



CONDENSED INTERIM SEPARATE FINANCIAL  
STATEMENTS

MOSTOSTAL WARSZAWA S.A.

FOR THE PERIOD 01.01.2023 - 31.03.2023

**BUDUJEMY PRZYSZŁOŚĆ.**

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Condensed interim separate financial statements for the period 01.01.2023 - 31.03.2023  
(in PLN 000s)

## SEPARATE PROFIT AND LOSS ACCOUNT

for the 3-month period from 01.01.2023 to 31.03.2023

| CONTINUING OPERATIONS |  | First quarter<br>period<br>as of 01.01.2023<br>until 31.03.2023 | First quarter<br>period<br>as of 01.01.2022<br>until 31.03.2022 |
|-----------------------|--|---|---|
| <b>I</b>              | Sales revenue                                | 251 104   | 187 933   |
|                       | Revenue from construction contracts          | 248 026   | 187 083   |
|                       | Revenue from sale of services                | 3 067   | 840   |
|                       | Revenue from sale of goods and materials     | 11  | 10  |
| <b>II</b>             | Cost of sales                                | 237 160   | 172 940   |
| <b>III</b>            | Gross profit on sales                        | 13 944  | 14 993  |
| <b>IV</b>             | General and administrative expenses          | 13 451  | 11 583  |
| <b>V</b>              | Other operating income                       | 595   | 1 635   |
| <b>VI</b>             | Other operating expenses                     | 194   | 1 334   |
| <b>VII</b>            | Operating profit                             | 894   | 3 711   |
| <b>VIII</b>           | Financial income                             | 2 793   | 900   |
| <b>IX</b>             | Financial costs                              | 3 230   | 4 011   |
| <b>X</b>              | Gross profit                                 | 457   | 600   |
| <b>XI</b>             | Income tax                                   | 183   | 455   |
| <b>XII</b>            | Net profit from continuing operations        | 274   | 145   |
| <b>XIII</b>           | <b>Net profit</b>                            | <b>274</b>  | <b>145</b>  |
|                       | Net profit / (loss)                          | 274   | 145   |
|                       | Weighted average number of ordinary shares   | 20 000 000  | 20 000 000  |
|                       | Net profit / (loss) per ordinary share (PLN) | 0,01  | 0,01  |
|                       | Diluted net profit (loss) per ordinary share | 0,01  | 0,01  |

## SEPARATE STATEMENT OF COMPREHENSIVE INCOME

for the 3-month period from 01.01.2023 to 31.03.2023

| SPECIFICATION   | First quarter<br>period<br>as of 01.01.2023<br>until 31.03.2023 | First quarter<br>period<br>as of 01.01.2022<br>until 31.03.2022 |
|---|---|---|
| <b>Net profit / (loss) for the period</b>                       | <b>274</b>  | <b>145</b>  |
| Other comprehensive income                                      | 0   | 0   |
| Income tax relating to components of other comprehensive income | 0   | 0   |
| Total other comprehensive income after tax                      | 0   | 0   |
| <b>Total income</b>   | <b>274</b>  | <b>145</b>  |

Condensed interim separate financial statements for the period 01.01.2023 - 31.03.2023  
(in PLN 000s)

## SEPARATE STATEMENT OF FINANCIAL POSITION

as at 31.03.2023

| N    | ASSETS  | as at<br>31.03.2023 | as at<br>31.12.2022 | as at<br>31.03.2022 |
|------|---|---------------------|---------------------|---------------------|
| I    | <b>Fixed assets (long-term)</b>                       | <b>190 918</b>      | <b>184 364</b>      | <b>112 493</b>      |
| I.1  | Intangible assets                                     | 707                 | 694                 | 608                 |
| I.2  | Rights of use   | 58 062              | 59 321              | 25 646              |
| I.3  | Tangible fixed assets                                 | 58 565              | 51 899              | 18 839              |
| I.4  | Non-current trade and other receivables               | 1 346               | 1 348               | 203                 |
| I.5  | Non-current financial assets                          | 35 964              | 35 964              | 35 964              |
| I.6  | Deferred tax assets                                   | 26 491              | 26 674              | 26 743              |
| I.7  | Long-term accruals and deferred income                | 9 783               | 8 464               | 4 490               |
| II.  | <b>Current assets (short-term)</b>                    | <b>638 824</b>      | <b>665 546</b>      | <b>690 180</b>      |
| II.1 | Stocks  | 39 532              | 28 174              | 27 603              |
| II.2 | Trade and other receivables                           | 280 924             | 265 154             | 239 867             |
| II.3 | Income tax receivables                                | 396                 | 0                   | 596                 |
| II.4 | Advances for construction work                        | 19 791              | 13 379              | 20 702              |
| II.5 | Short-term financial assets                           | 6 786               | 961                 | 0                   |
| II.6 | Cash and cash equivalents                             | 59 987              | 175 015             | 119 455             |
| II.7 | Assets from the performance of construction contracts | 218 055             | 221 225             | 225 768             |
| II.8 | Other accruals and deferred income                    | 13 353              | 5 872               | 6 946               |
|      | <b>Total assets</b>                                   | <b>829 742</b>      | <b>894 144</b>      | <b>753 430</b>      |

