
13. INFORMATION ON SIGNIFICANT MONETARY SETTLEMENTS FOR COURT CASES	13
14. DIVIDENDS PAID (DECLARED) BY THE ISSUER.....	13
15. CHANGES IN THE BASIC PRINCIPLES OF MANAGEMENT COMPANY	14
16. EVENTS THAT OCCURRED AFTER THE BALANCE SHEET DATE AS AT WHICH THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS WERE PREPARED AND WHICH MAY HAVE A SIGNIFICANT IMPACT ON FUTURE RESULTS	14
17. CONTINGENT LIABILITIES	14
18. INFORMATION ON CONTRACTED AND TERMINATED CREDIT AND LOAN AGREEMENTS	14
19. INFORMATION ON TRANSACTIONS WITH RELATED PARTIES.....	15
20. REPORTING BY MARKET SEGMENT	16
21. JOINT ACTIONS	17
22. WAR IN UKRAINE	18

SEPARATE PROFIT AND LOSS ACCOUNT

for the period of 6 months from 01.01.2023 to 30.06.2023

CONTINUING OPERATIONS		1st half period from 01.01.2023 to 30.06.2023 (unaudited)	Q2 period from 01.04.2023 to 30.06.2023 (unaudited)	1st half period from 01.01.2022 to 30.06.2022 (unaudited)	Q2 period from 01.04.2022 to 30.06.2022 (unaudited)
I	Sales revenue	628 196	377 092	536 340	348 407
	Revenue from construction contracts	614 085	366 059	534 357	347 274
	Revenue from sale of services	14 072	11 005	1 967	1 127
	Revenue from sale of goods and materials	39	28	16	6
II	Cost of sales	599 070	361 910	508 872	335 932
III	Gross profit on sales	29 126	15 182	27 468	12 475
IV	General and administrative expenses	25 556	12 105	24 598	13 015
V	Other operating income	1 216	621	20 711	19 076
VI	Other operating expenses	8 388	8 194	19 444	18 110
VII	Operating profit	-3 602	-4 496	4 137	426
VIII	Financial income	13 714	10 921	6 402	5 502
IX	Financial costs	5 812	2 582	8 106	4 095
X	Gross profit	4 300	3 843	2 433	1 833
XI	Income tax	924	741	-384	-839
XII	Net profit from continuing operations	3 376	3 102	2 817	2 672
XIII	Net profit	3 376	3 102	2 817	2 672
Net profit / (loss)		3 376	3 102	2 817	2 672
Weighted average number of ordinary shares		20 000 000	20 000 000	20 000 000	20 000 000
Net profit / (loss) per ordinary share (PLN)		0,17	0,16	0,14	0,13
Diluted net profit (loss) per ordinary share		0,17	0,16	0,14	0,13

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

for the period of 6 months from 01.01.2023 to 30.06.2023

SPECIFICATION	1st half period from 01.01.2023 to 30.06.2023 (unaudited)	Q2 period from 01.04.2023 to 30.06.2023 (unaudited)	1st half period from 01.01.2022 to 30.06.2022 (unaudited)	Q2 period from 01.04.2022 to 30.06.2022 (unaudited)
Net profit / (loss) for the period	3 376	3 102	2 817	2 672
Other comprehensive income	0	0	0	0
Income tax relating to components of other comprehensive income	0	0	0	0
Total other comprehensive income after tax	0	0	0	0
Total income	3 376	3 102	2 817	2 672

SEPARATE STATEMENT OF FINANCIAL POSITION

as at 30.06.202 3

N	ASSETS	as at 30.06.2023 (unaudited)	as at 31.12.2022
I	Fixed assets (long-term)	206 552	184 364
I.1	Intangible assets	715	694
I.2	Rights of use	59 428	59 321
I.3	Tangible fixed assets	75 518	51 899
I.4	Non-current trade and other receivables	0	1 348
I.5	Non-current financial assets	35 964	35 964
I.6	Deferred tax assets	25 750	26 674
I.7	Long-term accruals and deferred income	9 177	8 464
II.	Current assets (short-term)	749 298	709 780
II.1	Stocks	31 384	28 174
II.2	Trade and other receivables	295 033	265 154
II.3	Advances for construction work	19 441	13 379
II.4	Short-term financial assets	1 049	961
II.5	Cash and cash equivalents	94 366	175 015
II.6	Assets from the performance of construction contracts	299 113	221 225
II.7	Other accruals and deferred income	8 912	5 872
	Total assets	955 850	894 144