| N     | EQUITY AND LIABILITIES  | as at<br>31.03.2023 | as at<br>31.12.2022 | as at<br>31.03.2022 |
|-------|---|---------------------|---------------------|---------------------|
| I     | <b>Equity</b>   | <b>49 534</b>       | <b>49 260</b>       | <b>27 452</b>       |
| I.1   | Core capital  | 44 801              | 44 801              | 44 801              |
| I.2   | Share premium   | 108 406             | 108 406             | 108 406             |
| I.3   | Reserve from reclassification of loans                        | 201 815             | 201 815             | 201 815             |
| I.4   | Retained earnings / (Uncovered losses)                        | -305 488            | -305 762            | -327 570            |
| II    | <b>Long-term liabilities</b>                                  | <b>180 438</b>      | <b>169 684</b>      | <b>134 222</b>      |
| II.1  | Interest-bearing bank loans and borrowings                    | 0                   | 0                   | 68 459              |
| II.2  | Long-term leasing liabilities                                 | 37 103              | 39 182              | 12 652              |
| II.3  | Non-current trade payables                                    | 27 617              | 27 725              | 32 613              |
| II.4  | Non-current liabilities for construction contracts            | 104 240             | 91 299              | 8 241               |
| II.5  | Long-term provisions  | 11 478              | 11 478              | 12 257              |
| III   | <b>Current liabilities</b>                                    | <b>599 770</b>      | <b>675 200</b>      | <b>591 756</b>      |
| III.1 | Current portion of interest-bearing bank loans and borrowings | 136 484             | 135 547             | 64 517              |
| III.2 | Current lease liabilities                                     | 14 806              | 14 150              | 7 371               |
| III.3 | Trade payables  | 136 238             | 174 528             | 171 529             |
| III.4 | Income tax  | 0                   | 3 069               | 0                   |
| III.5 | Other liabilities   | 28 008              | 45 564              | 24 253              |
| III.6 | Short-term provisions   | 10 534              | 12 103              | 6 777               |
| III.7 | Commitments in respect of construction contracts              | 77 502              | 93 961              | 130 147             |
| III.8 | Employee benefit obligations                                  | 7 036               | 5 755               | 4 987               |
| III.9 | Other accruals and deferred income                            | 189 162             | 190 523             | 182 175             |
| IV    | <b>Total liabilities</b>                                      | <b>780 208</b>      | <b>844 884</b>      | <b>725 978</b>      |
|       | <b>Total equity and liabilities</b>                           | <b>829 742</b>      | <b>894 144</b>      | <b>753 430</b>      |

Condensed interim separate financial statements for the period 01.01.2023 - 31.03.2023  
(in PLN 000s)

## SEPARATE CASH FLOW STATEMENT

for the 3-month period from 01.01.2023 to 31.03.2023

| N          | SPECIFICATION  | First quarter<br>period<br>as of 01.01.2023<br>until 31.03.2023 | First quarter<br>period<br>as of 01.01.2022<br>until 31.03.2022 |
|------------|--|---|---|
|            | <b>Cash flow from operating activities</b>                               |   |   |
| <b>I</b>   | <b>Gross profit / (loss)</b>   | <b>457</b>  | <b>600</b>  |
| <b>II</b>  | <b>Total adjustments</b>   | <b>-78 778</b>  | <b>-68 738</b>  |
| II.1       | Depreciation   | 6 051   | 2 985   |
| II.2       | Exchange rate differences  | -422  | 1 500   |
| II.3       | Interest received and paid   | 1 994   | 1 555   |
| II.4       | Profit/loss on investing activities                                      | -254  | -36   |
| II.5       | Increase/decrease in receivables   | -22 180   | -14 513   |
| II.6       | Increase/decrease in stocks  | -11 358   | -7 236  |
| II.7       | Increase/decrease in liabilities, except for loans and borrowings        | -38 794   | -13 520   |
| II.8       | Change in assets and liabilities for construction contracts and accruals | -9 228  | -34 129   |
| II.9       | Change in provisions   | -1 569  | -2 590  |
| II.10      | Income tax paid  | -3 465  | -2 780  |
| II.11      | Other  | 447   | 26  |
| <b>II</b>  | <b>Net cash flow from operating activities</b>                           | <b>-78 321</b>  | <b>-68 138</b>  |
| <b>III</b> | <b>Cash flow from investing activities</b>                               |   |   |
| III.1      | Sale of property, plant and equipment and intangible assets              | 386   | 144   |
| III.2      | Acquisition of property, plant and equipment and intangible assets       | -26 595   | -5 639  |
| III.3      | Interest and dividends received and paid                                 | 56  | 0   |
| III.4      | Other  | -6 000  | 0   |
| <b>III</b> | <b>Net cash from investing activities</b>                                | <b>-32 153</b>  | <b>-5 495</b>   |
| <b>IV</b>  | <b>Cash flow from financing activities</b>                               |   |   |
| IV.1       | Repayment of finance lease liabilities                                   | -3 863  | -2 174  |
| IV.2       | Repayment of loans / credits   | 0   | 0   |
| IV.3       | Interest paid  | -691  | -212  |
| <b>IV</b>  | <b>Net cash from financing activities</b>                                | <b>-4 554</b>   | <b>-2 386</b>   |
| <b>V</b>   | <b>Change in cash and cash equivalents</b>                               | <b>-115 028</b>   | <b>-76 019</b>  |
|            | Net exchange rate differences  | 0   | 0   |
| <b>VI</b>  | <b>Cash and cash equivalents at beginning of period</b>                  | <b>175 015</b>  | <b>195 474</b>  |
| <b>VII</b> | <b>Cash and cash equivalents at the end of the period</b>                | <b>59 987</b>   | <b>119 455</b>  |

Condensed interim separate financial statements for the period 01.01.2023 - 31.03.2023  
(in PLN 000s)

## SEPARATE STATEMENT OF CHANGES IN EQUITY

### as at 31.03.2023

| 1st quarter 2023<br>period<br>from 01.01.2023 to 31.03.2023 | Core capital | Supplement<br>ary/reserve<br>capital | Reserve from<br>reclassificatio<br>n of loans | Retained<br>earnings /<br>uncovered<br>losses | Equity<br>total |
|---|--------------|--------------------------------------|---|---|-----------------|
| As of 1 January 2023  | 44 801       | 108 406                              | 201 815                                       | -305 762                                      | 49 260          |
| Profit (loss) for the period                                | 0            | 0                                    | 0   | 274   | 274             |
| Other comprehensive income                                  | 0            | 0                                    | 0   | 0   | 0               |
| <b>Total comprehensive income</b>                           | 0            | 0                                    | 0   | 274   | 274             |
| Distribution of retained earnings                           | 0            | 0                                    | 0   | 0   | 0               |
| Dividends paid  | 0            | 0                                    | 0   | 0   | 0               |
| <b>As at 31 March 2023</b>                                  | 44 801       | 108 406                              | 201 815                                       | -305 488                                      | 49 534          |