N	EQUITY AND LIABILITIES	as at 30.06.2023 (unaudited)	as at 31.12.2022 (data restated)*
I	Equity	52 636	49 260
I.1	Core capital	44 801	44 801
I.2	Share premium	108 406	108 406
I.3	Reserve from reclassification of loans	201 815	201 815
I.4	Retained earnings / (Uncovered losses)	-302 386	-305 762
II	Long-term liabilities	241 779	169 684
II.1	Interest-bearing bank loans and borrowings	66 058	0
II.2	Long-term leasing liabilities	34 065	39 182
II.3	Non-current trade payables and other non-current liabilities	31 511	27 725
II.4	Non-current liabilities for construction contracts	98 667	91 299
II.5	Long-term provisions	11 478	11 478
III	Current liabilities	661 435	675 200
III.1	Current portion of interest-bearing bank loans and borrowings	60 971	135 547
III.2	Current lease liabilities	17 585	14 150
III.3	Trade payables and other liabilities	284 726	220 092
III.4	Income tax liability	68	3 069
III.5	Short-term provisions	25 502	12 103
III.6	Commitments in respect of construction contracts	82 286	93 961
III.7	Employee benefit obligations	6 973	5 755
III.8	Other accruals and deferred income	183 324	190 523
IV	Total liabilities	903 214	844 884
	Total equity and liabilities	955 850	894 144

*detailed information is presented in note 3.5

SEPARATE CASH FLOW STATEMENT

for the period of 6 months from 01.01.2023 to 30.06.2023

N	SPECIFICATION	1st half 2023 period as of 01.01.2023 until 30.06.2023 (unaudited)	First half of 2022 period as of 01.01.2022 until 30.06.2022 (unaudited)
	Cash flow from operating activities		
I	Gross profit / (loss)	4 300	2 433
II	Total adjustments	-28 932	-91 091
II.1	Depreciation	13 704	6 563
II.2	Exchange rate differences	-6 764	2 303
II.3	Interest and dividends	2 553	-1 539
II.4	Profit/loss on investing activities	1 511	-72
II.5	Increase/decrease in receivables	-32 314	-87 178
II.6	Increase/decrease in stocks	-3 210	-7 332
II.7	Increase/decrease in liabilities, except for loans and borrowings	77 000	11 685
II.8	Change in assets and liabilities for construction contracts and accruals	-91 929	-12 116
II.9	Change in provisions	13 399	-470
II.10	Income tax paid	-3 001	-2 977
II.11	Other	119	42
II	Net cash flow from operating activities	-24 632	-88 658
III	Cash flow from investing activities		
III.1	Sale of property, plant and equipment and intangible assets	447	226
III.2	Acquisition of property, plant and equipment and intangible assets	-38 862	-10 508
III.3	Interest and dividends received and paid	113	4 895
III	Net cash from investing activities	-38 302	-5 387
IV	Cash flow from financing activities		
IV.1	Repayment of finance lease liabilities	-11 437	-6 704
IV.2	Repayment of loans / credits	0	0
IV.3	Interest paid	-6 278	-2 150
IV	Net cash from financing activities	-17 715	-8 854
V	Change in cash and cash equivalents	-80 649	-102 899
	Net exchange rate differences	0	0
VI	Cash and cash equivalents at beginning of period	175 015	195 474
VII	Cash and cash equivalents at the end of the period	94 366	92 575

SEPARATE STATEMENT OF CHANGES IN EQUITY

for the period of 6 months from 01.01.2023 to 30.06.2023

1st half 2023 period as of 01.01.2023 until 30.06.2023	Core capital	Supplementary / reserve capital	Reserve from reclassification of loans	Retained earnings / uncovered losses	Equity total
As at 1 January 2023	44 801	108 406	201 815	-305 762	49 260
Profit (loss) for the period	0	0	0	3 376	3 376
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	0	3 376	3 376
Distribution of retained earnings	0	0	0		0
Dividends paid	0	0	0		0
As at 30 June 2023 (unaudited)	44 801	108 406	201 815	-302 386	52 636

First half of 2022 period as of 01.01.2022 until 30.06.2022	Core capital	Supplementary / reserve capital	Reserve from reclassification of loans	Retained earnings / uncovered losses	Equity total
As at 1 January 2022	44 801	108 406	201 815	-327 715	27 307
Profit (loss) for the period	0	0	0	2 817	2 817
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	0	2 817	2 817
Distribution of retained earnings	0	0	0	0	0
Dividends paid	0	0	0	0	0
As at 30 June 2022 (unaudited)	44 801	108 406	201 815	-324 898	30 124

ADDITIONAL INFORMATION AND EXPLANATIONS

to the condensed interim unconsolidated financial statements

for the period 01.01.2023 - 30.06.2023

1. General information

The condensed interim unconsolidated financial statements cover for the unconsolidated income statement the period of 6 months 2023 and the period of Q2 2023 and include comparable data for the period of 6 months 2022 and the period of Q2 2022, for the unconsolidated cash flow statement the period of 6 months 2026 and includes comparable data for the period of 6 months 2022, and for the unconsolidated statement of financial position as at 30 June 2023, includes comparable data as at 31 December 2022.

Mostostal Warszawa S.A. (hereinafter also referred to as the "Company", "Mostostal", "Issuer") is a joint-stock company incorporated under the laws of Poland, registered in the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register under number KRS: 0000008820. The registered office of the Company is located in Warsaw, at 12a Konstruktorska Street. The main scope of activity is construction works related to the erection of residential and non-residential buildings included in PKD section 4120Z. The Company's shares are listed on the Warsaw Stock Exchange, industry: construction.

The duration of the Company is indefinite.

The parent company for Mostostal is Acciona Construcción S.A.. The ultimate parent company is Acciona S.A.

Mostostal Warszawa S.A. prepared condensed interim consolidated financial statements, which were approved by the Management Board for publication on 27 September 2023.

The composition of the Board as at 27 September 2023 was as follows:

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

The composition of the Supervisory Board as at 27 September 2023 was as follows:

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

2. Approval of the financial statements

The condensed interim separate financial statements for the first half of 2023 were approved for publication by the Company's Board of Directors on 27 September 2023.

3. Basis for the preparation of the condensed interim financial statements and accounting policies

3.1 Basis for the preparation of the financial statements

The condensed interim separate financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future.

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

In H1 2023 the Company generated a profit on sales of PLN 29,126 thousand and recorded a net profit of PLN 3,376 thousand. The Company's equity as at 30.06.2023 amounted to PLN 52,636 thousand.

An important element of the financing of the Company's operations is the loans granted by its ultimate parent company, Acciona Construcción SA. In 2023 the Company repaid interest on the loans in the total amount of PLN 4,341 thousand. On 14 April 2023 the Company signed annexes to the loan agreements with this entity, postponing the repayment date to 2024.

Based on the analysis of projected cash flows, Mostostal's Management Board assesses that the Company will have sufficient cash to finance its operating activities for at least 12 months after the balance sheet date. The value of Mostostal Warszawa S.A.'s order book as at 30.06.2023 was PLN 3,486,892 thousand. At the same time, the Company is participating in a number of tender proceedings that may translate into winning new orders in the near future.

The Management Board concludes that as at the date of approval of these financial statements there are no circumstances indicating a threat to the Company's going concern.

3.2 Statement of compliance

These condensed interim separate financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as endorsed by the European Union. The condensed interim separate financial statements should be read in conjunction with the audited separate financial statements of the Company for the year ended 31 December 2022 and the related notes. The condensed interim financial statements of Mostostal Warszawa S.A. have been reviewed by the auditor.