| 2022 period<br>from 01.01.2022 to 31.12.2022 | Core capital | Supplement<br>ary/reserve<br>capital | Reserve from<br>reclassificatio<br>n of loans | Retained<br>earnings /<br>uncovered<br>losses | Equity<br>total |
|--|--------------|--------------------------------------|---|---|-----------------|
| Status on 1 January 2022                     | 44 801       | 108 406                              | 201 815                                       | -327 715                                      | 27 307          |
| Profit (loss) for the period                 | 0            | 0                                    | 0   | 21 953  | 21 953          |
| Other comprehensive income                   | 0            | 0                                    | 0   | 0   | 0               |
| <b>Total comprehensive income</b>            | 0            | 0                                    | 0   | 21 953  | 21 953          |
| Distribution of retained earnings            | 0            | 0                                    | 0   | 0   | 0               |
| Dividends paid                               | 0            | 0                                    | 0   | 0   | 0               |
| <b>As at 31 December 2022</b>                | 44 801       | 108 406                              | 201 815                                       | -305 762                                      | 49 260          |

| 1st quarter 2022<br>period<br>from 01.01.2022 to 31.03.2022 | Core capital | Supplement<br>ary/reserve<br>capital | Reserve from<br>reclassificatio<br>n of loans | Retained<br>earnings /<br>uncovered<br>losses | Equity<br>total |
|---|--------------|--------------------------------------|---|---|-----------------|
| Status on 1 January 2022                                    | 44 801       | 108 406                              | 201 815                                       | -327 715                                      | 27 307          |
| Profit (loss) for the period                                | 0            | 0                                    | 0   | 145   | 145             |
| Other comprehensive income                                  | 0            | 0                                    | 0   | 0   | 0               |
| <b>Total comprehensive income</b>                           | 0            | 0                                    | 0   | 145   | 145             |
| Distribution of retained earnings                           | 0            | 0                                    | 0   | 0   | 0               |
| Dividends paid  | 0            | 0                                    | 0   | 0   | 0               |
| <b>As at 31 March 2022</b>                                  | 44 801       | 108 406                              | 201 815                                       | -327 570                                      | 27 452          |

## ADDITIONAL INFORMATION AND EXPLANATIONS

### 1. General information

The condensed interim unconsolidated financial statements cover for the unconsolidated income statement the period of 3 months 2023 and include comparable data for the period of 3 months 2022, for the unconsolidated cash flow statement the period of 3 months 2023 and include comparable data for the period of 3 months 2022, and for the unconsolidated statement of financial position as at 31 March 2023, include comparable data as at 31 December 2023 and 31 March 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 abbreviated interim consolidated financial statements, which were approved on 26.05.2023.

The objective of the Management Board of Mostostal Warszawa S.A. is to maintain a strong position among the largest construction companies in the country. Its achievement will be the result of the Company's efforts aimed at:

- basing its operations on an efficient organisational structure that guarantees stable financial results and increased margins for further growth,
- implementing investments with the highest quality, ensuring safe working conditions on construction sites and supporting related initiatives,
- strengthening the role of Mostostal Warszawa S.A. as the central management centre of the capital group and strengthening cooperation within the Group in the development of regional centres,
- maintaining a network of representative offices covering the whole of Poland, which will be able to provide services in all segments of the construction industry as a general contractor,
- developing, as part of the activities of the Research and Development Department, new technologies to improve execution processes and which are important for the development and improvement of engineering ideas, and
- to nurture the heritage of Polish engineering thought and to develop technical knowledge through close cooperation with scientific institutions and to raise the level of education of future engineers by sharing with them the knowledge and experience gained in its more than 70-year history.

The composition of the Board of Directors as at 26.05.2023 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 26.05.2023 was as follows:

|                         |  |
|-------------------------|--|
| Antonio Muñoz Garrido   | - Chairman of the Supervisory Board      |
| Javiera 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 Q1 2023 were approved for publication by the Company's Board of Directors on 26.05.2023.

### 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 the period from 01.01.2023 to 31.03.2023 the Company generated a profit on sales of PLN 13,944 thousand and a net profit of PLN 274 thousand and recorded negative cash flows from operating activities of PLN 78,321 thousand. The Company's equity as at 31.03.2023 amounted to PLN 49,534 thousand.

An important element of the financing of the Company's operations is the loans granted by its upstream 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 31.03.2023 was PLN 3,705,714 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 Board of Directors 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 unconsolidated financial statements of Mostostal Warszawa S.A. have not been reviewed or audited by a statutory 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.

#### 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 standards did not have a material impact on the Company's accounting policies to date.

#### 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 a material impact on the financial statements if applied by the Company at the balance sheet date.

### 3.4 Currency of financial statements

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



*Expansion and reconstruction of the sewage treatment plant in Krosno*

## 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.

Condensed interim separate financial statements for the period 01.01.2023 - 31.03.2023  
(in PLN 000s)

### Revenue from uncompleted construction contracts at the balance sheet date

| Specification  | 31.03.2023     | 31.12.2022     | 31.03.2022     |
|--|----------------|----------------|----------------|
| Cumulative estimated revenue from uncompleted construction contracts   | 2 221 851      | 1 986 464      | 1 458 609      |
| Cumulative invoiced sales on uncompleted construction contracts  | 2 093 071      | 1 897 985      | 1 386 283      |
| <b>Assets and accruals for construction contracts not completed (per balance)</b>                            | <b>128 780</b> | <b>88 479</b>  | <b>72 326</b>  |
| Advances received for uncompleted construction contracts   | 171 978        | 132 025        | 96 560         |
| <b>Current and non-current assets and liabilities for construction contracts not completed (per balance)</b> | <b>-43 198</b> | <b>-43 546</b> | <b>-24 234</b> |
| Reconciliation to items from the separate statement of financial position:                                   |                |                |                |
| Assets and accruals for construction contracts not completed (per balance)                                   | 128 780        | 88 479         | 72 326         |
| Construction contract assets on completed contracts  | 79 511         | 79 511         | 111 614        |
| Advances received for uncompleted construction contracts   | 171 978        | 132 025        | 96 560         |
| <b>Current and non-current assets and liabilities for construction contracts (per balance)</b>               | <b>36 313</b>  | <b>35 965</b>  | <b>87 380</b>  |
| of which:  |                |                |                |
| Assets from the performance of construction contracts  | 218 055        | 221 225        | 225 768        |
| Non-current liabilities for construction contracts   | 104 240        | 91 299         | 8 241          |
| Current liabilities for construction contracts   | 77 502         | 93 961         | 130 147        |

During the course of construction contracts, unforeseen circumstances may arise that result in losses or deterioration of margins, 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 change 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 change in the contract 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.

Condensed interim separate financial statements for the period 01.01.2023 - 31.03.2023  
(in PLN 000s)

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.

| 31 March 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 |
|--|--|--|---|
| <b>Claims subject to litigation:</b>   | 235 802  | 806 221  | 499 353   |
| Contracts completed and accepted by the purchaser<br>Assets from the execution of construction contracts | 113 418  | 638 590  | 256 845   |
| Contracts terminated before completion of work<br>Assets from construction contracts                     | 122 384  | 167 631  | 242 508   |
| <b>Disputes at the stage of pre-court negotiations</b>   | 0  | 0  | 0   |
| Assets from the execution of construction contracts  |  |  |   |

| 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 |
|--|--|--|---|
| <b>Claims subject to litigation:</b>   | 235 802  | 806 221  | 499 353   |
| Contracts completed and accepted by the purchaser<br>Assets from the execution of construction contracts | 113 418  | 638 590  | 256 845   |
| Contracts terminated before completion of work<br>Assets from construction contracts                     | 122 384  | 167 631  | 242 508   |
| <b>Disputes at the pre-court negotiation stage</b>   | 0  | 0  | 0   |
| Assets from the execution of construction contracts  |  |  |   |

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   | 31.03.2023     | 31.12.2022    | 31.03.2022     |
|---|----------------|---------------|----------------|
| <b>Non-current liabilities for construction contracts</b> |                |               |                |
| Advances for construction work                            | 104 240        | 91 299        | 8 241          |
| <b>Total</b>  | <b>104 240</b> | <b>91 299</b> | <b>8 241</b>   |
| <b>Current liabilities for construction contracts</b>     |                |               |                |
| Accruals for the performance of construction contracts    | 9 764          | 53 235        | 41 828         |
| Advances for construction work                            | 67 738         | 40 726        | 88 319         |
| <b>Total</b>  | <b>77 502</b>  | <b>93 961</b> | <b>130 147</b> |

Assets due to the performance of construction contracts as at 31.03.2023 amounted to PLN 218,055 thousand and decreased by PLN 3,170 thousand compared to the end of last year. Accruals for the performance of construction contracts amounted to PLN 9,764 thousand and decreased by PLN 43,471 thousand compared to the end of 2022.

## **5. Significant changes in estimates**

The preparation of the financial statements requires the Management Board to make judgements, estimates and assumptions that affect the application of the accounting policies adopted and the reported 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 183 000 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 during other times of the year. In Q1 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 Q1 2023, the financial result was affected by the strengthening of the Polish currency against the euro compared to 31.12.2022, resulting in the recognition of positive exchange differences on the balance sheet valuation of loans in the amount of PLN 422 thousand.

## **8. Information on write-downs of inventories to net realisable value and reversals of write-downs thereon**

No inventory write-downs were created or reversed in Q1 2023.

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

In Q1 2023, the Company reversed impairment losses on receivables in the amount of PLN 146 thousand. No such allowances were created in the reporting period.

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

| Specification               | Reserve 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  | 0  | 57                           | 0                       | 57            |
| Used                        | -65  | -83                                      | -938                         | -540                    | -1 626        |
| Resolved                    | 0  | 0  | 0                            | 0                       | 0             |
| <b>As of 31.03.2023</b>     | <b>1 724</b>                                     | <b>2 310</b>                             | <b>13 034</b>                | <b>4 944</b>            | <b>22 012</b> |
| Long-term as at 31.03.2023  | 1 286  | 2 310                                    | 7 882                        | 0                       | 11 478        |
| Short-term as at 31.03.2023 | 438  | 0  | 5 152                        | 4 944                   | 10 534        |

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

Q1 2023, the Company did not enter into any material transactions related to property, plant and equipment.

## 12. Information on existing commitments to purchase tangible fixed assets

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

## 13. Information on significant monetary settlements for court cases

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

## 14. Corrections of prior period errors

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

## 15. 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.

## 16. Dividends paid (declared) by the Issuer

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

## 17. Changes to the basic management principles

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



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

17 April 2023 the Company received a set of relevant documents for the Loan Agreements with Acciona Construcción S.A. ("Acciona" the parent company of the Company - 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 to the Company the repayment date of the loan in the amount of EUR 13.49 million plus interest until 31 January 2024. The loan may also be repaid within a shorter period.

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

On 25 April 2023, the Company received a statement from Tauron 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;

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 Company informed in current report 11/2023 dated 25 April 2023, and consequently the Settlement has entered into force.

Mostostal was a passive member of the Consortium, and thus did not perform any work, services or supplies 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 relieves the Company of all liability, including warranty liability, and with respect to any obligation to make any settlement.

## 19. Contingent liabilities

|    | Specification   | 31.03.2023    | 31.12.2022    |
|----|---|---------------|---------------|
| 1. | Biomatec Sp. z o.o. - 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        |
|    | <b>Total</b>  | <b>65 120</b> | <b>65 407</b> |

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 31.03.2023 amounted to PLN 65,120 thousand and decreased by PLN 287 thousand compared to the end of last year.

## 20. Information on credits and loans contracted and terminated

The balance of loans payable as at 31.03.2023 amounted to PLN 136,484 thousand (the balance of loans payable as at 31.12.2022 amounted to PLN 135,547 thousand). The change in the balance of loans is due to accrued interest and the valuation as at the balance sheet date.

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 at 30.09.2022 | Due date   | Interest rate          |
|---|----------------|-----------------------------|------------------------------|------------|------------------------|
| Societe Generale S.A.<br>Branch in Poland | overdraft      | 10 000                      | 0                            | 31.07.2023 | Wibor 1M + bank margin |

No loan agreement was terminated in Q1 2023.