3.3 Accounting principles

The detailed accounting policies adopted by the Company are described in the separate financial statements for the year ended 31 December 2022.

The accounting policies applied in the preparation of these condensed separate financial statements are consistent with those applied in the preparation of the Company's annual separate financial statements for the year ended 31 December 2022, except for the change in accounting principles described in note 3.5.

Factoring

The Company uses reverse factoring, which allows it to settle its trade payables with the help of a financial institution (factor). In the Company's opinion, the liabilities to the factor are similar in nature to trade payables, which allows these liabilities to be presented under "Trade and other payables".

Amendments to standards applied for the first time in 2023

The Company applied the following amendments to the 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 did not have a material impact on the Company's existing accounting policies.

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

IFRSs as endorsed by the EU do 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:

- 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 approval 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 - Deferral of 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 'Leases' - 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 financial statements if they had been applied by the Company at the balance sheet date.

3.4 Currency of financial statements

The condensed interim unconsolidated financial statements for H1 2023 are presented in Polish zloty and all values, unless otherwise indicated, have been rounded off to the nearest thousand zloty.

3.5 Changes in accounting principles

In the course of preparing the financial statements for H1 2023, the Company decided to make a change in the presentation in the Statement of Financial Position by combining the lines "Trade payables" and "Other liabilities", as a result of which a new aggregated item - "Trade payables and other liabilities" has been created.

The above change in accounting policy was due to aligning the presentation with prevailing market practice which, in the opinion of management, will result in the information presented in the financial statements being more useful to users.

The changes made, in the opinion of management, would not have had a material impact on the Statement of Financial Position at the beginning of the previous period and therefore the presentation of the statement of financial position at the beginning of the previous period has been waived.

For consistency and comparability, the changes have been included in the statement of financial position at the end of the previous period.

The following is a comparison of the changes against the approved financial statements for the year ending 31 December 2022:

LP	EQUITY AND LIABILITIES	as at 31.12.2022 changed	as at 31.12.2022 according to the approved financial statements	changes
III.3	Trade payables and other liabilities	220 092	174 528	+45 564
III.5	Other liabilities	0	45 564	-45 564

The above-mentioned changes did not affect the value of Equity, Long-term liabilities and Short-term liabilities.

4. 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 works also includes the cost of provisions set up for losses on contracts disclosed in para. 10 of these condensed interim separate financial statements.

Revenue from uncompleted construction contracts at the balance sheet date

Specification	30.06.2023	31.12.2022
Cumulative estimated revenue from uncompleted construction contracts	2 393 655	1 986 464
Cumulative invoiced sales on uncompleted construction contracts	2 195 511	1 897 985
Assets and accruals for construction contracts not completed (per balance)	198 144	88 479
Advances received for uncompleted construction contracts	159 495	132 025
Current and non-current assets and liabilities for construction contracts not completed (per balance)	38 649	-43 546
Reconciliation to items from the separate statement of financial position:		
Assets and accruals for construction contracts not completed (per balance)	198 144	88 479
Construction contract assets on completed contracts	79 511	79 511
Advances received for uncompleted construction contracts	159 495	132 025
Current and non-current assets and liabilities for construction contracts (per balance)	118 160	35 965
of which:		
Assets from the performance of construction contracts	299 113	221 225
Non-current liabilities for construction contracts	98 667	91 299
Current liabilities for construction contracts	82 286	93 961

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

These circumstances included, in particular:

- an increase in the material scope of the works in relation to the design (tender) assumptions provided to the Company 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 for longer execution of contracts, and therefore incurring higher costs, due to, among other things: the Company's inaccessibility to the construction site due to adverse weather conditions, defects in the design documentation provided by the client.

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

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. Claims submitted to clients represent additional remuneration that may be received in the event of a favourable outcome of the legal proceedings for the Company.

Contracting authorities may also make claims against the Company, most commonly in the event of delays in contract performance and when defects and faults are identified. Claims against the Company represent the potential amount of reduction in remuneration to be recovered from 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 Company reports significant asset balances from construction contracts that are subject to litigation.

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.

The table below shows the nominal value of the variable remuneration to which the Company will be entitled, in the event of a favourable outcome of the legal proceedings, the nominal value of the contract performance liabilities that will be reimbursed to the ordering parties in the event of an unfavourable outcome of the legal proceedings pending against the Company, and the value of the construction contract performance assets and liabilities related to the claims recognised in the statement of financial position. 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 Company for work performed up to the date of withdrawal from the contract,
- Disputes at the pre-court negotiation stage.

30 June 2023	Construction contract assets recognised in the statement of financial position	Nominal amount of variable remuneration payable to the Company	Nominal value of remuneration to be reimbursed to contracting authorities
Claims subject to litigation:	235 802	822 646	512 153
Contracts completed and accepted by the contracting authority			
Assets from the performance of construction contracts	113 418	638 590	256 845
Contracts terminated before completion of work			
Assets from construction contracts	122 384	184 056	255 308
Disputes at the pre-court negotiation stage			
Assets from the execution of construction contracts	0	0	0

31 December 2022	Construction contract assets recognised in the statement of financial position	Nominal amount of variable remuneration payable to the Company	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			
Assets from the performance of construction contracts	113 418	638 590	256 845
Contracts terminated before completion of work			
Assets from construction contracts	122 384	167 631	242 508
Disputes at the pre-court negotiation stage			
Assets from the execution of construction contracts	0	0	0

Contract assets relate to the Company's rights to remuneration for work performed but not invoiced at the reporting date in relation to construction contracts. Contract assets have not been impaired. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company invoices the customer.

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

Specification	30.06.2023	31.12.2022
Non-current liabilities for construction contracts		
Advances for construction work	98 667	91 299
Total	98 667	91 299
Current liabilities for construction contracts		
Accruals for the performance of construction contracts	21 458	53 235
Advances for construction work	60 828	40 726
Total	82 286	93 961

Assets due to the performance of construction contracts as at 30.06.2023 amounted to PLN 299,113 thousand and increased by PLN 77,888 thousand compared to the end of last year. Accruals for the performance of construction contracts amounted to PLN 21,458 thousand and decreased by PLN 31,777 thousand compared to the end of 2022.

5. Significant changes in estimates

The preparation of the interim condensed financial statements requires the Management Board to make judgements, estimates and assumptions that affect the application of accounting policies and the presented values of assets, liabilities, income and expenses, the actual values of which may differ from the estimated values. 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. The Company recognises revenue on construction contracts based on the measurement of inputs, 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 foreign currency is determined based on 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 outcome of the contract, the value of total contract revenue or costs may be updated earlier.

Information on impairment losses created and reversed can be found in notes 8 and 9 of this report.

Information on provisions released and created during the reporting period can be found in note 10 of this report.

Deferred tax assets decreased by PLN 924 thousand compared to the end of 2022.

6. Seasonal or cyclical nature of the business

The Company's operations may be affected by weather conditions and may be less active during winter periods than at other times of the year. In H1 2023, weather conditions had no impact on the Company's operations.

7. 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 the first half of 2023, there were no unusual events in terms of their type, value or frequency affecting assets, liabilities, equity, net result and cash flows.

8. Information on write-downs of inventories to net realisable value and reversals of such write-downs

No inventory write-downs were created or reversed in H1 2023.

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

In H1 2023, the Company reversed write-downs on receivables in the amount of PLN 146 thousand and created write-downs on this account in the amount of PLN 61 thousand.

10. 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 repairs warranty	Reserve for court cases	Total
As of 01.01.2023	1 789	2 393	13 915	5 484	23 581
Created during the period	0	14 051	2 248	2 000	18 299
Used	-135	-83	-2 022	-540	-2 780
Resolved	0	0	-2 120	0	-2 120
As of 30.06.2023	1 654	16 361	12 021	6 944	36 980
Long-term as at 30.06.2023	1 286	2 310	7 882	0	11 478
Short-term as at 30.06.2023	368	14 051	4 139	6 944	25 502

11. Information on significant acquisitions and disposals of tangible fixed assets

In the first half of 2023, the company concluded an agreement for the purchase of a bitumen production plant with a value of approx. EUR 3 million. The contract will be implemented in the second half of 2023.