## 21. Information on transactions with related parties

Transactions with related parties were typical and routine transactions and were concluded on an arm's length basis.

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

| COMPANY NAME                                | 31.03.2023   | 31.12.2022   |
|---|--------------|--------------|
| Mostostal Power Development Sp. z o.o.      | 10           | 0            |
| Mostostal Kielce S.A.                       | 0            | 144          |
| Mostostal Płock S.A.                        | 58           | 59           |
| Acciona Facility Services Poland Sp. z o.o. | 70           | 69           |
| Acciona Nieruchomości Wilanów Sp. z o.o.    | 22           | 22           |
| AMK Kraków S.A.                             | 0            | 7            |
| Acciona Concesiones S.L.                    | 0            | 7            |
| Acciona Construcción S.A. Branch in Poland  | *4 423       | *2 658       |
| <b>TOTAL</b>                                | <b>4 583</b> | <b>2 966</b> |

\* including receivables of PLN 4,273 thousand (PLN 2,600 thousand as at 31.12.2022) 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.

Receivables from short-term loans to related parties (in thousands of PLN):

| COMPANY NAME                               | 31.03.2023 | 31.12.2022 |
|--|------------|------------|
| Acciona Construcción S.A. Branch in Poland | 6 000      | 0          |

\* including receivables of PLN 6,000 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 from related parties amounted to (in thousands of PLN):

| COMPANY NAME                               | 31.03.2023    | 31.12.2022    |
|--|---------------|---------------|
| Mostostal Power Development Sp. z o.o.     | 1 700         | 4 047         |
| Acciona Construcción S.A.                  | 14 050        | 12 119        |
| Acciona Construcción S.A. Branch in Poland | *1 300        | 0             |
| Mostostal Kielce S.A.                      | 185           | 937           |
| Mostostal Płock S.A.                       | 2             | 1 558         |
| <b>TOTAL</b>                               | <b>17 237</b> | <b>18 661</b> |

\* including liabilities of PLN 1,300 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    | 31.03.2023 | 31.12.2022 |
|-----------------|------------|------------|
| AMK Kraków S.A. | 132        | 132        |

Condensed interim separate financial statements for the period 01.01.2023 - 31.03.2023  
(in PLN 000s)

Sales of products, materials and goods from mutual transactions amounted to (in thousands of PLN):

| COMPANY NAME                                | 3 months ended<br>31.03.2023 | 3 months ended<br>31.03.2022 |
|---|------------------------------|------------------------------|
| Mostostal Power Development Sp. z o.o.      | 9                            | 7                            |
| Mostostal Kielce S.A.                       | 55                           | 0                            |
| Mostostal Plock S.A.                        | 155                          | 6                            |
| Acciona Facility Services Poland Sp. z o.o. | 62                           | 32                           |
| AMK Kraków S.A.                             | 11                           | 0                            |
| Acciona Construcción S.A. Branch in Poland  | *2 485                       | 32                           |
| <b>TOTAL</b>                                | <b>2 777</b>                 | <b>77</b>                    |

\* including sales of PLN 2,363 thousand included in the balance sheet 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 from mutual transactions amounted to (in thousands of PLN):

| COMPANY NAME                               | 3 months ended<br>31.03.2023 | 3 months ended<br>31.03.2022 |
|--|------------------------------|------------------------------|
| Mostostal Plock S.A.                       | 6 180                        | 0                            |
| Mostostal Power Development Sp. z o.o.     | 637                          | 236                          |
| Acciona Construcción S.A. Branch in Poland | 66                           | 22                           |
| Mostostal Kielce S.A.                      | 1 377                        | 2                            |
| AMK Kraków S.A.                            | 714                          | 1 485                        |
| Acciona Nieruchomości Wilanów Sp. z o.o.   | 8                            | 16                           |
| <b>TOTAL</b>                               | <b>8 982</b>                 | <b>1 761</b>                 |

Interest on loans received amounted to (in thousands):

| COMPANY NAME         | 3 months ended<br>31.03.2023 | 3 months ended<br>31.03.2022 |
|----------------------|------------------------------|------------------------------|
| Acciona Construcción | 1 359                        | 1 343                        |

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

As at 31.03.2023 the Company has received bank or insurance guarantees from the guarantee limits of Acciona Construcción S.A. in the total amount of PLN 674,611 thousand (PLN 709,039 thousand as at 31.12.2022).

As at 31.03.2023 the Company received promissory notes from subsidiaries with a total value of PLN 19,788 thousand (PLN 19,788 thousand as at 31.12.2022).

As at 31.03.2023 the Company had loan liabilities to Acciona Construcción S.A., Madrid, in the amount of PLN 136,484 thousand (as at 31.12.2022, the value of the loans was PLN 135,547 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 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.





Storage tanks in Fuel Depots

## 22. 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 three months ended 31 March 2023 and 31 March 2022.

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 3 months ended<br>31 March 2023                       | Industry and<br>energy | Infrastructure | General<br>construction | Unallocated<br>revenues, costs | Total          |
|---|------------------------|----------------|-------------------------|--------------------------------|----------------|
| <b>Sales revenue</b>  |                        |                |                         |                                |                |
| Sales to external customers                                     | 52 372                 | 102 000        | 96 167                  | 565                            | 251 104        |
| Sales between segments  | 0                      | 0              | 0                       | 0                              | 0              |
| <b>Total segment revenue</b>                                    | <b>52 372</b>          | <b>102 000</b> | <b>96 167</b>           | <b>565</b>                     | <b>251 104</b> |
| Segment profit (loss) (including operating income and expenses) | 3 238                  | 7 962          | 4 960                   | -1 815                         | 14 345         |
| Unallocated costs (management costs)                            | -                      | -              | -                       | 13 451                         | 13 451         |
| <b>Operating profit / (loss)</b>                                | <b>3 238</b>           | <b>7 962</b>   | <b>4 960</b>            | <b>-15 266</b>                 | <b>894</b>     |
| Financial income  | 24                     | 153            | 1 176                   | 1 440                          | 2 793          |
| Financial costs   | 0                      | 552            | 956                     | 1 722                          | 3 230          |
| <b>Gross profit (loss)</b>                                      | <b>3 262</b>           | <b>7 563</b>   | <b>5 180</b>            | <b>-15 548</b>                 | <b>457</b>     |
| Income tax  | -                      | -              | -                       | 183,00                         | 183            |
| <b>Net profit (loss) from continuing operations</b>             | <b>3 262</b>           | <b>7 563</b>   | <b>5 180</b>            | <b>-15 731</b>                 | <b>274</b>     |
| <b>Net profit (loss)</b>  | <b>3 262</b>           | <b>7 563</b>   | <b>5 180</b>            | <b>-15 731</b>                 | <b>274</b>     |