The increase in tangible fixed assets in H1 2023 is mainly related to expenditures on new fixed assets related to ongoing road contracts, including those related to the construction of the S19 expressway between Rzeszów and Babica, where installation of the TBM machine, which was 65% assembled as at the balance sheet date, is in progress.

12. Information on commitments made for the purchase of tangible fixed assets

There were no material commitments for the purchase of property, plant and equipment in H1 2023.

13. Information on significant monetary settlements for court cases

There were no significant monetary settlements from litigation in H1 2023.

14. Dividends paid (declared) by the Issuer

The Company did not pay dividends in H1 2023.

On 5 June 2023 the Annual General Meeting of Mostostal Warszawa S.A. passed a resolution to allocate net profit for 2022 in the amount of EUR 21,953 thousand to cover losses from previous years.

15. Changes in the basic principles of management Company

There were no significant changes in the Company's governance arrangements during the reporting period.

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

There were no events that occurred after the balance sheet date for which the condensed separate interim financial statements were prepared and that may have a significant impact on the results achieved in the future.

17. Contingent liabilities

	Specification	30.06.2023	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.	Partner Bud S.A.	7 030	7 030
4.	CTU Clean Technology Universe AG	5 101	5 101
5.	Warmińsko-Mazurska Filharmonia im. Feliksa Nowowiejskiego w Olsztynie	4 928	4 026
6.	Other	10 843	13 685
	Total	63 467	65 407

The nominal value (corresponding to the value of the subject matter of litigation) of contingent liabilities arising from lawsuits brought against the Company as at 30.06.2023 amounted to PLN 63,467 thousand and compared to the end of the previous year, it decreased by PLN 1,940 thousand.

18. Information on contracted and terminated credit and loan agreements

The balance of loans payable as at 30.06.2023 was PLN 127,029 thousand (the balance of loans payable as at 31.12.2022 was PLN 135,547 thousand). The change in the balance of loans is mainly due to the positive valuation as at the balance sheet date, the accrual of interest for H1 2023 and the repayment of part of the interest on 26.04.2023 in the amount of PLN 4,341 thousand. The company has loans taken out only from Acciona Construcción S.A.

In the reporting period, the Company used an overdraft facility, the value of which as at the balance sheet date amounted to PLN 0 thousand (the balance of the loans as at 31.12.2022 was PLN 0 thousand).

Bank	Type of credit	Amount of credit in PLN 000	Amount used as of 30.06.2022	Due date	Interest rate
Societe Generale S.A. Branch in Poland	overdraft	10 000	0	31.07.2023	Wibor 1M + bank margin

No loan agreement was terminated in H1 2023.

19. Information on transactions with related parties

Transactions with related parties in H1 2023 were typical and routine transactions.

Trade receivables and other receivables from related parties amounted to (in thousands):

COMPANY NAME	30.06.2023	31.12.2022
Mostostal Power Development Sp. z o.o.	1	0
Acciona Construcción S.A.	13	0
Mostostal Kielce S.A.	5	144
Mostostal Plock S.A.	67	59
Acciona Facility Services Poland Sp. z o.o.	3	69
Acciona Nieruchomości Wilanów Sp. z o.o.	22	22
AMK Kraków S.A.	2	7
Acciona Concesiones S.L.	0	7
Acciona Construcción S.A. Branch in Poland	*6 540	*2 658
TOTAL	6 653	2 966

* including receivables of PLN 6,188 thousand included in the balance sheet of Acciona Construcción S.A. Branch in Poland, which directly result from settlements with Mostostal Acciona S19 Tunel s.c.

Trade payables and other liabilities to related parties amounted to (in thousands of PLN):

COMPANY NAME	30.06.2023	31.12.2022
Mostostal Power Development Sp. z o.o.	1 525	4 047
Acciona Construcción S.A.	14 096	12 119
AMK Kraków S.A.	246	0
Mostostal Kielce S.A.	515	937
Mostostal Plock S.A.	2	1 558
Acciona Construcción S.A. Oddział w Polsce	*9 081	0
TOTAL	25 465	18 661

* including payables of PLN 9,081 thousand included in the balance sheet of Acciona Construcción S.A. Branch in Poland, which directly result from settlements with Mostostal Acciona S19 Tunel s.c.

Advances for construction works made to related parties amounted to (in thousands of PLN):

COMPANY NAME	30.06.2023	31.12.2022
AMK Kraków S.A.	33	132
TOTAL	33	132

As of 30.06.2023 the Company had receivables from dividends due from Mostostal Plock S.A. in the amount of PLN 779 thousand and from Mostostal Kielce S.A. in the amount of PLN 1,500 thousand.

As at 30.06.2023 the Company has received bank or insurance guarantees from the guarantee limits of Acciona Construcción S.A. in the total amount of PLN 550,030 thousand (PLN 709,039 thousand as at 31.12.2022).

As at 30.06.2023 the Company had loan commitments to Acciona Construcción S.A., Madrid, in the amount of PLN 127,029 thousand (as at 31.12.2022, the value of the loans was PLN 135,547 thousand).

As at 30.06.2023 the Company received promissory notes from subsidiaries with a total value of PLN 21,437 thousand (PLN 19,788 thousand as at 31.12.2022).

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

would decide on their repayment. In accordance with IAS 32, Mostostal Warszawa presented these loans in equity.

No collateral has been established for liabilities with related parties.

Sales of products, materials and goods, tangible fixed assets and right of use from mutual transactions amounted to (in thousands of PLN):

COMPANY NAME	6 months ended 30.06.2023	6 months ended 30.06.2022
Mostostal Power Development Sp. z o.o.	13	13
Acciona Facility Services Poland Sp. z o.o.	108	71
Mostostal Plock S.A.	259	12
Acciona Construcción S.A. Branch in Poland	*9 067	126
Acciona Construcción S.A.	13	0
AMK Kraków S.A.	15	5
Mostostal Kielce S.A.	67	6
TOTAL	9 542	233

* including sales of PLN 8,778 thousand included in the income statement of Acciona Construcción S.A. Branch in Poland, which directly result from the sale to Mostostal Acciona S19 Tunel s.c.

Purchases of products, materials and goods, tangible fixed assets and right of use from mutual transactions amounted to (in thousands of PLN):

COMPANY NAME	6 months ended 30.06.2023	6 months ended 30.06.2022
Mostostal Power Development Sp. z o.o.	677	288
Acciona Construcción S.A.	4 278	2 336
Acciona Construcción S.A. Branch in Poland	21 087	66
Mostostal Kielce S.A.	3 317	5 892
Mostostal Plock S.A.	6 969	0
Acciona Nieruchomości Wilanów Sp. z o.o.	-8	28
AMK Kraków S.A.	1 444	1 497
TOTAL	37 764	10 107

* including purchases of PLN 10,254 thousand included in the income statement of Acciona Construcción S.A. Branch in Poland, which directly result from the purchase from Mostostal Acciona S19 Tunel s.c.

Interest on loans received amounted to (in thousands):

COMPANY NAME	6 months ended 30.06.2023	6 months ended 30.06.2022
Acciona Construcción S.A.	2 587	2 698

In H1 2023, the remuneration of the members of the Management Board totalled PLN 2,030 thousand. The remuneration of the Supervisory Board in the reporting period amounted to PLN 220 thousand.

20. Reporting by market segment

The Company is organised and managed by segment, according to the type of products offered. The following tables present for each of the Company's reportable segments the income statement data for the six months ended 30 June 2023.

The following segments are included in the continuing operations:

1. the 'Industry and Energy' segment, which includes industrial and energy construction activities;
2. the 'Infrastructure' segment, which includes road and bridge construction activities;
3. the 'General Construction' segment, which includes activities related to the construction of residential buildings and public facilities.