| Period of 3 months ended<br>31 March 2022                       | Industry and<br>energy | Infrastructure | General<br>construction | Unallocated<br>revenues,<br>costs | Total          |
|---|------------------------|----------------|-------------------------|-----------------------------------|----------------|
| <b>Sales revenue</b>  |                        |                |                         |                                   |                |
| Sales to external customers                                     | 37 158                 | 64 362         | 86 243                  | 170                               | 187 933        |
| Sales between segments  | 0                      | 0              | 0                       | 0                                 | 0              |
| <b>Total segment revenue</b>                                    | <b>37 158</b>          | <b>64 362</b>  | <b>86 243</b>           | <b>170</b>                        | <b>187 933</b> |
| Segment profit (loss) (including operating income and expenses) | 5 358                  | 4 944          | 6 803                   | -1 811                            | 15 294         |
| Unallocated costs (management costs)                            | -                      | -              | -                       | 11 583                            | 11 583         |
| <b>Operating profit / (loss)</b>                                | <b>5 358</b>           | <b>4 944</b>   | <b>6 803</b>            | <b>-13 394</b>                    | <b>3 711</b>   |
| Financial income  | 24                     | 544            | 155                     | 177                               | 900            |
| Financial costs   | 280                    | 108            | 760                     | 2 863                             | 4 011          |
| <b>Gross profit (loss)</b>                                      | <b>5 102</b>           | <b>5 380</b>   | <b>6 198</b>            | <b>-16 080</b>                    | <b>600</b>     |
| Income tax  | -                      | -              | -                       | 455                               | 455            |
| <b>Net profit (loss) from continuing operations</b>             | <b>5 102</b>           | <b>5 380</b>   | <b>6 198</b>            | <b>-16 535</b>                    | <b>145</b>     |
| <b>Net profit (loss)</b>  | <b>5 102</b>           | <b>5 380</b>   | <b>6 198</b>            | <b>-16 535</b>                    | <b>145</b>     |

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 the 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 Q1 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 (GDDKiA) with a 33 per cent share in sales and Synthos Dwory 7 Sp. z o.o. with a 12 per cent share. The other customers did not exceed the ten per cent share threshold in Mostostal Warszawa S.A.'s sales.

## 23. 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 tender 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 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 3 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.

## 24. Joint actions

The financial data of Mostostal Warszawa S.A. as at 31.03.2023 include values attributable to the Company on account of its 50 per cent share in Mostostal Acciona S19 Tunel Spółka Cywilna, 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".

## OTHER INFORMATION TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the period from 01.01.2023 to 31.03.2023

### 1. Selected financial data for Q1 2023



Sales revenue

**PLN 251 104 thousand**



Gross profit on sales

**PLN 13 944 thousand**



Order book

**PLN 3 705 714 thousand**



Cash

**PLN 59 987 thousand**



Net profit

**PLN 274 thousand**

Condensed interim separate financial statements for the period 01.01.2023 - 31.03.2023  
(in PLN 000s)

## SELECTED FINANCIAL DATA

| SPECIFICATION                                      | 1 quarter<br>YTD 2023<br>period<br>as of 01.01.2023<br>until 31.03.2023 | 1 quarter<br>YTD 2022<br>period<br>as of 01.01.2022<br>until 31.03.2022 | 1 quarter<br>YTD 2023<br>period<br>as of 01.01.2023<br>until 31.03.2023 | 1 quarter<br>YTD 2022<br>period<br>as of 01.01.2022<br>until 31.03.2022 |
|--|---|---|---|---|
|  | in PLN thousand   | in PLN thousand   | in EUR thousand   | in EUR thousand   |
| Sales revenue                                      | 251 104   | 187 933   | 53 421  | 40 440  |
| Gross profit (loss) from sales                     | 13 944  | 14 993  | 2 966   | 3 226   |
| Operating profit (loss)                            | 894   | 3 711   | 190   | 799   |
| Gross profit (loss)                                | 457   | 600   | 97  | 129   |
| Net profit (loss) from continuing operations       | 274   | 145   | 58  | 31  |
| Net profit (loss)                                  | 274   | 145   | 58  | 31  |
| Net cash flow from operating activities            | -78 321   | -68 138   | -16 662   | -14 662   |
| Net cash flow from investing activities            | -32 153   | -5 495  | -6 840  | -1 182  |
| Net cash from financing activities                 | -4 554  | -2 386  | -969  | -513  |
| Cash and cash equivalents at the end of the period | 59 987  | 119 455   | 12 830  | 25 675  |

| SPECIFICATION            | as at<br>31.03.2023 | as at<br>31.12.2022 | as at<br>31.03.2023 | as at<br>31.12.2022 |
|--------------------------|---------------------|---------------------|---------------------|---------------------|
|                          | in PLN thousand     | in PLN thousand     | in EUR thousand     | in EUR thousand     |
| Total assets             | 829 742             | 894 144             | 177 466             | 190 653             |
| Long-term liabilities    | 180 438             | 169 684             | 38 592              | 36 181              |
| Current liabilities      | 599 770             | 675 200             | 128 279             | 143 969             |
| Total liabilities        | 780 208             | 844 884             | 166 872             | 180 150             |
| Total equity             | 49 534              | 49 260              | 10 594              | 10 503              |
| 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 separate income statement and cash flow statement for the first quarter of 2023 were translated at an exchange rate of PLN 4.7005/EUR, being the arithmetic mean of the exchange rates announced by the National Bank of Poland for the last days of January, February and March 2023;
- individual asset and liability items of the separate 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

Sales revenue in the period from 01.01.2023 to 31.03.2023 amounted to PLN 251,104 thousand and was 34 per cent higher than in the corresponding period of 2022. Gross profit on sales in the reporting period amounted to PLN 13,944 thousand (in the corresponding period of 2022, gross profit on sales amounted to PLN 14,993 thousand). The company recorded a net profit of PLN 274 thousand in Q1 2023 (Q1 2022: net profit of PLN 145 thousand). The significant increase in sales is the result of entering the implementation phase of a number of contracts acquired under the design and build formula.

Short-term trade and other receivables as at 31.03.2023 amounted to PLN 280,924 thousand and increased by PLN 15,770 thousand compared to 31.12.2022.



The value of assets from construction contracts as at 31.03.2023 amounted to PLN 218,055 thousand, down by PLN 3,170 thousand compared with 31.12.2022.

Cash as at 31 March 2023 amounted to PLN 59,987 thousand and decreased by PLN 115,028 thousand compared with the balance as at 31 December 2022, mainly as a result of repayment of trade liabilities. In Q1 2023 the Company used an overdraft facility and loans, the balance of which as at 31.03.2023 amounted to PLN 136,484 thousand and increased by PLN 937 thousand compared to 31.12.2022.

Non-current liabilities in Q1 2023 increased by PLN 10,754 thousand compared to the balance as at 31.12.2022, mainly the impact of long-term advances for construction works. Short-term trade payables resulted in an increase of PLN 136,238 thousand and decreased by PLN 38,290 thousand compared to the balance as at 31.12.2022.



*Night TBM transport through Poland*

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

On 11 January 2023, the Company received from TAURON Wytwarzanie S.A. with its registered office in Jaworzno ("Tauron"), addressed to the Company and RAFAKO S.A. with its registered office in Racibórz ("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 ("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 delivery of the Call. The Management Board of the 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 at 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").

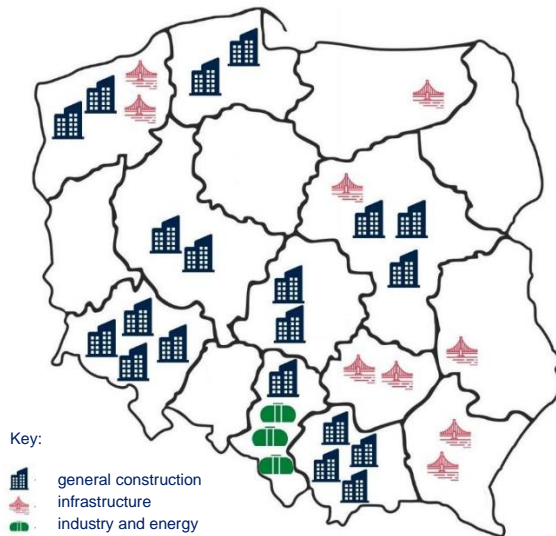
According to the Board, the most important provisions of the Settlement for the Company are:

- 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 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 stated that, pursuant to the Settlement, it is limiting all of its claims against the Contractor and the SPV, directly or indirectly related to the Contract, to the amount of PLN 240 million and, in order to satisfy this claim, Tauron will, until 17 April 2023, make a demand for payment against the guarantors under 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 entry into force of the Settlement are: (i) Tauron, E003B7, Rafako and Mostostal separately obtaining corporate approvals for the Settlement and the terms and conditions expressed therein; (ii) Rafako obtaining the approval of the court supervisor of Rafako for the Settlement and the terms and conditions expressed therein; (iii) Rafako's General Meetings adopting resolutions on the increase of Rafako's share capital; (iv) Tauron, Rafako, E003B7 and the guarantors concluding an agreement on the payment of the Demand Amount; (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 any other provisions of the Settlement Agreement, upon Tauron's receipt of an amount of not less than PLN 240 million from the guarantors, Tauron has undertaken, in the event of its willingness to demand performance of any performance by the Contractor or SPV (including indemnity performance), to demand the entirety of such performance to the exclusion of Mostostal, 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 Company as a partner in the execution consortium will cease

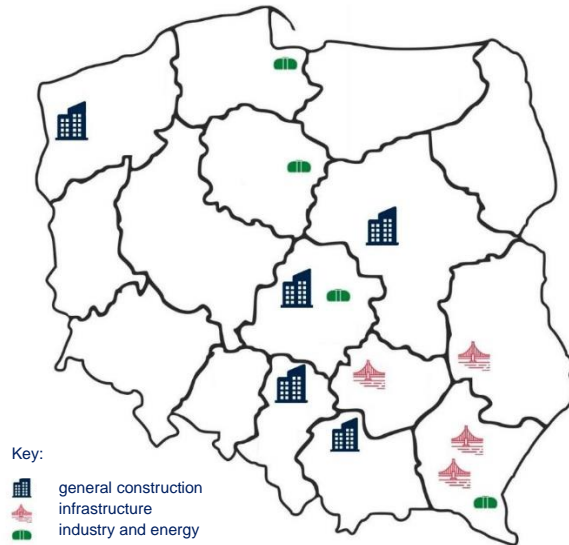
On 24 March 2023, the Company received a lawsuit for payment filed by Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie Spółka Akcyjna ("Claimant", "MPWiK"). The claim covered by the lawsuit was directed against three entities including the Company, jointly forming an executive consortium (the "Consortium") under a 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 scope involving the construction of the pipeline was the responsibility of another consortium partner. Thus, the Company fully disputes and considers the claim submitted by the Claimant to be unfounded.

On 29 March 2023, Mostostal Warszawa S.A. and Acciona Construcción 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 contract is PLN 80 million.

Current projects



Projects completed in 2022



### 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, resulting in the recognition of positive exchange differences on the balance sheet valuation of loans in the amount of PLN 422 thousand.

### 4. Description of the Kapiatel Group's organisation

The Mostostal Warszawa Group consists of the following subsidiaries:

| NAME OF ENTITY                         | Percentage of share capital held as at 31.03.2023. | Consolidation |
|--|--|---------------|
| Mostostal Kielce S.A.                  | 100,00   | Yes           |
| AMK Kraków S.A.                        | 100,00   | Yes           |
| Mostostal Płock S.A.                   | 48,69  | Yes           |
| Mostostal Power Development Sp. z o.o. | 100,00   | Yes           |

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.