Separate income statement for each reportable segment:

Period of 6 months ended 30 June 2022	Industry and energy	Infrastructure	General construction	Unallocated revenues, costs	Total
Sales revenue					
Sales to external customers	104 391	334 674	187 526	1 605	628 196
Sales between segments	0	0	0	0	0
Total segment revenue	104 391	334 674	187 526	1 605	628 196
Segment profit (loss) (including operating income and expenses)	-8 811	38 334	2 292	-9 861	21 954
Unallocated costs (management costs)	-	-	-	25 556	25 556
Operating profit / (loss)	-8 811	38 334	2 292	-35 417	-3 602
Financial income	1 174	332	2 537	9 671	13 714
Financial costs	670	1 602	741	2 799	5 812
Gross profit (loss)	-8 307	37 064	4 088	-28 545	4 300
Income tax	-	-	-	924,00	924
Net profit (loss) from continuing operations	-8 307	37 064	4 088	-29 469	3 376
Net profit (loss)	-8 307	37 064	4 088	-29 469	3 376

Period of 6 months ended 30 June 2022	Industry and energy	Infrastructure	General construction	Unallocated revenues, costs	Total
Sales revenue					
Sales to external customers	102 303	245 225	188 358	454	536 340
Sales between segments	0	0	0	0	0
Total segment revenue	102 303	245 225	188 358	454	536 340
Segment profit (loss) (including operating income and expenses)	7 584	23 360	6 096	-8 305	28 735
Unallocated costs (management costs)	-	-	-	24 598	24 598
Operating profit / (loss)	7 584	23 360	6 096	-32 903	4 137
Financial income	24	923	78	5 377	6 402
Financial costs	304	1 308	991	5 503	8 106
Gross profit (loss)	7 304	22 975	5 183	-33 029	2 433
Income tax	-	-	-	-384	-384
Net profit (loss) from continuing operations	7 304	22 975	5 183	-32 645	2 817
Net profit (loss)	7 304	22 975	5 183	-32 645	2 817

The Company's main body (the Management Board) responsible for making operational decisions does not analyse segment assets and liabilities, due to the transfers of assets between segments. The allocation of revenues and costs to segments is based on the projects in progress. Assets are analysed at the Company-wide level. The main measure of segment performance is gross profit on sales adjusted for other operating income and expenses.

In H1 2023, the Company operated exclusively in the domestic market.

In the reporting period, the largest customers for the Company's services were the General Directorate for National Roads and Motorways with a 52.5 % share in sales and Synthos Dwory 7 with a 11.0 % share in sales. The other customers did not exceed the ten per cent share in sales of Mostostal Warszawa S.A.

21. Joint actions

The financial data of Mostostal Warszawa S.A. as at 30.06.2023 include values attributable to the Company for its 50 per cent share in Mostostal Acciona S19 Tunel Spółka Cywilna, which was established on 2 July 2020 for the contract "Design and construction of the S19 expressway on the section from Rzeszów Południe junction (without junction) to Babica junction (with junction) for a length 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".

22. 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. This conflict translated primarily into a further increase in inflation, a slowdown or suspension of decision-making processes in the field of new investments, fluctuations in exchange rates, the outflow of employees from the entire eastern market, employed by subcontractors, and an increase 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 Company:

- conducted an analysis of the potential risks arising from the conflict that may affect the Company's operations, and
- conducted an analysis of the potential impact of the conflict on the financial statements for 6 months 2023 in the context of assessing the Company's ability to continue as a going concern.

The Company has no direct exposures to entities with operations in Ukraine and Russia. Based on currently available information and analysis, the Company has not identified any material uncertainties regarding events or circumstances that would cast significant doubt on its ability to continue as a going concern. The Company follows and monitors developments related to the armed conflict in Ukraine and analyses the potential negative consequences of the conflict on the Company'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 and their impact on the economy, as at the date of the financial statements, the long-term effects of the conflict are impossible to determine.

Warsaw, 27 September 2023

Name	Position	Signatures
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	
Jarosław Reszka	Proxy / Chief Accountant	