### 5. Performance forecast

The company has not published financial result forecasts for 2023.  
On 10 May 2023, cumulative estimates for 3 months of 2023 were provided.



## 6. Major shareholders of the Company

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 members of the Management Board and Supervisory Board

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 ownership of the Issuer's shares by the managing and supervising persons.

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

The company is involved in proceedings concerning receivables with a total litigation value of PLN 855,565 thousand and proceedings concerning liabilities with a total value of PLN 608,670 thousand.

### 8.1 Proceedings with the highest value of litigation (Mostostal Warszawa S.A., as respondent)

#### a) 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.

#### b) 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 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.

#### c) 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.

**d) 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.

**e) 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.

**f) 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.

**g) 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.

**h) 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.

**i) 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.

**j) 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 "Filtr" 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 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.

**8.2 Proceedings with the highest value of litigation (Mostostal Warszawa S.A., as plaintiff)****a) 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 revoked 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 institute opinion was drawn up to determine the fuel intensity of the works.

**b) 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 (Poznań 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 Company in assets from the performance of construction contracts.

**c) 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 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, resulting 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 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 judgment of the Court of Appeal in its entirety and referred the case back to the Court of Appeal. On 26.05.2022 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 Company wrote off the assets related to this case.

**d) 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 the remuneration deducted as a contractual penalty - to PLN 13,244 thousand. As a result of the partial judgment of the Court of Appeal of 30.04.2021, the amount of PLN 13,244 thousand was awarded to the Company, together with interest in the amount of PLN 9,822 thousand. 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 Company in assets from the performance of construction contracts.

**e) 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 road S-7 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 Company has written off the assets related to this case.

**f) 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 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 the amount of PLN 81,824 thousand is payable to the Company. An expert opinion was drawn up in the case. The court ordered a supplementary opinion.

**g) 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 calculated 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 Company 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 (WACETOB) was prepared, 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.

**h) 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 the expert opinions in its possession, part of the amount claimed in court is presented by the Company 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 before the court.

**i) 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. as part of the investment project entitled Construction of a Thermal Waste Neutralisation Plant for the Szczecin Metropolitan Area in Szczecin. On 29 March 2018 Szczecin District Court 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 stay the enforcement of the judgments. The Court of Appeal granted the Respondent's request to stay the enforcement of the judgments until the cassation appeal 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 Company under trade and other receivables in the group of overdue receivables for which no allowances have been made. 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.

**j) 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 incurred in 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 the national road No. 8 to the parameters of an expressway within the section of the border of the Mazowieckie/Lódzkie 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 Company in assets from the performance of construction contracts.

**k) 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 junction) - Chęciny (Chęciny junction) in the extended time for completion. Part of the amount claimed in court is presented by the Company 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 the Company PLN 1.68 million.

**l) 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 an order for payment in proceedings by writ of payment. On 23 February 2018, 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. An expert witness 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 judgment 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. The defendant filed an appeal. As a result of the positive judgment, the Company recognised an asset in its books on this account in the amount of PLN 26,274 thousand.

**m) 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 in the opinion of the Company, which 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 Company in the item of trade and other receivables in the group of overdue receivables for which no allowances have been made. The expert prepared an opinion

in part favourable to the Claimant. The court admitted a supplementary opinion, which was received by the parties on 03 October 2022. The court asked additional questions of the expert.

**n) 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. In the statement of claim, Mostostal Warszawa S.A. is pursuing claims against the Respondent arising in the course of 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 Company in assets from the performance of construction contracts. On 28.05.2020 court hearing the case decided to dismiss the Respondent's motion to dismiss the lawsuit. The Respondent has appealed this order. Evidence proceedings are pending.

**o) Energa Kogeneracja Sp. z o.o. with its registered office in Elbląg ("Energa") (Respondent)**

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 Company under trade and other receivables in the group of overdue receivables for which no allowance has been made.

**p) Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji m.st. Warszawa S.A. ("MPWiK") (Respondent)**

Date of the lawsuit: 4.03.2019

Value of the dispute: PLN 9,438 thousand.

Lawsuit for payment for the amount paid by MPWiK - without factual or legal basis - from the contract performance bond. On 12.03.2019 the court issued a payment order in favour of Mostostal Warszawa in the writ of payment procedure. 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 the claim of Mostostal Warszawa S.A. . We are awaiting the justification of the judgment in order to prepare an appeal.

The amount claimed in court is presented by the Company under trade and other receivables in the group of overdue receivables for which no allowance has been made.

The Company recognised some of the claims from the above legal cases in its contract budgets and included them in prior years' income. Details are described in Note 4 of the Notes to the condensed interim separate financial statements for the period 01.01.2023 - 31.03.2023.

## 9. Information on transactions with related parties

The Company entered into transactions with related parties on an arm's length basis. Information on transactions with related parties is presented in Note 21 of the Notes to the condensed interim separate financial statements for the period 01.01.2023 - 31.03.2023.

## 10. Information on sureties granted by Mostostal Warszawa S.A. for loans, credits or granting guarantees

On 10 March 2023, the Company entered into a short-term loan agreement with Mostostal Acciona S19 Tunel spółka cywilna. The maximum value of the loan specified in the agreement is PLN 14 million, with a repayment date of 10 June 2023. As at the balance sheet date, the value of the loan granted was PLN 12 million. Mostostal Warszawa's share in the civil partnership Mostostal Acciona S19 Tunel is 50 per cent.

During the reporting period, the Company did not guarantee any loans or borrowings or provide guarantees to a single

entity of significant value.

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

In the opinion of the Management Board, there is no other information relevant to the assessment of the Company's situation other than the information listed in the notes to the condensed separate financial statements for the period 01.01.2023 - 31.03.2023 and the other paragraphs to the other information to the condensed separate financial statements for the period 01.01.2023 - 31.03.2023.

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

Factors that may affect the Company'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                       | Signatures |
|--------------------|--------------------------------|------------|
| Carlos Resino Ruiz | Member of the Management Board |            |
| Jarosław Reszka    | Proxy                          |            |

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